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# TOWN OF SHREWSBURY

MASSACHUSETTS 01545-5398

To: Board of Selectmen
Finance Committee

From: Daniel J. Morgado

Date: January 25, 2008

Re: Fiscal Year 2009 Budget

Pursuant to Section 16 of the Town Manager's Act, attached is my recommended budget for Fiscal Year 2009 together with all accompanying backup materials and analysis.

Initially, I wish to direct your attention to the materials that were prepared for the Board of Selectmen's financial workshop which took place on November 26[th] (see http://www.shrewsbury-ma.gov/manager/fy09.asp) which I incorporate by reference into this budget filing. Of particular note is my cover memo to the Board which detailed the events and circumstances that have preceded this budget submission. Also of note are the attachments which provide a context of our challenges which are being shared by nearly all municipalities across the Commonwealth. Finally, I set forth in these materials a series of questions that must be addressed during the upcoming period of deliberation and review.

For the past two years, I have advised you of a regression in our ability to keep pace with the service needs of this community resulting from the lack of financial resources. While we continue to provide excellent service to our residents, our staff is wearing thin, service levels are not keeping pace with demand and there is a continuing degrading of some of our facilities and public works infrastructure.

On the positive side, taxpayers of the Town of Shrewsbury continue to receive great value for their tax dollars, and the average single family residential tax bill (FY 2008 - $3,656) continues to be the lowest in the region. A recent article in the January 13, 2008, Boston Globe – Globe West listed average tax bills for several communities in the region with only the City of Waltham (FY 2008 - $3,381) (a community that classifies its tax rate $10.55 residential/$23.21 commercial and has a CIP of 53.5% versus our 11.6%) with a lower tax bill.

The spending plan enclosed totals $101,177,734 which includes an operating budget of $93,630,197, State, County and Local charges of $2,029,211, capital budget of $1,019,500 and warrant articles totaling some $3,498,826. The budget I file today is at least $4,255,163 out of balance.

I plan to close this gap during the budget deliberation process by adjusting revenue and/or by making additional reductions in the spending recommended. Based upon the impact that the entire casino gambling matter is having on the Commonwealth's budget process, I have chosen not to react to Governor Patrick's House Bill Two budget filing and will await the report of the House Ways and

Means Committee before making any additional adjustments in State Aid. I have shown an increase in Chapter 70 Funding in the amount of $1,180,331 (6.8% increase). Governor Patrick's budget filing indicates a Chapter 70 payment to the Town which is $266,811 higher than my current projection. So if the Governor's proposal becomes the floor, the deficit number is reduced by $266,811. It is important that everyone remain flexible concerning the use of any announced aid numbers until the entire spending program for the Commonwealth for Fiscal Year 2009 is clear particularly when it comes to the charge categories and especially on the matter of Charter Schools tuition and reimbursement. I have included as an attachment to Figure Four the printout from the Department of Revenue showing revenue and charges if the Governor's proposals are adopted.

I direct your attention to the various exhibits that follow this budget message which outline various components of this proposed budget and include historical analysis of various revenue and charge categories. I ask that you review these exhibits very carefully and advise on any questions to allow for further elaboration:

| FIGURE | TITLE | PURPOSE |
|---|---|---|
| One | Fiscal Projection One | Shows actual and projected revenue and charges for Fiscal Year 2008 and 2009. I have included for the projection notes that I use in making my estimates for your review and comment. |
| Two | Projections of New Growth | Shows historical and projected new growth together with a historical summary of selected building permit activity. |
| Three | Schedule A Receipts | Historical summary of actual receipts for the Fiscal Years 2000 to 2007, the current year's estimate and the projected local receipts for Fiscal Year 2009. |
| Four | State Aid & Charges | Historical summary of State Aid & Charges for the Fiscal Years 2000 to 2008, and the projected forward for Fiscal Year 2009. |
| Five | Tax Rate Recapitulations | Historical summary of Tax Recapitulations for the Fiscal Years 2001 to 2008. |
| Six | Debt Service Projection | Debt service projection for all issued permanent debt. |
| Seven | Combined Debt Service Schedule | This is the entire debt service schedule for the Town including some of the debt authorized and not formally issued. |
| Eight | Free Cash Estimate | Estimated Free Cash balance as of July 1, 2008. |

| | | |
|---|---|---|
| Nine | Trial Recapitulation | Trial recapitulation to determine surplus or deficit based on the current revenue and charge estimate. |
| Ten | Capital Budget Summary | Summary of capital requests of all departments for the period of Fiscal Year 2009 to 2013. Please note that portions of Figure Ten will need to be updated to reflect the current form of the Capital Budget. What is shown is the version that is several weeks old. |
| Ten-A | Capital Budget Recommendations | Summary of how I recommend addressing the Capital Budget request for Fiscal Year 2009. |
| Eleven | Surplus Revenue Account | Historical summary of surplus revenues and Free Cash for the period of Fiscal Years 1988 to 2007. |
| Twelve | Health Insurance Enrollment | A historical summary of health insurance enrollment trends. |
| Thirteen | Analysis of Net School Spending | Summary of Net School Spending for Fiscal Years 1995 to 2008. |
| Fourteen | Comparison of Authorized FTE Positions | Compares FTE from proposed Fiscal Year 2009 to authorized Fiscal Years 2008 and 1998 |
| Fifteen | Solid Waste Program With and Without PAYT | Shows impact of adopting a PAYT program. |
| Sixteen | Supplemental Budget | Supplemental budget request for Fiscal Year 2009. |
| Seventeen | Out Year Projection | Out year projection for the Fiscal Years 2010 to 2012 |

## REVENUE

I am projection making full use of the tax levy allowed including all exempted debt authorizations. You will note that first payments will be due on the Fire Facilities Project debt schedule in Fiscal Year 2009. I have provided an increase on Schedule A (Local Receipts) in keeping with the current projection we are carrying for Fiscal Year 2008 whereby the first six months have shown rates of collection above Fiscal Year 2007. Motor Vehicle Excise continues to concern me and I am watching the receipts carefully. You should fully expect to see at least one more revision to my Schedule A estimate.

I am showing the use of $3,500,000 in Free Cash, up $1,000,000 from Fiscal Year 2008. While I am reluctant to make such heavy use of Free Cash, I feel it necessary.

## CHARGES

I have shown a small increase in charges based on my current estimate which will change once more information is received. In the Governor's House Two budget filing, I note a sharp increase in Charter School tuitions which are subject to change.

## DEBT SERVICE

A more detailed explanation of the current debt service position of the Town is shown in Figures Six and Seven (attached) and within the Debt Service Budgets (Departments 0710, 0751 & 0752). I have again proposed the use of $500,000 in bond interest proceeds to moderate the tax rate impact of the High School Project.

## OPERATING BUDGET

The following is a summary of the budget by department (Note: Personnel Board does not include funding for modifications to pay and classification plan and to fund contracts with the various employee groups):

| | Fiscal Year 2008 Budget | Fiscal Year 2009 Request | Town Manager Fiscal Year 2009 Current Recommendation | Difference | Percent |
|---|---|---|---|---|---|
| PERSONNEL BOARD | $275,100 | $3,600 | $3,600.00 | ($271,500) | -98.69% |
| SELECTMEN | $22,463 | $22,463 | $22,763.00 | $300 | 1.34% |
| TOWN MANAGER | $296,137 | $302,472 | $301,472 | $5,335 | 1.80% |
| FINANCE COMMITTEE | $281,345 | $281,345 | $281,345 | $0 | 0.00% |
| ACCOUNTANT | $185,101 | $189,593 | $189,593 | $4,492 | 2.43% |
| ASSESSORS | $207,037 | $199,394 | $190,923 | ($16,114) | -7.78% |
| TREASURER-COLLECTOR | $362,393 | $362,937 | $362,937 | $544 | 0.15% |
| TOWN COUNSEL | $56,400 | $56,400 | $56,400 | $0 | 0.00% |
| MIS | $425,039 | $450,125 | $430,125 | $5,086 | 1.20% |
| TOWN CLERK | $168,068 | $168,692 | $168,692 | $624 | 0.37% |
| ELECTION AND REGISTRATION | $82,324 | $103,450 | $103,450 | $21,126 | 25.66% |
| CONSERVATION COMMISSION | $6,550 | $6,700 | $6,550 | $0 | 0.00% |
| PLANNING BOARD | $3,300 | $3,300 | $3,300 | $0 | 0.00% |
| BOARD OF APPEALS | $670 | $670 | $670 | $0 | 0.00% |
| PUBLIC BUILDINGS | $3,583,344 | $3,774,750 | $3,619,503 | $36,159 | 1.01% |
| POLICE DEPARTMENT | $4,118,894 | $4,144,518 | $4,204,923 | $86,029 | 2.09% |
| FIRE DEPARTMENT | $2,622,116 | $2,706,452 | $2,704,384 | $82,268 | 3.14% |
| BUILDING INSPECTOR | $214,087 | $236,207 | $236,207 | $22,120 | 10.33% |
| WEIGHTS & MEASURES | $3,000 | $3,000 | $3,000 | $0 | 0.00% |
| CIVIL DEFENSE | $2,160 | $2,160 | $2,244 | $84 | 3.89% |
| FORESTRY | $69,865 | $77,515 | $77,515 | $7,650 | 10.95% |
| PENSIONS | $2,538,769 | $2,629,497 | $2,629,497 | $90,728 | 3.57% |
| TOWN ENGINEER | $486,977 | $557,791 | $495,882 | $8,905 | 1.83% |
| HIGHWAYS | $1,525,129 | $2,017,631 | $1,657,814 | $132,685 | 8.70% |
| STREET LIGHTING | $154,444 | $148,943 | $148,943 | ($5,501) | -3.56% |

| | | | | | |
|---|---|---|---|---|---|
| SEWER | $2,731,716 | $3,073,201 | $2,765,538 | $33,822 | 1.24% |
| WATER | $1,926,403 | $1,975,403 | $1,977,989 | $51,586 | 2.68% |
| CEMETERIES | $120,837 | $122,100 | $121,596 | $759 | 0.63% |
| HEALTH | $2,013,111 | $2,176,247 | $2,176,377 | $163,266 | 8.11% |
| COUNCIL ON AGING | $249,356 | $282,069 | $253,972 | $4,616 | 1.85% |
| VETERAN'S SERVICES | $38,140 | $53,181 | $53,181 | $15,041 | 39.44% |
| COMMISSION ON DISABILITIES | $500 | $500 | $500 | $0 | 0.00% |
| LIBRARY | $1,195,367 | $1,284,271 | $1,214,426 | $19,059 | 1.59% |
| PARKS AND RECREATION | $485,815 | $526,880 | $505,754 | $19,939 | 4.10% |
| SCHOOLS | $42,733,949 | $46,882,724 | $46,882,724 | $4,148,775 | 9.71% |
| INTEREST AND MATURING DEBT | $8,677,615 | $9,036,661 | $9,281,661 | $604,046 | 6.96% |
| Unemployment Compensation Insurance | $100,000 | $100,000 | $100,000 | $0 | 0.00% |
| Group Health and Life Insurance | $6,940,000 | $8,400,000 | $8,400,000 | $1,460,000 | 21.04% |
| Medicare | $610,000 | $645,000 | $645,000 | $35,000 | 5.74% |
| Printing/Postage/Stationary | $120,000 | $121,027 | $121,027 | $1,027 | 0.86% |
| Gasoline and Oil | $360,000 | $436,392 | $436,392 | $76,392 | 21.22% |
| Radio Maintenance | $10,425 | $10,425 | $10,425 | $0 | 0.00% |
| WAREP Payment | $5,000 | $6,000 | $6,000 | $1,000 | 20.00% |
| Memorial Day | $3,195 | $3,195 | $3,195 | $0 | 0.00% |
| General Insurance | $680,000 | $680,000 | $680,000 | $0 | 0.00% |
| Non-Contributory Pensions | $3,752 | $3,752 | $3,752 | $0 | 0.00% |
| Out of State Travel | $0 | $0 | $0 | $0 | |
| Employee Assistance Program | $4,000 | $4,000 | $4,000 | $0 | 0.00% |
| Telephone System | $5,000 | $5,000 | $5,000 | $0 | 0.00% |
| Bills of Prior Year | $0 | $0 | $0 | $0 | |
| Ambulance Services | $82,000 | $79,956 | $79,956 | ($2,044) | -2.49% |
| UNCLASSIFIED | $8,923,372 | $10,494,747 | $10,494,747 | $1,571,375 | 17.61% |
| | $86,786,893 | $94,357,589 | $93,630,197 | $6,843,304 | 7.89% |
| General Government | $19,479,689 | $20,489,959 | $19,822,644.00 | $342,955 | 1.76% |
| Water & Sewer | $4,658,119 | $5,048,604 | $4,743,527.00 | $85,408 | 1.83% |
| Education | $42,733,949 | $46,882,724 | $46,882,724.00 | $4,148,775 | 9.71% |
| Fixed Costs | $19,915,136 | $21,936,302 | $22,181,302.00 | $2,266,166 | 11.38% |
| | $86,786,893 | $94,357,589 | $93,630,197.00 | $6,843,304 | 7.89% |

I direct your attention to the detail sheets accompanying each request which outline the staffing levels of each department together with any new budget initiatives or equipment being proposed for funding.

You will note that I have proposed only one additional position, a shared Junior Civil Engineer for the Water and Sewer Departments. I have stripped out all personnel requests in light of the current budget dynamic since meaningful reductions in spending can only be achieved through a reduction in the number of employees. This new position is very much needed to work on the sundry of water and sewer improvement projects that are planned for Fiscal Year 2009 and beyond.

I am prepared during the budget hearings to review with you the detail behind each of these large increases.

**SCHOOL BUDGET**

I am carrying at this time a School Budget of $46,882,724 which is a 9.7%, increase over Fiscal Year 2008. I am carrying this number as a means to file this budget but in no way do I believe this community can fund such a large increase based on the currently available revenue stream.

As of this writing, the School Budget is still under review by the School Committee and I will provide my analysis and recommendation under separate cover once I have had a chance to review their actual request.

**WARRANT ARTICLES**

I am proposing the following warrant articles:

| | |
|---|---|
| PAY AND CLASSIFICATION FUNDING | $350,000 |
| MEDICAL EXPENSES POLICE & FIRE | $2,500 |
| FY 2008 DEFICITS | $500,000 |
| CAPITAL BUDGET | $2,019,500 |
| ADDITIONAL STAFF POSITION – OFFICE OF THE TM | $61,230 |
| CEMETERY IMPROVEMENTS | $18,000 |
| BILLS OF PRIOR YEAR | $2,500 |
| STORM DRAINS | $250,000 |
| SIDWALKS | $25,000 |
| WATER SYSTEM IMPROVEMENTS | $1,025,000 |
| COMPREHENSIVE SITE ASSESSMENT FORMER MSW LANDFILL | $50,000 |
| COUNSELING AND EDUCATIONAL SERVICES | $72,000 |

Enclosed herein is the entire capital schedule submitted by all departments for the period of Fiscal Year 2009 to 2013 (Figure Nine) that I ask you to review carefully as there are a number of projects requested in Fiscal Year 2009 that I am not recommending for funding (see Figure Ten-A).

**ADDITIONAL MATTERS**

As I prepare this budget message, there are additional matters that are being considered and developed as follows:

Pay as you Throw (PAYT) – I have included in this filing a Figure 15 which outlines the tax levy impact of the adoption of PAYT. I feel the time is correct, to adopt a PAYT system for Fiscal Year 2009. The program will have both an ecological and financial impact upon this community and must be carefully considered. The budget I file today, does not assume PAYT for Fiscal Year 2009. An alternative to PAYT would be to override Proposition 2 1/2 for the incremental cost of the solid waste program that otherwise would require reductions in other departments. My proposed PAYT program reduces the deficit by nearly $1 Million.

Water and Sewer Rates – While not part of the budget discussion, I advise you that changes must be effected to increase our rate structures for both water and sewer and will be sending under separate cover a report on both of these utilities. This report will outline the current financial needs for operation and maintenance (O&M), system repair and replacement. You will note in Figure 9, I have reserved two warrant articles for sewer initiatives that are still under development.

Health Insurance Program (HIP) – On June 30, 2008, the three year agreement the Town has with its employees relative to the HIP will end. Over the months of February, March and April, I plan to outline and establish a new HIP for the next three year period. The budget I file today assumes no change in the program, which I consider to be financially impossible, so you can fully expect to see a revision of the Group Health and Life Insurance Budget reflective of the new program.

AvalonBay Communities Project – I have made no provisions within this budget of the financial impact of this project. As of this writing, the timetable for the development of the 400 units of housing has not been established. Once this occurs, then the revenue stream afforded via the mitigation and fee payments when need to be accounted for.

Wheelabrator-Millbury Inc. (WMI) – I have made an initial estimate of the impact of the new WMI agreement. Over the next several weeks, I hope to revise my estimate for both Fiscal Year 2009 and beyond.

Out Year Estimate – Based on feedback I have received, I have incorporated into this document an out year estimate. This is very much a work in progress and it will be revised throughout the next several weeks. I am always reluctant to project anything beyond the subsequent fiscal year since assumptions are based on information and assumptions that are always in flux. A prime example was the change effected in the Chapter 70 formula last year which put my estimate based on the Governor's House One budget well beyond the enacted budget. Therefore, I ask that any use of this out year projection be qualified.

## CONCLUSION

This budget filing is clearly in need of a tremendous amount of work but can serve as a basis to begin discussion as to how we will approach the fiscal challenges facing this community in Fiscal Year 2009.

I will provide to you updates as soon as information is made known to me.

I am available to meet with you at your convenience.

# FIGURE ONE
# FISCAL PROJECTION ONE
# FISCAL YEAR 2009

| Ref No. | REVENUE | FY 2008 ACTUAL | FY 2009 PROJECTED | DIFFERENCE |
|---|---|---|---|---|
| 1 | TAXATION | $45,864,506 | $43,776,192 | $2,006,887 |
| 2 | NEW GROWTH | | $500,000 | |
| 3 | EXEMPTED TAX LEVY | | $3,595,201 | |
| 4 | STATE AID | $21,693,871 | $22,877,854 | $1,183,983 |
| 5 | SBAB PAYMENT | $3,792,413 | $3,792,413 | $0 |
| 6 | OVERESTIMATES | $0 | $0 | $0 |
| 7 | SCHEDULE A RECEIPTS | $11,260,800 | $11,768,000 | $507,200 |
| 8 | FREE CASH | $2,000,000 | $3,000,000 | $1,000,000 |
| | OTHER AVAILABLE FUNDS | | | |
| 9 | SALE OF CEMETERY LOTS | $18,000 | $18,000 | $0 |
| 10 | SEWER SURPLUS | $3,186,086 | $2,794,092 | ($391,994) |
| 11 | SEWER CONSTRUCTION | $0 | $200,000 | $200,000 |
| 12 | LIGHT REVENUE | $291,434 | $487,500 | $196,066 |
| 13 | CATV REVENUE | $469,370 | $453,750 | ($15,620) |
| 14 | OTHER FUNDS (CHAPTER 90) | $0 | $723,655 | $723,655 |
| 15 | ACCOUNT TRANSFER | $0 | $593,408 | $593,408 |
| 16 | STABILIZATION | $0 | $0 | $0 |
| 17 | TITLE V LOAN REPAYMENTS | $15,128 | $15,128 | $0 |
| 18 | WATER SYSTEM IMPROVEMENTS | $200,000 | $0 | ($200,000) |
| 19 | WATER CONVERSATION FUND | $150,000 | $200,000 | $50,000 |
| 20 | CEMETERY TRUST FUNDS | $0 | $30,000 | $30,000 |
| 21 | SPECIAL FUNDS - COAL ASH | $530,000 | $390,639 | ($139,361) |
| 22 | SALE OF PROPERTY | $96,402 | $0 | ($96,402) |
| 23 | HIGHWAY IMPROVEMENTS | $0 | $0 | $0 |
| 24 | FREE CASH (REDUCE LEVY) | $500,000 | $500,000 | $0 |
| 25 | MUNICIPAL LIGHT (REDUCE LEVY) | $189,358 | $150,384 | ($38,974) |
| 26 | CATV REVENUE (REDUCE LEVY) | $492,491 | $556,355 | $63,864 |
| 27 | BOND INTEREST RESERVE | $500,000 | $500,000 | $0 |
| | **TOTAL REVENUE** | $91,249,859 | $96,922,571 | $5,672,712 |
| | **CHARGES** | | | |
| 28 | TAX TITLE | $0 | $0 | $0 |
| 29 | COURT JUDGEMENTS | $0 | $0 | $0 |
| 30 | OVERLAY DEFICITS | $0 | $0 | $0 |
| 31 | CHERRY SHEET OFFSETS | $81,348 | $85,000 | $3,652 |
| 32 | CMRPC | $7,256 | $7,437 | $181 |
| 33 | STATE AND COUNTY CHARGES | $1,150,859 | $1,336,774 | $185,915 |
| 34 | OVERLAY | $545,199 | $600,000 | $54,801 |
| | **TOTAL CHARGES** | $1,784,662 | $2,029,211 | $244,549 |
| | **TOTAL AVAILABLE FOR TOWN MEETING APPROPRIATION** | **$89,465,197** | **$94,893,360** | **$5,428,163** |
| 35 | **ESTIMATED TAX RATE** | **$9.14** | **$9.44** | |

1/23/2008

# PROJECTION NOTES
## FY 2009

| No. | Item | Computation | Notes | Information Source/Comment |
|---|---|---|---|---|
| 1 | Levy Limit | $ 42,708,480 | Fy 08 levy limit | Form filed by BOA with Fy 08 Tax Recap Sheet |
| | | $ 1,067,712 | 21/2% increase | |
| | | **$ 43,776,192** | **Fy 08 levy limit** | |
| 2 | New Growth | $ 500,000 | **Estimate Fy 09** | **New Growth estimated in the $55 million range - See Figure Two. New Growth Estimate will be revised once the timetable for AvalonBay Communities-South Project is Established.** |
| | | $ 561,235 | Fy 08 New Growth | Form filed by BOA with Fy 08 Tax Recap Sheet |
| | | $ 997,304 | Fy 07 New Growth | Form filed by BOA with Fy 07 Tax Recap Sheet |
| | | $ 548,711 | Fy 06 New Growth | Form filed by BOA with Fy 06 Tax Recap Sheet |
| | | $ 551,544 | Fy 05 New Growth | Form filed by BOA with Fy 05 Tax Recap Sheet |
| | | $ 563,179 | Fy 04 New Growth | Form filed by BOA with Fy 04 Tax Recap Sheet |
| | | $ 804,735 | Fy 03 New Growth | Based on FY 03 LA 13; This does not match DOR Levy Form |
| | | $ 879,895 | Fy 02 New Growth | Form filed by BOA with Fy 02 Tax Recap Sheet |
| | | $ 1,419,357 | Fy 01 New Growth | Form filed by BOA with Fy 01 Tax Recap Sheet |
| | | $ 833,094 | Fy 00 New Growth | Form filed by BOA with Fy 00 Tax Recap Sheet |
| | | $ 1,122,922 | Fy 99 New Growth | Form filed by BOA with Fy 00 Tax Recap Sheet |
| | | $ 713,090 | Fy 98 New Growth | Form filed by BOA with Fy 99 Tax Recap Sheet |
| | | $ 726,315 | Fy 97 New Growth | "At a Glance" report dated 2/2/99 |
| | | $ 689,741 | Fy 96 New Growth | "At a Glance" report dated 2/2/99 |
| 3 | Exempted Tax Levy | $ 599,750 | 90% of Floral Street School Debt Service | |
| | | $ (585,681) | SBAB Reimbursement - Floral Street | |
| | | $ (3,206,732) | SBAB Reimbursement - High School | |
| | | $ 232,383 | Open Space Bond | |
| | | $ 183,780 | HS School Land Bond | |
| | | $ 5,150,375 | New High School | See Figure Six |
| | | $ 173,250 | Open Space Bond #2 | |
| | | $ 609,067 | Oak Middle School | |
| | | $ 646,000 | Fire Facilities Project | |
| | | $ 228,750 | Allen Property BAN Costs | |
| | | $ (500,000) | Bond Interest Reserve Line Item #27 | |
| | | $ (26,112) | Bond Premium for Allen BAN that will be run through Free Cash and be part of FY 09 certification | |
| | | $ 90,371 | Free Cash transfer at 12/10/2007 STM to fund Oak Middle School and Fire Facilities Projects | |
| | | **$ 3,595,201** | **Total Exempted Debt Service** | |
| **4** | State Aid | **$ 22,877,854** | Projected for FY 2009 | See Figure Four |

| | | | | | | |
|---|---|---|---|---|---|---|
| 5 | SBAB | $ | 585,681 | Floral Street | | |
| | | $ | 3,206,732 | High School | | |
| | | **$** | **3,792,413** | **Total SBAB** | | |
| 6 | Overestimates | **$** | **-** | **No Overestimated Projected** | | |
| 7 | Schedule A | **$** | **11,768,000** | **Projected Local Receipts** | | See Figure Three |
| 8 | Free Cash | **$** | **3,000,000** | **7/1/07 Balance $4,850,038** | | |
| 9 | Sale of Lots | **$** | **18,000** | **Level Fund** | | |
| 10 | Sewer Surplus | **$** | **2,794,092** | | $2,765,538 | Operating Budget |
| | Balance as of 1/10/2008 | | | | $28,554 | Debt Service |
| | $3,769,801 | | | | $2,794,092 | |
| 11 | Sewer Construction | **$** | **200,000** | | $100,000 | Fund I & I Program |
| | Balance as of 1/10/2008 | | | | $100,000 | Install VFD Controls at Rolfe Avenue & Maple Avenue |
| | $2,229,801 | | | | $200,000 | |
| 12 | Light Revenue | $ | 80,250 | 1996 (2005) Town Hall | | See Figure Six |
| | | $ | 162,250 | 2001 Light Plant Upgrade | | |
| | | $ | 245,000 | 2008 Light Plant Upgrade | | |
| | | **$** | **487,500** | **Total Debt Service Budget FY 09** | | |
| 13 | CATV Revenue | **$** | **453,750** | **Total Debt Service Budget FY 09** | | See Figure Six |
| 14 | Chapter 90 | **$** | **723,655** | **Authorized at 12/10/2007 STM** | | |
| | | | Amount | | | Account |
| 15 | Account Transfers | | 70,000.00 | | | 585360 Study Water Plant Upgrade |
| | | | 12,570.52 | | | 585370 Water Mgmt Act |
| | | | 150,000.00 | | | 585380 P&I Masonic Tank |
| | | | 105,000.00 | | | 585400 Develop Additional Water Source |
| | | | 76,211.05 | | | 585410 Water Extension Brook |
| | | | 15,544.46 | | | 585420 Design Rt 9/Oak St |
| | | | 7,705.01 | | | 585430 R&I Home Farm Well |
| | | | 11,377.42 | | | 585570 Repair Air Stripping Tower |
| | | | 145,000.00 | | | 585920 Repairs to Hillside Tank |
| | | **$** | **593,408** | **Total Account Transfers** | | |

# PROJECTION NOTES
## FY 2009

| | | | | | |
|---|---|---|---|---|---|
| 16 | Stabilization | $ | - | **Balance as of 1/18/2008 $601,026.38** | |
| 17 | Total V Loan Repayments | $ | **15,128** | **Balance as of 6/1/2007 $74,040.08** | See Figure Six |
| 18 | Water System Improvements | $ | - | | |
| 19 | Water Conservation Fund | $ | **200,000** | **Balance as of 1/18/2008 $447,201.00** | $150,000 for New Meters; $50,000 System Controls |
| 20 | Cemetery Trust Funds | $ | **30,000** | **Repaving of Cemetery** | |
| 21 | Special Funds - Coal Ash | $ | 340,639 | To be applied against the Health Department Budget | |
| | | $ | 50,000 | Comprehensive Site Assessment for former MSW | |
| | | $ | **390,639** | **Total Coal Ash** | **Balance as of 1/18/2008 $390,638.71** |
| 22 | Sale of Property | $ | - | | |
| 23 | Highway Improvements | $ | - | | |
| 24 | Free Cash (Reduce Levy) | $ | **500,000** | **Fy 09 ($26,112 is a Bond Premium Pass Through)** | |
| | | $ | 500,000 | Fy 08 | FY 08 Recap Sheet; $48,590 was a bond premium |
| | | $ | 500,000 | Fy 07 | FY 07 Recap Sheet; $87,944 was a bond premium |
| | | $ | 500,000 | Fy 06 | FY 06 Recap Sheet; $141,098 was a bond premium |
| | | $ | 500,000 | Fy 05 | FY 05 Recap Sheet; $176,892 was a bond premium |
| | | $ | 728,416 | Fy 04 | FY 04 Recap Sheet; $228,416 was a bond premium |
| | | $ | 2,885,000 | Fy 03 | FY 03 Recap Sheet; $2,385,000 was a bond premium |
| | | $ | 435,000 | Fy 02 | FY 02 Recap Sheet |
| | | $ | 1,130,000 | Fy 01 | FY 01 Recap Sheet |
| | | $ | 1,130,000 | Fy 00 | Fy 00 Recap Sheet |
| 25 | Municipal Light (PILOT) | $ | **150,384** | **Fy 09** | Actual |
| | | $ | 189,358 | Fy 08 | FY 08 Recap Sheet |
| | | $ | 115,441 | Fy 07 | FY 07 Recap Sheet |
| | | $ | 121,995 | Fy 06 | FY 06 Recap Sheet |
| | | $ | 115,606 | Fy 05 | FY 05 Recap Sheet |
| | | $ | 118,531 | Fy 04 | FY 04 Recap Sheet |
| | | $ | 113,132 | Fy 03 | FY 03 Recap Sheet |
| | | $ | 112,244 | Fy 02 | FY 02 Recap Sheet |
| | | $ | 118,519 | Fy 01 | FY 01 Recap Sheet |
| | | $ | 111,886 | Fy 00 | Fy 00 Recap Sheet |
| 26 | CATV (PILOT) | $ | **556,355** | **Fy 09** | Actual |
| | | $ | 492,491 | Fy 08 | FY 08 Recap Sheet |
| | | $ | 454,691 | Fy 07 | FY 07 Recap Sheet |
| | | $ | 430,056 | Fy 06 | FY 06 Recap Sheet |
| | | $ | 386,504 | Fy 05 | FY 05 Recap Sheet |
| | | $ | 334,056 | Fy 04 | FY 04 Recap Sheet |
| | | $ | 283,927 | Fy 03 | FY 03 Recap Sheet |

| | | | | | |
|---|---|---|---|---|---|
| | | $ | 250,000 | Fy 02 | FY 02 Recap Sheet |
| | | $ | 250,000 | Fy 01 | FY 01 Recap Sheet |
| | | $ | 250,000 | Fy 00 | Fy 00 Recap Sheet |
| 27 | Bond Interest Reserve | **$** | **500,000** | **Balance as of 1/18/2008 $1,130,281** | |
| | | $ | 500,000 | Fy 08 | FY 08 Recap Sheet |
| | | $ | 800,000 | Fy 07 | FY 07 Recap Sheet |
| | | $ | - | Fy 06 | FY 06 Recap Sheet |
| | | $ | - | Fy 05 | FY 05 Recap Sheet |
| | | $ | - | Fy 04 | FY 04 Recap Sheet |
| | | $ | 821,732 | Fy 03 | FY 03 Recap Sheet |
| 28 | Tax Title | **$** | **-** | | |
| 29 | Court Judgments | **$** | **-** | | |
| 30 | Overlay Deficits | **$** | **-** | | |
| 31 | Cherry Sheet Offsets | **$** | **85,000** | **Fy 09 (Estimate)** | Estimated |
| | | $ | 81,348 | Fy 08 | FY 08 Recap Sheet |
| | | $ | 73,331 | Fy 07 | FY 07 Recap Sheet |
| | | $ | 73,909 | Fy 06 | FY 06 Recap Sheet |
| | | $ | 67,387 | Fy 05 | FY 05 Recap Sheet |
| | | $ | 61,412 | Fy 04 | FY 04 Recap Sheet |
| | | $ | 62,215 | Fy 03 | FY 03 Recap Sheet |
| | | $ | 62,793 | Fy 02 | FY 02 Recap Sheet |
| | | $ | 59,915 | Fy 01 | FY 01 Recap Sheet |
| | | $ | 58,321 | Fy 00 | Fy 00 Recap Sheet |
| 32 | CMRPC | **$** | **7,437** | **Fy 09** | Actual |
| | | $ | 7,256 | Fy 08 | FY 08 Recap Sheet |
| | | $ | 7,079 | Fy 07 | FY 07 Recap Sheet |
| | | $ | 6,906 | Fy 06 | FY 06 Recap Sheet |
| | | $ | 6,737 | Fy 05 | FY 05 Recap Sheet |
| | | $ | 6,574 | Fy 04 | FY 04 Recap Sheet |
| | | $ | 6,414 | Fy 03 | FY 03 Recap Sheet |
| | | $ | 4,777 | Fy 02 | FY 02 Recap Sheet |
| | | $ | 4,661 | Fy 01 | FY 01 Recap Sheet |
| | | $ | 4,547 | Fy 00 | Fy 00 Recap Sheet |
| 33 | State & County Charges | **$** | **1,336,774** | **Fy 09 (Estimate)** | Estimated |
| | | $ | 1,150,859 | Fy 08 | FY 08 Recap Sheet |
| | | $ | 882,906 | Fy 07 | FY 07 Recap Sheet |
| | | $ | 840,584 | Fy 06 | FY 06 Recap Sheet |
| | | $ | 694,057 | Fy 05 | FY 05 Recap Sheet |
| | | $ | 434,305 | Fy 04 | FY 04 Recap Sheet |

| | | | | | |
|---|---|---|---|---|---|
| | | $ | 205,797 | Fy 03 | FY 03 Recap Sheet |
| | | $ | 194,113 | Fy 02 | FY 02 Recap Sheet |
| | | $ | 201,558 | Fy 01 | FY 01 Recap Sheet |
| | | $ | 213,942 | Fy 00 | Fy 00 Recap Sheet |
| 34 | Overlay | **$** | **600,000** | **Fy 09 (Estimate)** | Estimate |
| | | $ | 545,199 | Fy 08 | FY 08 Recap Sheet |
| | | $ | 484,866 | Fy 07 | FY 07 Recap Sheet |
| | | $ | 451,929 | Fy 06 | FY 06 Recap Sheet |
| | | $ | 334,363 | Fy 05 | FY 05 Recap Sheet |
| | | $ | 465,564 | Fy 04 | FY 04 Recap Sheet |
| | | $ | 301,261 | Fy 03 | FY 03 Recap Sheet |
| | | $ | 257,908 | Fy 02 | FY 02 Recap Sheet |
| | | $ | 323,213 | Fy 01 | FY 01 Recap Sheet |
| | | $ | 213,975 | Fy 00 | Fy 00 Recap Sheet |
| | | $ | 246,985 | Fy 99 | "At a Glance" report dated 2/2/99 |
| | | $ | 278,496 | Fy 98 | "At a Glance" report dated 2/2/99 |
| 35 | Fy 08 Tax Rate | $ | 500,000 | projected new growth | |
| | | $ | 9.14 | current year tax rate | |
| | | $ | 5,017,998,457 | current value | |
| | | $ | 54,704,595 | value new growth | |
| | | $ | 5,072,703,052 | new value fy 09 | |
| | | $ | 43,776,192 | tax levy | |
| | | $ | 500,000 | new growth | |
| | | $ | 3,595,201 | exempted levy | |
| | | $ | 47,871,393 | total levy | |
| | | **$** | **9.44** | **tax rate fy 09** | |



1/23/2008

## FIGURE TWO
## NEW GROWTH AND BUILDING PERMIT ANALYSIS
## FISCAL YEAR 2001 TO 2009

| Property Class | FY 2009 | FY 2008 | FY 2007 | FY 2006 | FY 2005 | FY 2004 | FY 2003 | FY 2002 | FY 2001 |
|---|---|---|---|---|---|---|---|---|---|
| **Residential** | | | | | | | | | |
| Single Family | $25,000,000 | $26,852,550 | $47,161,250 | $38,246,930 | $39,569,980 | $25,091,945 | $38,944,480 | $63,437,300 | $66,927,300 |
| Condominium | $8,000,000 | $12,497,700 | $20,834,200 | $9,406,380 | $8,578,464 | $2,760,528 | $600,589 | $6,186,700 | $7,546,300 |
| Two & Three Family | $0 | $0 | $2,300,750 | $545,300 | $0 | $2,348,365 | $320,700 | $0 | $1,354,900 |
| Multi-Family | $14,750,000 | $10,267,700 | $21,621,100 | $0 | $809,800 | ($599,200) | $0 | $27,700 | $0 |
| Vacant Land | $0 | $2,949,462 | $4,054,800 | $767,350 | $191,853 | $5,048,600 | $1,196,697 | ($7,024,900) | ($8,007,509) |
| All Others | $0 | $0 | $76,071 | $0 | $0 | $1,067,968 | $22,346 | $346,550 | $1,159,496 |
| **Total Residential** | $47,750,000 | $52,567,412 | $96,048,171 | $48,965,960 | $49,150,097 | $35,718,206 | $41,084,812 | $62,973,350 | $68,980,487 |
| **Open Space** | $0 | $0 | $475,200 | $0 | $284,800 | $0 | $0 | $8,800 | $0 |
| **Commercial** | $2,000,000 | $1,301,604 | $3,721,970 | $4,062,627 | $3,708,079 | $2,532,670 | $4,657,056 | $5,146,950 | $4,244,792 |
| **Chapter 61, 61A, 61B** | $0 | $0 | $0 | $0 | $0 | $24,245 | $0 | | $0 |
| **Industrial** | $3,000,000 | $4,924,200 | $3,111,375 | $1,887,400 | $0 | $9,791,846 | $8,281,675 | $1,832,400 | $1,837,300 |
| **Personal Property** | $2,000,000 | $6,014,424 | $4,576,584 | $1,419,891 | $2,456,200 | $5,063,106 | $5,235,268 | $712,768 | $31,335,878 |
| **Total Valuation Growth** | $54,750,000 | $64,807,640 | $107,933,300 | $56,335,878 | $55,599,176 | $53,130,073 | $59,258,811 | $70,674,268 | $106,398,457 |
| **Tax Rate** | $9.14 | $8.66 | $9.24 | $9.74 | $9.92 | $10.60 | $13.58 | $12.45 | $13.34 |
| **New Growth** | $500,415 | $561,235 | $997,304 | $548,711 | $551,544 | $563,179 | $804,735 | $879,895 | $1,419,355 |

| **Building Permits** (Selected Areas) | **2007** | **2006** | **2005** | **2004** | **2003** | **2002** | **2001** | **2000** | **1999** |
|---|---|---|---|---|---|---|---|---|---|
| **One Family** | 34 | 39 | 53 | 68 | 96 | 128 | 126 | 178 | 244 |
| **Two Family** | 20 | 16 | 11 | 2 | 0 | 5 | 0 | 8 | 17 |
| **Apartment/Condos** | 2 | 14 | 12 | 7 | 34 | 16 | 6 | 8 | 8 |
| **Residential Alterations** | 268 | 307 | 309 | 308 | 345 | 297 | 293 | 238 | 216 |
| **Commercial** | 2 | 9 | 5 | 6 | 5 | 11 | 8 | 8 | 14 |
| **Commercial Alternations** | 51 | 62 | 40 | 34 | 46 | 41 | 62 | 42 | 35 |
| **Industrial** | 0 | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 0 |
| **Industrial Alterations** | 8 | 6 | 0 | 0 | 4 | 0 | 1 | 0 | 2 |
| **Total** | 385 | 454 | 430 | 425 | 530 | 499 | 496 | 482 | 536 |

| **New One-Family Homes 1990 to 1998** | | | | | | |
|---|---|---|---|---|---|---|
| 1990 | 61 | 1994 | 222 | 1998 | 269 |
| 1991 | 125 | 1995 | 157 | | |
| 1992 | 288 | 1996 | 221 | | |
| 1993 | 256 | 1997 | 261 | | |

| Single Family Home Construction | |
|---|---|
| 1990 to 1999 | 10,954 |
| 2000 to 2007 | 722 |

1/22/2008

**FIGURE THREE**
**SCHEDULE A RECEIPTS**
**FISCAL YEAR 2000 TO 2009**

| ITEM | PROPOSED FY 09 | PROJECTED FY 08 | ACTUAL FY 07 | ACTUAL FY 06 | ACTUAL FY 05 | ACTUAL FY 04 | ACTUAL FY 03 | ACTUAL FY 02 | ACTUAL FY 01 | ACTUAL FY 00 |
|---|---|---|---|---|---|---|---|---|---|---|
| MOTOR VEHICLE EXCISE | $4,400,000 | $4,200,000 | $4,411,326 | $4,688,251 | $4,680,209 | $4,260,729 | $4,438,140 | $4,127,776 | $3,919,368 | $3,770,230 |
| OTHER EXCISE | $60,000 | $55,000 | $60,720 | $49,047 | $47,454 | $44,571 | $52,128 | $69,073 | $75,927 | $63,055 |
| PENALTIES AND INTEREST | $170,000 | $170,000 | $185,248 | $217,472 | $220,875 | $203,838 | $158,815 | $131,076 | $177,166 | $171,002 |
| PAYMENT IN LIEU OF TAXES | $28,000 | $28,400 | $28,471 | $28,152 | $27,057 | $29,515 | $29,908 | $26,568 | $26,689 | $26,282 |
| CHARGES FOR SERVICES - WATER | $3,300,000 | $3,100,000 | $3,138,007 | $2,939,701 | $2,827,012 | $2,750,427 | $2,687,023 | $2,778,081 | $2,625,987 | $2,531,831 |
| CHARGES FOR SERVICES - ASH DISPOSAL* | $828,000 | $500,000 | $573,251 | $580,000 | $570,000 | $961,582 | $1,098,492 | $893,950 | $592,754 | $453,309 |
| FEES | $100,000 | $100,000 | $108,154 | $97,333 | $118,150 | $138,184 | $198,556 | $120,026 | $89,679 | $88,006 |
| RENTALS | $12,000 | $12,400 | $12,462 | $12,702 | $15,698 | $12,764 | $13,238 | $12,240 | $13,391 | $11,791 |
| DEPARTMENTAL REVENUE - SCHOOLS | $40,000 | $40,000 | $45,768 | $43,848 | $40,501 | $0 | $0 | $0 | $180 | $725 |
| DEPARTMENTAL REVENUE - LIBRARIES | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $97 | $456 | $541 |
| DEPARTMENTAL REVENUE - CEMETERIES | $50,000 | $75,000 | $81,348 | $42,297 | $31,380 | $34,820 | $31,905 | $30,798 | $36,935 | $30,844 |
| OTHER DEPARTMENTAL REVENUE | $225,000 | $225,000 | $255,636 | $295,018 | $227,967 | $337,487 | $328,916 | $198,007 | $189,727 | $138,407 |
| LICENSE AND PERMITS** | $550,000 | $550,000 | $609,097 | $1,237,994 | $373,429 | $423,937 | $385,023 | $618,764 | $354,409 | $422,312 |
| SPECIAL ASSESSMENTS | $30,000 | $30,000 | $30,131 | $35,150 | $31,575 | $21,584 | $47,422 | $35,456 | $84,848 | $21,434 |
| FINES AND FORFEITS | $250,000 | $250,000 | $296,276 | $271,803 | $186,372 | $310,446 | $298,028 | $273,867 | $270,726 | $208,634 |
| INVESTMENT INCOME | $1,400,000 | $1,500,000 | $1,621,437 | $1,126,738 | $932,675 | $1,229,492 | $1,561,045 | $980,007 | $1,753,148 | $1,721,010 |
| MISCELLANEOUS RECURRING | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $17,221 | $22,722 | $32,809 |
| MISCELLANEOUS NON-RECURRING | $100,000 | $150,000 | $190,576 | $150,070 | $172,413 | $185,840 | $247,705 | $2,835,775 | $0 | $0 |
| MEDICAID REIMBURSEMENT | $100,000 | $150,000 | $197,470 | $107,257 | $51,139 | $49,779 | $185,266 | $129,032 | $70,106 | $98,263 |
| SUPPLEMENTAL TAX PROGRAM | $125,000 | $125,000 | $147,927 | $47,040 | $169,937 | $178,455 | $89,088 | $104,070 | $142,235 | $0 |
| | $11,768,000 | $11,260,800 | $11,993,305 | $11,969,873 | $10,723,843 | $11,173,450 | $11,850,698 | $13,381,884 | $10,446,453 | $9,790,485 |
| ESTIMATE | | | $11,400,000 | $10,388,000 | $10,415,000 | $10,244,000 | $9,521,090 | $9,693,984 | $9,302,066 | $9,343,600 |
| OVER(UNDER) | | | $593,305 | $1,581,873 | $308,843 | $929,450 | $2,329,608 | $3,687,900 | $1,144,387 | $446,885 |
| PERCENT OVER(UNDER) | | | 5.2% | 15.2% | 3.0% | 9.1% | 24.5% | 38.0% | 12.3% | 4.8% |

* Subject to adjustment. Currently based on estimate of 120,000 CY's
** Subject to adjustment. Waiting on timetable for AvalonBay Project

FY 2002 total includes a bond premium of $2,384,823, AP Account Closeout of $449,443, building permit fee of $252,000 on the State Street Bank project and coal ash revenue of $180,806

FY 2003 total includes a bond premium of $247,705 and coal ash revenue of $364,000

FY 2006 total includes permit fees for the Charles River Labs & Avalon Shrewsbury Projects

## FIGURE FOUR
## STATE AID AND CHARGES
## FISCAL YEAR 2000 TO 2009

| Line Item | Fiscal Year 2009 Projected | Fiscal Year 2008 Actual | Fiscal Year 2007 Actual | Fiscal Year 2006 Actual | Fiscal Year 2005 Actual | Fiscal Year 2004 Actual | Fiscal Year 2003 Actual | Fiscal Year 2002 Actual | Fiscal Year 2001 Actual | Fiscal Year 2000 Actual |
|---|---|---|---|---|---|---|---|---|---|---|
| **REVENUE** | | | | | | | | | | |
| **A. EDUCATION** | | | | | | | | | | |
| 1. Chapter 70 | $18,600,000 | $17,419,669 | $15,898,949 | $13,800,607 | $11,948,701 | $10,287,704 | $8,745,774 | $7,590,859 | $6,394,912 | $5,616,512 |
| 2. School Transportation | $0 | $0 | $0 | $0 | $0 | $0 | $247,393 | $250,825 | $342,826 | $322,292 |
| 3. School Construction (Removed in FY 2006) | $0 | $0 | $0 | $0 | $3,702,732 | $3,697,772 | $496,000 | $496,000 | $496,000 | $598,150 |
| 5. Charter School Tuition Reimbursement | $351,651 | $351,651 | $222,350 | $193,772 | $131,443 | $10,440 | $0 | $0 | $0 | $0 |
| 5. Tuition State Wards | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $67,163 | $17,978 |
| 6. Chater School Capital Facility Reimbursement | $0 | $0 | $0 | $34,870 | $28,196 | $0 | $0 | $0 | $0 | $0 |
| 8. School Lunch (Offset) | $35,000 | $33,298 | $26,597 | $28,245 | $26,723 | $27,247 | $25,019 | $22,775 | $20,307 | $20,177 |
| **Sub-Total** | **$18,986,651** | **$17,804,618** | **$16,147,896** | **$14,057,494** | **$15,837,795** | **$14,023,163** | **$9,514,186** | **$8,360,459** | **$7,321,208** | **$6,575,109** |
| **B. GENERAL GOVERNMENT** | | | | | | | | | | |
| 1. Lottery, Beano & Charity Games | $3,168,140 | $3,168,140 | $3,107,117 | $2,493,603 | $2,110,492 | $2,110,492 | $2,250,774 | $2,482,932 | $2,324,233 | $2,123,910 |
| 2. Additional Assistance | $298,861 | $298,861 | $298,861 | $298,861 | $298,861 | $298,861 | $318,726 | $376,077 | $376,077 | $376,077 |
| 3. Highway Fund | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $51,858 | $207,431 | $207,431 |
| 6. Police Career Incentive | $143,439 | $143,439 | $159,050 | $166,024 | $150,155 | $140,291 | $129,068 | $119,784 | $101,872 | $78,330 |
| 8. Veteran's Benefits | $17,277 | $17,277 | $13,048 | $12,907 | $3,406 | $3,738 | $14,598 | $16,918 | $8,202 | $7,020 |
| 9. Exemptions (Vets,Blind,Surviving) | $70,048 | $70,048 | $31,591 | $31,025 | $34,421 | $34,499 | $30,907 | $30,431 | $30,772 | $31,608 |
| 10. Exemptions (Elderly) | $22,804 | $22,804 | $22,782 | $22,768 | $22,670 | $22,328 | $21,017 | $22,042 | $22,700 | $22,726 |
| 11. State Owned Land | $120,634 | $120,634 | $107,973 | $156,870 | $123,183 | $78,725 | $98,335 | $148,013 | $163,750 | $135,760 |
| 12. Public Libraries | $50,000 | $48,050 | $46,734 | $45,664 | $40,664 | $34,165 | $37,196 | $40,018 | $39,608 | $38,144 |
| **Sub-Total** | **$3,891,203** | **$3,889,253** | **$3,787,156** | **$3,227,722** | **$2,783,852** | **$2,723,099** | **$2,900,621** | **$3,288,073** | **$3,274,645** | **$3,021,006** |
| **Total State Aid** | **$22,877,854** | **$21,693,871** | **$19,935,052** | **$17,285,216** | **$18,621,647** | **$16,746,262** | **$12,414,807** | **$11,648,532** | $10,595,853 | **$9,596,115** |
| **CHARGES** | | | | | | | | | | |
| County Tax | $49,947 | $49,947 | $49,947 | $49,947 | $49,947 | $49,947 | $49,947 | $49,947 | $49,947 | $49,947 |
| Mosquito Control | $59,000 | $57,811 | $56,482 | $52,245 | $47,364 | $47,261 | $40,895 | $35,818 | $39,250 | $39,459 |
| Mosquito Control (Underestimate) | $0 | $0 | $0 | $0 | $0 | $0 | $3,659 | $0 | $0 | $0 |
| Air Pollution Districts | $9,500 | $9,220 | $9,076 | $8,834 | $8,484 | $8,187 | $7,860 | $7,368 | $7,104 | $6,838 |
| RMV Non-Renewal Surcharge | $19,380 | $19,380 | $20,240 | $16,700 | $13,500 | $16,400 | $17,880 | $17,340 | $21,360 | $25,980 |
| WRTA Assessment | $82,000 | $75,438 | $68,366 | $71,306 | $82,522 | $80,509 | $78,546 | $76,630 | $74,368 | $73,563 |
| Special Education | $0 | $0 | $0 | $0 | $9,648 | $5,501 | $7,010 | $7,010 | $9,529 | $18,155 |
| MBTA | $155,000 | $142,329 | $132,034 | $112,991 | $91,481 | $42,430 | $0 | $0 | $0 | $0 |
| School Choice Tuition | $61,947 | $61,947 | $99,364 | $104,140 | $78,761 | $45,890 | $0 | $0 | $0 | $0 |
| Charter School Tuition | $900,000 | $734,787 | $447,240 | $424,421 | $312,350 | $138,180 | $0 | $0 | $0 | $0 |
| **Sub-Total** | **$1,336,774** | **$1,150,859** | **$882,749** | **$840,584** | **$694,057** | **$434,305** | **$205,797** | **$194,113** | **$201,558** | **$213,942** |

## FIGURE FOUR
## STATE AID AND CHARGES
## FISCAL YEAR 2000 TO 2009

| Line Item | Fiscal Year 2009 Projected | Fiscal Year 2008 Actual | Fiscal Year 2007 Actual | Fiscal Year 2006 Actual | Fiscal Year 2005 Actual | Fiscal Year 2004 Actual | Fiscal Year 2003 Actual | Fiscal Year 2002 Actual | Fiscal Year 2001 Actual | Fiscal Year 2000 Actual |
|---|---|---|---|---|---|---|---|---|---|---|
| Overestimate - Mosquito Control | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $1,666 | $482 |
| Overestimate - Special Education | $0 | $0 | ($157) | $0 | $0 | $0 | $331 | $2,850 | $3,316 | $0 |
| Overestimate - Regional Transit | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| **Sub-Total** | $0 | $0 | ($157) | $0 | $0 | $0 | $331 | $2,850 | $4,982 | $482 |
| **Total Net Charges** | **$1,336,774** | **$1,150,859** | **$882,906** | **$840,584** | **$694,057** | **$434,305** | **$205,466** | **$191,263** | **$196,576** | **$213,460** |
| School Lunch Offset | $35,000 | $33,298 | $26,597 | $28,245 | $26,723 | $27,247 | $25,019 | $22,775 | $20,307 | $20,177 |
| Library Offset | $50,000 | $48,050 | $46,734 | $45,664 | $40,664 | $34,165 | $37,196 | $40,018 | $39,608 | $38,144 |
| **Total Off-Sets** | **$85,000** | **$81,348** | **$73,331** | **$73,909** | **$67,387** | **$61,412** | **$62,215** | **$62,793** | **$59,915** | **$58,321** |

| **Line Item** | **Fiscal Year 2009 Projected** | **Fiscal Year 2008 Actual** | **Fiscal Year 2007 Actual** | **Fiscal Year 2006 Actual** | **Fiscal Year 2005 Actual** | **Fiscal Year 2004 Actual** | **Fiscal Year 2003 Actual** | **Fiscal Year 2002 Actual** | **Fiscal Year 2001 Actual** | **Fiscal Year 2000 Actual** |
|---|---|---|---|---|---|---|---|---|---|---|
| "Education" Local Aid | $18,986,651 | $17,804,618 | $16,147,896 | $14,057,494 | $12,135,063 | $10,325,391 | $9,018,186 | $7,864,459 | $6,825,208 | $5,976,959 |
| "General Government" Local Aid | $3,891,203 | $3,889,253 | $3,787,156 | $3,227,722 | $2,783,852 | $2,723,099 | $2,900,621 | $3,288,073 | $3,274,645 | $3,021,006 |
| Charges and Offsets | $1,421,774 | $1,232,207 | $956,237 | $914,493 | $761,444 | $495,717 | $267,681 | $254,056 | $256,491 | $271,781 |
| Total | $21,456,080 | $20,461,664 | $18,978,815 | $16,370,723 | $14,157,471 | $12,552,773 | $11,651,126 | $10,898,476 | $9,843,362 | $8,726,184 |
| "General Government" Less Charges | $2,554,429 | $2,738,394 | $2,904,407 | $2,387,138 | $2,089,795 | $2,288,794 | $2,694,824 | $3,093,960 | $3,073,087 | $2,807,064 |

Indicates amount after "9C" reduction was made

# Massachusetts Department of Revenue
## Division of Local Services
## FY2009 Local Aid Estimates

January 24, 2008

## SHREWSBURY

| | FY08 Cherry Sheet Estimate | FY09 Governor's Budget (House 2) | Difference |
|---|---|---|---|
| **Education:** | | | |
| Chapter 70 | 17,419,669 | 18,866,811 | 1,447,142 |
| School Transportation | 0 | 0 | 0 |
| Retired Teachers' Pensions | 0 | 0 | 0 |
| Charter Tuition Assessment Reimbursement | 351,651 | 488,000 | 136,349 |
| **Offset Receipts:** | | | |
| School Lunch | 33,298 | 31,548 | (1,750) |
| School Choice Receiving Tuition | 0 | 0 | 0 |
| **Sub-Total, All Education Items** | **17,804,618** | **19,386,359** | **1,581,741** |
| **General Government:** | | | |
| Lottery Aid | 3,168,140 | 2,747,474 | (420,666) |
| Gaming Proceeds for Lottery Gap | 0 | 420,666 | 420,666 |
| **Total Lottery Aid** | 3,168,140 | 3,168,140 | 0 |
| Additional Assistance | 298,861 | 298,861 | 0 |
| Local Share of Racing Taxes | 0 | 0 | 0 |
| Regional Public Libraries | 0 | 0 | 0 |
| Police Career Incentive | 143,439 | 157,078 | 13,639 |
| Urban Renewal Projects | 0 | 0 | 0 |
| Veterans' Benefits | 17,277 | 29,272 | 11,995 |
| Exempt: Vets, Blind & Surviving Spouses | 70,048 | 67,515 | (2,533) |
| Exemptions: Elderly | 22,804 | 22,798 | ( 6) |
| State Owned Land | 120,634 | 129,446 | 8,812 |
| **Offset Receipts:** | | | |
| Public Libraries | 48,050 | 48,050 | 0 |
| **Sub-Total, All General Government** | **3,889,253** | **3,921,160** | **31,907** |
| **Total Estimated Receipts** | **21,693,871** | **23,307,519** | **1,613,648** |

# FY2009 Local Aid Assessments
## SHREWSBURY

| | FY08 Cherry Sheet Estimate | FY09 Governor's Budget (House 2) | Difference |
|---|---|---|---|
| **County Assessments** | **49,947** | **49,947** | **0** |
| **State Assessments and Charges:** | | | |
| Retired Employees Health Insurance | 0 | 0 | 0 |
| Retired Teachers Health Insurance | 0 | 0 | 0 |
| Mosquito Control Projects | 57,811 | 62,397 | 4,586 |
| Air Pollution Districts | 9,220 | 9,434 | 214 |
| Metropolitan Area Planning Council | 0 | 0 | 0 |
| Old Colony Planning Council | 0 | 0 | 0 |
| RMV Non-Renewal Surcharge | 19,380 | 21,780 | 2,400 |
| **Sub-Total, State Assessments** | **86,411** | **93,611** | **7,200** |
| **Transportation Authorities:** | | | |
| MBTA | 142,329 | 141,794 | ( 535) |
| Boston Metro. Transit District | 0 | 0 | 0 |
| Regional Transit | 75,438 | 70,799 | (4,639) |
| **Sub-Total, Transportation Authorities** | **217,767** | **212,593** | **(5,174)** |
| **Annual Charges Against Receipts:** | | | |
| Multi-Year Repayment Programs | 0 | 0 | 0 |
| Special Education | 0 | 12,892 | 12,892 |
| STRAP Repayments | 0 | 0 | 0 |
| **Sub-Total, Annual Charges** | **0** | **12,892** | **12,892** |
| **Tuition Assessments** | | | |
| School Choice Sending Tuition | 61,947 | 58,488 | (3,459) |
| Charter School Sending Tuition | 734,787 | 1,026,390 | 291,603 |
| Essex County Tech Sending Tuition | 0 | 0 | 0 |
| **Sub-Total, Tuition Assessments** | **796,734** | **1,084,878** | **288,144** |
| **Total Estimated Charges** | **1,150,859** | **1,453,921** | **303,062** |

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

**Please note that final Charter School and School Choice assessments may change significantly when updated to reflect spring enrollment data and final tuition rates.**

# FIGURE FIVE
# TAX RATE RECAPITULATIONS
# FISCAL YEAR 2001 TO 2008

| | ACTUAL FY 08 | ACTUAL FY 07 | ACTUAL FY 06 | ACTUAL FY 05 | ACTUAL FY 04 | ACTUAL FY 03 | ACTUAL FY 02 | ACTUAL FY 01 |
|---|---|---|---|---|---|---|---|---|
| **CHARGES** | | | | | | | | |
| APPROPRIATIONS | $89,465,197 | $88,001,485 | $83,343,542 | $77,611,947 | $76,082,197 | $68,397,505 | $64,314,219 | $59,547,857 |
| TAX TITLE | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| COURT JUDGMENTS | $0 | $0 | $0 | $0 | $0 | $0 | $126,964 | $119,334 |
| OVERLAY DEFICITS | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $803 |
| CHERRY SHEET OFFSETS | $81,348 | $73,331 | $73,909 | $67,387 | $61,412 | $62,215 | $62,973 | $59,915 |
| CMRPC | $7,256 | $7,079 | $6,906 | $6,738 | $6,574 | $6,413 | $4,777 | $4,660 |
| STATE AND COUNTY CHARGES | $1,150,859 | $882,906 | $840,584 | $694,057 | $434,305 | $205,797 | $194,113 | $201,558 |
| OVERLAY | $545,199 | $484,866 | $451,929 | $334,363 | $465,564 | $301,261 | $257,908 | $323,213 |
| **TOTAL TO BE RAISED** | $91,249,859 | $89,449,668 | $84,716,870 | $78,714,491 | $77,050,052 | $68,973,192 | $64,960,954 | $60,257,340 |
| **REVENUE** | | | | | | | | |
| STATE AID | $25,486,284 | $23,727,465 | $21,077,629 | $18,621,647 | $16,746,262 | $12,679,840 | $11,648,532 | $10,595,853 |
| OVERESTIMATES | $0 | $0 | $0 | $0 | $0 | $331 | $2,850 | $4,982 |
| SCHEDULE A RECEIPTS | $11,260,800 | $11,400,000 | $10,388,000 | $10,415,000 | $10,244,000 | $9,521,090 | $9,693,984 | $9,302,066 |
| FREE CASH | $2,000,000 | $1,250,000 | $2,000,000 | $2,380,000 | $3,000,000 | $1,501,785 | $1,056,827 | $1,348,000 |
| OTHER AVAILABLE FUNDS | | | | | | | | |
| SALE OF CEMETERY LOTS | $18,000 | $18,000 | $25,000 | $25,000 | $25,000 | $25,000 | $25,000 | $25,000 |
| SEWER SURPLUS | $2,746,086 | $2,970,000 | $3,566,655 | $2,300,000 | $2,000,400 | $2,140,000 | $1,650,000 | $1,525,000 |
| LIGHT REVENUE | $291,434 | $258,939 | $262,767 | $273,150 | $280,490 | $329,010 | $1,860,260 | $102,990 |
| CATV REVENUE | $469,370 | $484,635 | $499,545 | $514,456 | $529,365 | $736,140 | $820,863 | $924,158 |
| STABILIZATION | $0 | $0 | $170,000 | $635,000 | $185,000 | $0 | $275,000 | $0 |
| OTHER FUNDS (CHAPTER 90) | $0 | $1,397,858 | $508,066 | $422,311 | $424,567 | $431,755 | $425,099 | $210,686 |
| BUDGET/FUND TRANSFERS | $0 | $149,868 | $566,714 | $400,223 | $500,000 | $42,316 | $339,500 | $405,000 |
| HOME FARM WELL INTEREST | $0 | $0 | $0 | $0 | $1,450,000 | $0 | $0 | $2,091,000 |
| TITLE V RESERVE | $15,128 | $15,128 | $16,248 | $4,831 | $4,831 | $4,831 | $4,831 | $0 |
| INTEREST/PREMIUM RESERVE | $0 | $0 | $0 | $0 | $0 | $0 | $300,000 | $0 |
| WATER SYSTEM IMPRVMNTS | $200,000 | $305,702 | $500,000 | $0 | $930,000 | $430,000 | $0 | $0 |
| WATER CONSERVATION FUND | $150,000 | $50,000 | $30,000 | $0 | $0 | $0 | $0 | $0 |
| CEMETERY TRUST FUNDS | $0 | $30,000 | $75,000 | $71,500 | $0 | $0 | $0 | $0 |
| SPECIAL FUNDS - COAL ASH | $530,000 | $425,000 | $275,000 | $250,000 | $0 | $0 | $0 | $0 |
| HIGHWAY IMPROVEMENTS | $0 | $0 | $400,000 | $0 | $0 | $0 | $0 | $0 |
| SURPLUS SBAB (FLORAL) | $0 | $0 | $89,681 | $0 | $0 | $0 | $0 | $0 |
| SALE OF PROPERTY | $96,402 | $194,220 | | | | | | |
| SEWER CONSTRUCTION | $440,000 | $258,000 | | | | | | |
| FREE CASH (REDUCE LEVY) | $500,000 | $500,000 | $500,000 | $500,000 | $728,416 | $2,885,000 | $435,000 | $1,130,000 |
| MUNICIPAL LIGHT (REDUCE LEVY) | $189,358 | $115,441 | $121,995 | $115,606 | $118,531 | $113,132 | $112,244 | $118,519 |
| CATV REVENUE (REDUCE LEVY) | $492,491 | $454,691 | $430,056 | $386,504 | $334,056 | $283,927 | $250,000 | $250,000 |
| BOND INTEREST RESERVE | $500,000 | $800,000 | $0 | $0 | $0 | $821,732 | $0 | $0 |
| **TOTAL REVENUE** | $45,385,353 | $44,804,947 | $41,502,355 | $37,315,228 | $37,500,918 | $31,945,889 | $28,899,990 | $28,033,254 |
| **TOTAL LEVY** | $45,864,506 | $44,644,721 | $43,214,514 | $41,399,263 | $39,549,134 | $37,027,303 | $36,060,964 | $32,224,086 |
| **TAX RATE** | $9.14 | $8.66 | $9.24 | $9.74 | $9.92 | $10.60 | $13.58 | $12.45 |

1/21/2008

# FIGURE SIX
# DEBT SERVICE PROJECTION
# FISCAL YEAR 2009 TO 2028

| FISCAL YEAR | 1996 (2005) $10,000,000 FLORAL ST | 1996 (2005) $1,000,000 TOWN HALL | 1999 $5,300,000 CATV | 1999 $3,000,000 OPEN SPACE LAND PURCHASE | 1999 $2,400,000 HIGH SCHOOL LAND PURCHASE | 1999 $1,000,000 SENIOR CENTER | 2000 $86,947 TITLE V LOAN PROGRAM | 2001 $58,900,000 SENIOR HIGH SCHOOL | 2001 $2,000,000 OPEN SPACE LAND PURCHASE | 2001 $1,760,000 LIGHT PLANT |
|---|---|---|---|---|---|---|---|---|---|---|
| 2009 | $666,825 | $80,520 | $453,750 | $232,383 | $183,780 | $104,500 | $4,831 | $5,150,375 | $173,250 | $162,250 |
| 2010 | $642,304 | $76,890 | $432,775 | $225,408 | $178,380 | | $4,831 | $4,996,625 | $167,750 | $156,750 |
| 2011 | $621,344 | | $416,675 | $218,278 | $172,860 | | $4,831 | $4,842,875 | $162,250 | $151,250 |
| 2012 | $594,606 | | $400,400 | $211,070 | $167,280 | | $4,831 | $4,689,125 | $156,750 | $145,750 |
| 2013-2028 | $2,032,413 | | $750,750 | $1,166,225 | $1,007,400 | | $33,807 | $38,430,125 | $1,056,000 | $759,000 |
| | $4,557,492 | $157,410 | $2,454,350 | $2,053,364 | $1,709,700 | $104,500 | $53,131 | $58,109,125 | $1,716,000 | $1,375,000 |

| FISCAL YEAR | 2004 $286,611 CWMP | 2004 $105,896 TITLE V LOAN PROGRAM | 2004 $7,400,000 OAK MIDDLE SCHOOL | 2004 $1,250,000 NORTH SHORE SCHOOL ADDITION | 2005 $94,573 TITLE V LOAN PROGRAM | 2007 $169,732* CWMP | 2008** $6,800,000 FIRE FACILITIES PROJECT | 2008** $1,000,000 LIGHT PLANT | 2008** $1,250,000 WATER SYSTEM UPGRADE | TOTAL DEBT SERVICE |
|---|---|---|---|---|---|---|---|---|---|---|
| 2009 | $14,502 | $5,568 | $609,067 | $120,279 | $4,729 | $14,052 | $646,000 | $245,000 | $181,250 | $9,052,911 |
| 2010 | $14,717 | $5,568 | $597,966 | $117,728 | $4,729 | $12,973 | $630,700 | $236,000 | $175,625 | $8,677,719 |
| 2011 | $14,734 | $5,568 | $586,173 | $115,019 | $4,729 | $12,973 | $615,400 | $227,000 | $170,000 | $8,341,959 |
| 2012 | $14,988 | $5,568 | $573,685 | $112,150 | $4,729 | $12,973 | $600,100 | $218,000 | $164,375 | $8,076,380 |
| 2013-2028 | $134,650 | $61,071 | $6,138,208 | $758,306 | $66,199 | $116,760 | $7,520,800 | $209,000 | $868,125 | $61,108,839 |
| TOTAL | $193,591 | $83,343 | $8,505,099 | $1,223,482 | $85,115 | $169,731 | $10,013,000 | $1,135,000 | $1,559,375 | $95,257,808 |

* Includes Fee Of $1,079

** Authorized But Not Issued - Subject to Change

| DEBT SERVICE FUNDED FROM WITHIN THE TAX LEVY | DEBT SERVICE FUNDED FROM OUTSIDE THE TAX LEVY*** | DEBT SERVICE FUNDED FROM NON TAX REVENUE | TOTAL DEBT SERVICE |
|---|---|---|---|
| $291,462 | $7,594,998 | $1,166,452 | $9,052,911 |
| $181,958 | $7,374,903 | $1,120,858 | $8,677,719 |
| $177,153 | $7,157,046 | $1,007,760 | $8,341,959 |
| $171,611 | $6,933,155 | $971,614 | $8,076,380 |
| $961,547 | $57,147,930 | $2,999,362 | $61,108,839 |
| $1,783,731 | $86,208,031 | $7,266,046 | $95,257,808 |

*** Not adjusted for SBAB Reimbursement

1/22/2008

## FIGURE SEVEN
## COMBINED DEBT SERVICE SCHEDULE
## ADJUSTED FOR OFFSETTING REVENUE
## FISCAL YEAR 2009 TO 2028

| Issue No. | Date of Issue | Purpose | Type of Payment | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | 2/1/1996 | **Floral St (EXEMPT)** | Principal | 476,100 | 468,350 | 463,000 | 454,450 | 420,500 | 416,000 | 411,650 | 402,700 | |
| | 2/1/2005 | $9,000,000 | Interest | 123,649 | 109,366 | 95,316 | 80,268 | 64,363 | 49,645 | 34,565 | 19,128 | |
| | | | Total | 599,749 | 577,716 | 558,316 | 534,718 | 484,863 | 465,645 | 446,215 | 421,828 | |
| 1 | 2/1/1996 | **Floral St** | Principal | 52,900 | 52,000 | 52,000 | 50,550 | 49,500 | 49,000 | 48,350 | 47,300 | |
| | 2/1/2005 | $1,000,000 | Interest | 14,175 | 12,588 | 11,028 | 9,338 | 7,569 | 5,836 | 4,060 | 2,247 | |
| | | | Total | 67,075 | 64,588 | 63,028 | 59,888 | 57,069 | 54,836 | 52,410 | 49,547 | |
| 2 | 2/1/1996 | **Town Hall Addition** | Principal | 76,000 | 74,650 | | | | | | | |
| | 2/1/2005 | $1,000,000 | Interest | 4,520 | 2,240 | | | | | | | |
| | | | Total | 80,520 | 76,890 | | | | | | | |
| 3 | 6/1/1999 | **CATV Upgrade** | Principal | 355,000 | 350,000 | 350,000 | 350,000 | 350,000 | 350,000 | | | |
| | | $5,300,000 | Interest | 98,750 | 82,775 | 66,675 | 50,400 | 33,775 | 16,975 | | | |
| | | | Total | 453,750 | 432,775 | 416,675 | 400,400 | 383,775 | 366,975 | | | |
| 4 | 6/1/1999 | **Land Acquisition** | Principal | 155,000 | 155,000 | 155,000 | 155,000 | 155,000 | 155,000 | 155,000 | 155,000 | 155,000 |
| | | $3,000,000 | Interest | 77,383 | 70,408 | 63,278 | 56,070 | 48,708 | 41,268 | 33,750 | 26,000 | 18,250 |
| | | | Total | 232,383 | 225,408 | 218,278 | 211,070 | 203,708 | 196,268 | 188,750 | 181,000 | 173,250 |
| 5 | 6/1/1999 | **Land Acquisition (HS)** | Principal | 120,000 | 120,000 | 120,000 | 120,000 | 120,000 | 120,000 | 120,000 | 120,000 | 120,000 |
| | | $2,400,000 | Interest | 63,780 | 58,380 | 52,860 | 47,280 | 41,580 | 35,820 | 30,000 | 24,000 | 18,000 |
| | | | Total | 183,780 | 178,380 | 172,860 | 167,280 | 161,580 | 155,820 | 150,000 | 144,000 | 138,000 |
| 6 | 6/1/1999 | **Senior Center** | Principal | 100,000 | | | | | | | | |
| | | $1,000,000 | Interest | 4,500 | | | | | | | | |
| | | | Total | 104,500 | | | | | | | | |
| 7 | 10/25/2000 | **Title V Loan Program #1** | Principal | 4,831 | 4,831 | 4,831 | 4,831 | 4,831 | 4,831 | 4,829 | 4,829 | 4,829 |
| | | $86,947 | Interest | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | Total | 4,831 | 4,831 | 4,831 | 4,831 | 4,831 | 4,831 | 4,829 | 4,829 | 4,829 |
| 8 | 8/15/2001 | **High School** | Principal | 3,075,000 | 3,075,000 | 3,075,000 | 3,075,000 | 3,075,000 | 3,075,000 | 3,075,000 | 3,075,000 | 3,075,000 |
| | | $58,900,000 | Interest | 2,075,375 | 1,921,625 | 1,767,875 | 1,614,125 | 1,460,375 | 1,306,625 | 1,152,875 | 999,125 | 845,375 |
| | | | Total | 5,150,375 | 4,996,625 | 4,842,875 | 4,689,125 | 4,535,375 | 4,381,625 | 4,227,875 | 4,074,125 | 3,920,375 |
| 9 | 8/15/2001 | **Land Acquisition** | Principal | 110,000 | 110,000 | 110,000 | 110,000 | 110,000 | 110,000 | 110,000 | 110,000 | 110,000 |
| | | $2,000,000 | Interest | 63,250 | 57,750 | 52,250 | 46,750 | 41,250 | 35,750 | 30,250 | 24,750 | 19,250 |
| | | | Total | 173,250 | 167,750 | 162,250 | 156,750 | 151,250 | 145,750 | 140,250 | 134,750 | 129,250 |
| 10 | 8/15/2001 | **Light Upgrade** | Principal | 110,000 | 110,000 | 110,000 | 110,000 | 110,000 | 110,000 | 110,000 | 110,000 | 110,000 |
| | | $1,760,000 | Interest | 52,250 | 46,750 | 41,250 | 35,750 | 30,250 | 24,750 | 19,250 | 13,750 | 8,250 |
| | | | Total | 162,250 | 156,750 | 151,250 | 145,750 | 140,250 | 134,750 | 129,250 | 123,750 | 118,250 |

FIGURE SEVEN
Combined Debt Service Schedule
Adjusted For Offsetting Revenue
Fiscal Year 2009 to 2028

| Issue No. | Date of Issue | Purpose | Type of Payment | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 11 | 7/26/2001 | **Assabet River CWMP #1** | Principal | 11,501 | 11,930 | 12,167 | 12,628 | 12,198 | 11,931 | 15,075 | 14,746 | 14,422 |
| | 2/1/2005 | $1,760,000 | Interest | 3,000 | 2,787 | 2,567 | 2,360 | 2,124 | 1,888 | 1,652 | 1,368 | 1,085 |
| | | | Total | 14,501 | 14,717 | 14,734 | 14,988 | 14,322 | 13,819 | 16,727 | 16,114 | 15,507 |
| 12 | 8/1/2004 | **Title V Loan Program #2** | Principal | 5,568 | 5,568 | 5,568 | 5,568 | 5,403 | 5,541 | 5,541 | 5,541 | 5,541 |
| | | $105,896 | Interest | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| | | | Total | 5,568 | 5,568 | 5,568 | 5,568 | 5,403 | 5,541 | 5,541 | 5,541 | 5,541 |
| 13 | 11/19/2004 | **Oak Middle School** | Principal | 370,000 | 370,000 | 370,000 | 370,000 | 370,000 | 370,000 | 370,000 | 370,000 | 370,000 |
| | | $7,400,000 | Interest | 239,066 | 227,966 | 216,173 | 203,685 | 190,504 | 176,860 | 162,754 | 148,185 | 133,384 |
| | | | Total | 609,066 | 597,966 | 586,173 | 573,685 | 560,504 | 546,860 | 532,754 | 518,185 | 503,384 |
| 14 | 11/19/2004 | **North Shore School** | Principal | 85,000 | 85,000 | 85,000 | 85,000 | 85,000 | 85,000 | 85,000 | 80,000 | 80,000 |
| | | $1,250,000 | Interest | 35,278 | 32,728 | 30,019 | 27,150 | 24,122 | 20,987 | 17,747 | 14,500 | 11,300 |
| | | | Total | 120,278 | 117,728 | 115,019 | 112,150 | 109,122 | 105,987 | 102,747 | 94,500 | 91,300 |
| 15 | 10/24/2005 | **Title V Loan Program #3** | Principal | 4,729 | 4,729 | 4,729 | 4,729 | 4,729 | 4,729 | 4,729 | 4,729 | 4,729 |
| | | $94,573 | Interest | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | Total | 4,729 | 4,729 | 4,729 | 4,729 | 4,729 | 4,729 | 4,729 | 4,729 | 4,729 |
| 16 | 12/18/2007 | **Assabet River CWMP #2** | Principal | 14,053 | 12,973 | 12,973 | 12,973 | 12,973 | 12,973 | 12,973 | 12,973 | 12,973 |
| | | $168,653 | Interest | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | Total | 14,053 | 12,973 | 12,973 | 12,973 | 12,973 | 12,973 | 12,973 | 12,973 | 12,973 |
| **Existing Debt Service** | | | | | | | | | | | | |
| | | Total Principal | | 5,125,682 | 5,010,031 | 4,930,268 | 4,920,729 | 4,885,134 | 4,880,005 | 4,528,147 | 4,512,818 | 4,062,494 |
| | | Total Interest | | 2,854,976 | 2,625,363 | 2,399,291 | 2,173,176 | 1,944,620 | 1,716,404 | 1,486,903 | 1,273,053 | 1,054,894 |
| | | Total Payment | | 7,980,658 | 7,635,394 | 7,329,559 | 7,093,905 | 6,829,754 | 6,596,409 | 6,015,050 | 5,785,871 | 5,117,388 |
| **Existing Debt Service by Funding Source** | | | | | | | | | | | | |
| | | Tax Levy (Within Levy Limit) | | 291,853 | 182,316 | 178,047 | 172,038 | 166,191 | 160,823 | 155,157 | 144,047 | 91,300 |
| | | Tax Levy (Exempted) | | 6,948,603 | 6,743,845 | 6,540,752 | 6,332,628 | 6,097,280 | 5,891,968 | 5,685,844 | 5,473,888 | 4,864,259 |
| | | Light & CATV | | 696,520 | 666,415 | 567,925 | 546,150 | 524,025 | 501,725 | 129,250 | 123,750 | 118,250 |
| | | Sewer & Other | | 43,682 | 42,818 | 42,835 | 43,089 | 42,258 | 41,893 | 44,799 | 44,186 | 43,579 |
| | | Total | | 7,980,658 | 7,635,394 | 7,329,559 | 7,093,905 | 6,829,754 | 6,596,409 | 6,015,050 | 5,785,871 | 5,117,388 |

# FIGURE SEVEN
# COMBINED DEBT SERVICE SCHEDULE
# ADJUSTED FOR OFFSETTING REVENUE
# FISCAL YEAR 2009 TO 2028

| Issue No. | Date of Issue | Purpose | Type of Payment | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | **Debt Service Funded Via Tax Levy** | | | | | | | | | | |
| | | Tax Levy (Within Levy Limit) | | 291,853 | 182,316 | 178,047 | 172,038 | 166,191 | 160,823 | 155,157 | 144,047 | 91,300 |
| | | **Tax Rate Impact** | **$5.018B** | $0.06 | $0.04 | $0.04 | $0.03 | $0.03 | $0.03 | $0.03 | $0.03 | $0.02 |
| | | **Average Tax Bill (Within Levy Limit)** | **$400,008** | $23.26 | $14.53 | $14.19 | $13.71 | $13.25 | $12.82 | $12.37 | $11.48 | $7.28 |
| | | Tax Levy (Exempted) | | 6,948,603 | 6,743,845 | 6,540,752 | 6,332,628 | 6,097,280 | 5,891,968 | 5,685,844 | 5,473,888 | 4,864,259 |
| | | SBA Funding (Floral) | | ( 585,681) | ( 585,681) | ( 585,681) | ( 585,681) | ( 585,681) | ( 585,681) | ( 585,681) | ( 585,681) | ( 585,681) |
| | | SBA Funding (HS) | | ( 3,206,732) | ( 3,206,732) | ( 3,206,732) | ( 3,206,732) | ( 3,206,732) | ( 3,206,732) | ( 3,206,732) | ( 3,206,732) | ( 3,206,732) |
| | | Bond Reserve Account | | ( 500,000) | ( 500,000) | ( 250,000) | | | | | | |
| | | Net Tax Levy Exempted | | 2,656,190 | 2,451,432 | 2,498,339 | 2,540,215 | 2,304,867 | 2,099,555 | 1,893,431 | 1,681,475 | 1,071,846 |
| | | **Tax Rate Impact** | **$5.018B** | $0.53 | $0.49 | $0.50 | $0.51 | $0.46 | $0.42 | $0.38 | $0.34 | $0.21 |
| | | **Average Tax Bill (Outside Levy Limit)** | **$400,008** | $211.74 | $195.42 | $199.15 | $202.49 | $183.73 | $167.37 | $150.93 | $134.04 | $85.44 |
| | | **Excluded Debt Service Authorized But Not Yet Issued** | | | | | | | | | | |
| 17 | TBA | **Fire Facilities Project** | Principal | 340,000 | 340,000 | 340,000 | 340,000 | 340,000 | 340,000 | 340,000 | 340,000 | 340,000 |
| | | $6,800,000 | Interest | 306,000 | 290,700 | 275,400 | 260,100 | 244,800 | 229,500 | 214,200 | 198,900 | 183,600 |
| | | Sale of Property (Stat #3) | | | (200,000) | (200,000) | | | | | | |
| | | | Total | 646,000 | 430,700 | 415,400 | 600,100 | 584,800 | 569,500 | 554,200 | 538,900 | 523,600 |
| | | **Tax Rate Impact** | **$5.018B** | $0.13 | $0.09 | $0.08 | $0.12 | $0.12 | $0.11 | $0.11 | $0.11 | $0.10 |
| | | **Average Tax Bill** | **$400,008** | $51.50 | $34.33 | $33.11 | $47.84 | $46.62 | $45.40 | $44.18 | $42.96 | $41.74 |
| | | Sale of Property (Stat #3) | | | (200,000) | (200,000) | | | | | | |
| | | **Combined (Outside Levy Limit)** | | **$0.66** | **$0.57** | **$0.58** | **$0.63** | **$0.58** | **$0.53** | **$0.49** | **$0.44** | **$0.32** |
| | | | | **$263.23** | **$229.75** | **$232.27** | **$250.33** | **$230.35** | **$212.76** | **$195.11** | **$177.00** | **$127.18** |
| | | **Non Tax Levy Debt Service Authorized But Not Yet Issued** | | | | | | | | | | |
| 18 | TBA | **Light Upgrade** | Principal | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | | | | |
| | | $1,000,000 | Interest | 45,000 | 36,000 | 27,000 | 18,000 | 9,000 | | | | |
| | | | Total | 245,000 | 236,000 | 227,000 | 218,000 | 209,000 | | | | |
| 19 | TBA | **Water System Improvements** | Principal | 125,000 | 125,000 | 125,000 | 125,000 | 125,000 | 125,000 | 125,000 | 125,000 | 125,000 |
| | | $1,250,000 | Interest | 56,250 | 50,625 | 45,000 | 39,375 | 33,750 | 28,125 | 22,500 | 16,875 | 11,250 |
| | | **(Note $1,750,000 Additional is Authorized)** | Total | 181,250 | 175,625 | 170,000 | 164,375 | 158,750 | 153,125 | 147,500 | 141,875 | 136,250 |
| | | **Rate Impact Per Thousand Gals (Based on 1.3B)** | | | $0.0976 | $0.0944 | $0.0913 | $0.0882 | $0.0851 | $0.0819 | $0.0788 | $0.0757 |
| | | **Impact on "Typical" User (Family 0f 4 at 65 GPD = 100K/Yr)** | | | $9.76 | $9.44 | $9.13 | $8.82 | $8.51 | $8.19 | $7.88 | $7.57 |

FIGURE SEVEN
Combined Debt Service Schedule
Adjusted For Offsetting Revenue
Fiscal Year 2009 to 2028

| Issue No. | Date of Issue | Purpose | | Type of Payment | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | 2/1/1996 | **Floral St (EXEMPT)** | | Principal | | | | | | | | | |
| | 2/1/2005 | | $9,000,000 | Interest | | | | | | | | | |
| | | | | Total | | | | | | | | | |
| 1 | 2/1/1996 | **Floral St** | | Principal | | | | | | | | | |
| | 2/1/2005 | | $1,000,000 | Interest | | | | | | | | | |
| | | | | Total | | | | | | | | | |
| 2 | 2/1/1996 | **Town Hall Addition** | | Principal | | | | | | | | | |
| | 2/1/2005 | | $1,000,000 | Interest | | | | | | | | | |
| | | | | Total | | | | | | | | | |
| 3 | 6/1/1999 | **CATV Upgrade** | | Principal | | | | | | | | | |
| | | | $5,300,000 | Interest | | | | | | | | | |
| | | | | Total | | | | | | | | | |
| 4 | 6/1/1999 | **Land Acquisition** | | Principal | 155,000 | 55,000 | | | | | | | |
| | | | $3,000,000 | Interest | 10,500 | 2,750 | | | | | | | |
| | | | | Total | 165,500 | 57,750 | | | | | | | |
| 5 | 6/1/1999 | **Land Acquisition (HS)** | | Principal | 120,000 | 120,000 | | | | | | | |
| | | | $2,400,000 | Interest | 12,000 | 6,000 | | | | | | | |
| | | | | Total | 132,000 | 126,000 | | | | | | | |
| 6 | 6/1/1999 | **Senior Center** | | Principal | | | | | | | | | |
| | | | $1,000,000 | Interest | | | | | | | | | |
| | | | | Total | | | | | | | | | |
| 7 | 10/25/2000 | **Title V Loan Program #1** | | Principal | 4,829 | 4,829 | | | | | | | |
| | | | $86,947 | Interest | 0 | 0 | | | | | | | |
| | | | | Total | 4,829 | 4,829 | | | | | | | |
| 8 | 8/15/2001 | **High School** | | Principal | 3,075,000 | 3,075,000 | 3,075,000 | 3,075,000 | 3,070,000 | | | | |
| | | | $58,900,000 | Interest | 691,625 | 537,875 | 384,125 | 230,375 | 76,750 | | | | |
| | | | | Total | 3,766,625 | 3,612,875 | 3,459,125 | 3,305,375 | 3,146,750 | | | | |
| 9 | 8/15/2001 | **Land Acquisition** | | Principal | 110,000 | 110,000 | 110,000 | | | | | | |
| | | | $2,000,000 | Interest | 13,750 | 8,250 | 2,750 | | | | | | |
| | | | | Total | 123,750 | 118,250 | 112,750 | | | | | | |
| 10 | 8/15/2001 | **Light Upgrade** | | Principal | 110,000 | | | | | | | | |
| | | | $1,760,000 | Interest | 2,750 | | | | | | | | |
| | | | | Total | 112,750 | | | | | | | | |

FIGURE SEVEN
Combined Debt Service Schedule
Adjusted For Offsetting Revenue
Fiscal Year 2009 to 2028

| Issue No. | Date of Issue | Purpose | Type of Payment | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 11 | 7/26/2001 | **Assabet River CWMP #1** | Principal | 14,040 | 13,602 | 13,242 | 15,698 | | | | | |
| | 2/1/2005 | $1,760,000 | Interest | 802 | 518 | 259 | 0 | | | | | |
| | | | Total | 14,842 | 14,120 | 13,501 | 15,698 | | | | | |
| 12 | 8/1/2004 | **Title V Loan Program #2** | Principal | 5,541 | 5,541 | 5,541 | 5,541 | 5,670 | 5,670 | | | |
| | | $105,896 | Interest | | | | | | | | | |
| | | | Total | 5,541 | 5,541 | 5,541 | 5,541 | 5,670 | 5,670 | | | |
| 13 | 11/19/2004 | **Oak Middle School** | Principal | 370,000 | 370,000 | 370,000 | 370,000 | 370,000 | 370,000 | 370,000 | 370,000 | |
| | | $7,400,000 | Interest | 118,585 | 103,785 | 88,754 | 73,260 | 57,443 | 41,394 | 24,975 | 8,325 | |
| | | | Total | 488,585 | 473,785 | 458,754 | 443,260 | 427,443 | 411,394 | 394,975 | 378,325 | |
| 14 | 11/19/2004 | **North Shore School** | Principal | 80,000 | 80,000 | 80,000 | | | | | | |
| | | $1,250,000 | Interest | 8,100 | 4,900 | 1,650 | | | | | | |
| | | | Total | 88,100 | 84,900 | 81,650 | | | | | | |
| 15 | 10/24/2005 | **Title V Loan Program #3** | Principal | 4,729 | 4,729 | 4,728 | 4,728 | 4,728 | 4,728 | 4,728 | 4,728 | 4,728 |
| | | $94,573 | Interest | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | Total | 4,729 | 4,729 | 4,728 | 4,728 | 4,728 | 4,728 | 4,728 | 4,728 | 4,728 |
| 16 | 12/18/2007 | **Assabet River CWMP #2** | Principal | 12,973 | 12,974 | 12,974 | 12,974 | | | | | |
| | | $168,653 | Interest | 0 | 0 | 0 | 0 | | | | | |
| | | | Total | 12,973 | 12,974 | 12,974 | 12,974 | | | | | |
| **Existing Debt Service** | | | | | | | | | | | | |
| | | Total Principal | | 4,062,112 | 3,851,675 | 3,671,485 | 3,483,941 | 3,450,398 | 380,398 | 374,728 | 374,728 | 4,728 |
| | | Total Interest | | 858,112 | 664,078 | 477,538 | 303,635 | 134,193 | 41,394 | 24,975 | 8,325 | 0 |
| | | Total Payment | | 4,920,224 | 4,515,753 | 4,149,023 | 3,787,576 | 3,584,591 | 421,792 | 399,703 | 383,053 | 4,728 |
| **Existing Debt Service by Funding Source** | | | | | | | | | | | | |
| | | Tax Levy (Within Levy Limit) | | 88,100 | 84,900 | 81,650 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | Tax Levy (Exempted) | | 4,676,460 | 4,388,660 | 4,030,629 | 3,748,635 | 3,574,193 | 411,394 | 394,975 | 378,325 | 0 |
| | | Light & CATV | | 112,750 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | Sewer & Other | | 42,914 | 42,193 | 36,744 | 38,941 | 10,398 | 10,398 | 4,728 | 4,728 | 4,728 |
| | | Total | | 4,920,224 | 4,515,753 | 4,149,023 | 3,787,576 | 3,584,591 | 421,792 | 399,703 | 383,053 | 4,728 |

## FIGURE SEVEN
## COMBINED DEBT SERVICE SCHEDULE
## ADJUSTED FOR OFFSETTING REVENUE
## FISCAL YEAR 2009 TO 2028

| Issue No. | Date of Issue | Purpose | Type of Payment | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | **Debt Service Funded Via Tax Levy** | | | | | | | | | | |
| | | Tax Levy (Within Levy Limit) | | | | | | | | | | |
| | | **Tax Rate Impact** | **$5.018B** | | | | | | | | | |
| | | **Average Tax Bill (Within Levy Limit)** | **$400,008** | | | | | | | | | |
| | | Tax Levy (Exempted) | | 4,676,460 | 4,388,660 | 4,030,629 | 3,748,635 | 3,574,193 | 411,394 | 394,975 | 378,325 | |
| | | SBA Funding (Floral) | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | | SBA Funding (HS) | | ( 3,206,732) | ( 3,206,732) | ( 3,206,732) | ( 3,206,732) | ( 3,206,732) | ( 3,206,732) | ( 3,206,732) | ( 3,206,731) | |
| | | Bond Reserve Account | | | | | | | | | | |
| | | Net Tax Levy Exempted | | 1,469,728 | 1,181,928 | 823,897 | 541,903 | 367,461 | ( 2,795,338) | ( 2,811,757) | ( 2,828,406) | |
| | | **Tax Rate Impact** | **$5.018B** | $0.29 | $0.24 | $0.16 | $0.11 | $0.07 | ($0.56) | ($0.56) | ($0.56) | |
| | | **Average Tax Bill (Outside Levy Limit)** | **$400,008** | $117.16 | $94.22 | $65.68 | $43.20 | $29.29 | ($222.83) | ($224.14) | ($225.47) | |
| | | **Excluded Debt Service Authorized But Not Yet Issued** | | | | | | | | | | |
| 17 | TBA | **Fire Facilities Project** | Principal | 340,000 | 340,000 | 340,000 | 340,000 | 340,000 | 340,000 | 340,000 | 340,000 | 340,000 |
| | | $6,800,000 | Interest | 168,300 | 153,000 | 137,700 | 122,400 | 107,100 | 91,800 | 76,500 | 61,200 | 45,900 |
| | | Sale of Property (Stat #3) | | | | | | | | | | |
| | | | Total | 508,300 | 493,000 | 477,700 | 462,400 | 447,100 | 431,800 | 416,500 | 401,200 | 385,900 |
| | | **Tax Rate Impact** | **$5.018B** | $0.10 | $0.10 | $0.10 | $0.09 | $0.09 | $0.09 | $0.08 | $0.08 | $0.08 |
| | | **Average Tax Bill** | **$400,008** | $40.52 | $39.30 | $38.08 | $36.86 | $35.64 | $34.42 | $33.20 | $31.98 | $30.76 |
| | | Sale of Property (Stat #3) | | | | | | | | | | |
| | | **Combined (Outside Levy Limit)** | | **$0.39** | **$0.33** | **$0.26** | **$0.20** | **$0.16** | **($0.47)** | **($0.48)** | **($0.48)** | **$0.08** |
| | | | | **$157.68** | **$133.52** | **$103.76** | **$80.06** | **$64.93** | **($188.41)** | **($190.94)** | **($193.48)** | **$30.76** |
| | | **Non Tax Levy Debt Service Authorized But Not Yet Issued** | | | | | | | | | | |
| 18 | TBA | **Light Upgrade** | Principal | | | | | | | | | |
| | | $1,000,000 | Interest | | | | | | | | | |
| | | | Total | | | | | | | | | |
| 19 | TBA | **Water System Improvements** | Principal | 125,000 | | | | | | | | |
| | | $1,250,000 | Interest | 5,625 | | | | | | | | |
| | | **(Note $1,750,000 Additional is Authorized)** | Total | 130,625 | | | | | | | | |
| | | **Rate Impact Per Thousand Gals (Based on 1.3B)** | | $0.0726 | | | | | | | | |
| | | **Impact on "Typical" User (Family Of 4 at 65 GPD = 100K/Yr)** | | $7.26 | | | | | | | | |

FIGURE SEVEN
Combined Debt Service Schedule
Adjusted For Offsetting Revenue
Fiscal Year 2009 to 2028

| Issue No. | Date of Issue | Purpose | | Type of Payment | 2027 | 2028 | Total |
|---|---|---|---|---|---|---|---|
| 1 | 2/1/1996 | **Floral St (EXEMPT)** | | Principal | | | 3,512,750 |
| | 2/1/2005 | | $9,000,000 | Interest | | | 576,300 |
| | | | | Total | | | 4,089,050 |
| 1 | 2/1/1996 | **Floral St** | | Principal | | | 401,600 |
| | 2/1/2005 | | $1,000,000 | Interest | | | 66,841 |
| | | | | Total | | | 468,441 |
| 2 | 2/1/1996 | **Town Hall Addition** | | Principal | | | 150,650 |
| | 2/1/2005 | | $1,000,000 | Interest | | | 6,760 |
| | | | | Total | | | 157,410 |
| 3 | 6/1/1999 | **CATV Upgrade** | | Principal | | | 2,105,000 |
| | | | $5,300,000 | Interest | | | 349,350 |
| | | | | Total | | | 2,454,350 |
| 4 | 6/1/1999 | **Land Acquisition** | | Principal | | | 1,605,000 |
| | | | $3,000,000 | Interest | | | 448,363 |
| | | | | Total | | | 2,053,363 |
| 5 | 6/1/1999 | **Land Acquisition (HS)** | | Principal | | | 1,320,000 |
| | | | $2,400,000 | Interest | | | 389,700 |
| | | | | Total | | | 1,709,700 |
| 6 | 6/1/1999 | **Senior Center** | | Principal | | | 100,000 |
| | | | $1,000,000 | Interest | | | 4,500 |
| | | | | Total | | | 104,500 |
| 7 | 10/25/2000 | **Title V Loan Program #1** | | Principal | | | 53,131 |
| | | | $86,947 | Interest | | | 0 |
| | | | | Total | | | 53,131 |
| 8 | 8/15/2001 | **High School** | | Principal | | | 43,045,000 |
| | | | $58,900,000 | Interest | | | 15,064,125 |
| | | | | Total | | | 58,109,125 |
| 9 | 8/15/2001 | **Land Acquisition** | | Principal | | | 1,320,000 |
| | | | $2,000,000 | Interest | | | 396,000 |
| | | | | Total | | | 1,716,000 |
| 10 | 8/15/2001 | **Light Upgrade** | | Principal | | | 1,100,000 |
| | | | $1,760,000 | Interest | | | 275,000 |
| | | | | Total | | | 1,375,000 |

## FIGURE SEVEN
## Combined Debt Service Schedule
## Adjusted For Offsetting Revenue
## Fiscal Year 2009 to 2028

| Issue No. | Date of Issue | Purpose | Type of Payment | 2027 | 2028 | Total |
|---|---|---|---|---|---|---|
| 11 | 7/26/2001 | **Assabet River CWMP #1** | Principal | | | 173,180 |
| | 2/1/2005 | $1,760,000 | Interest | | | 20,410 |
| | | | Total | | | 193,590 |
| 12 | 8/1/2004 | **Title V Loan Program #2** | Principal | | | 83,343 |
| | | $105,896 | Interest | | | 0 |
| | | | Total | | | 83,343 |
| 13 | 11/19/2004 | **Oak Middle School** | Principal | | | 6,290,000 |
| | | $7,400,000 | Interest | | | 2,215,098 |
| | | | Total | | | 8,505,098 |
| 14 | 11/19/2004 | **North Shore School** | Principal | | | 995,000 |
| | | $1,250,000 | Interest | | | 228,481 |
| | | | Total | | | 1,223,481 |
| 15 | 10/24/2005 | **Title V Loan Program #3** | Principal | | | 85,115 |
| | | $94,573 | Interest | | | 0 |
| | | | Total | | | 85,115 |
| 16 | 12/18/2007 | **Assabet River CWMP #2** | Principal | | | 169,732 |
| | | $168,653 | Interest | | | 0 |
| | | | Total | | | 169,732 |

| | |
|---|---|
| **Existing Debt Service** | |
| Total Principal | 62,509,501 |
| Total Interest | 20,040,928 |
| Total Payment | 82,550,429 |

| | |
|---|---|
| **Existing Debt Service by Funding Source** | |
| Tax Levy (Within Levy Limit) | 1,796,422 |
| Tax Levy (Exempted) | 76,182,336 |
| Light & CATV | 3,986,760 |
| Sewer & Other | 584,911 |
| Total | 82,550,429 |

## FIGURE SEVEN
## COMBINED DEBT SERVICE SCHEDULE
## ADJUSTED FOR OFFSETTING REVENUE
## FISCAL YEAR 2009 TO 2028

| Issue No. | Date of Issue | Purpose | Type of Payment | 2027 | 2028 | Total |
|---|---|---|---|---|---|---|
| | | **Debt Service Funded Via Tax Levy** | | | | |
| | | Tax Levy (Within Levy Limit) | | | | |
| | | **Tax Rate Impact** | **$5.018B** | | | |
| | | **Average Tax Bill (Within Levy Limit)** | **$400,008** | | | |
| | | Tax Levy (Exempted) | | | | |
| | | SBA Funding (Floral) | | | | |
| | | SBA Funding (HS) | | | | |
| | | Bond Reserve Account | | | | |
| | | Net Tax Levy Exempted | | | | |
| | | **Tax Rate Impact** | **$5.018B** | | | |
| | | **Average Tax Bill (Outside Levy Limit)** | **$400,008** | | | |
| | | **Excluded Debt Service Authorized But Not Yet Issued** | | | | |
| 17 | TBA | **Fire Facilities Project** | Principal | 340,000 | 340,000 | 6,800,000 |
| | | $6,800,000 | Interest | 30,600 | 15,300 | 3,213,000 |
| | | Sale of Property (Stat #3) | | | | |
| | | | Total | 370,600 | 355,300 | 9,613,000 |
| | | **Tax Rate Impact** | **$5.018B** | $0.07 | $0.07 | |
| | | **Average Tax Bill** | **$400,008** | $29.54 | $28.32 | |
| | | Sale of Property (Stat #3) | | | | |
| | | **Combined (Outside Levy Limit)** | | **$0.07** | **$0.07** | |
| | | | | **$29.54** | **$28.32** | |
| | | **Non Tax Levy Debt Service Authorized But Not Yet Issued** | | | | |
| 18 | TBA | **Light Upgrade** | Principal | | | 1,000,000 |
| | | $1,000,000 | Interest | | | 135,000 |
| | | | Total | | | 1,135,000 |
| 19 | TBA | **Water System Improvements** | Principal | | | 1,250,000 |
| | | $1,250,000 | Interest | | | 309,375 |
| | | **(Note $1,750,000 Additional is Authorized)** | Total | | | 1,559,375 |
| | | **Rate Impact Per Thousand Gals (Based on 1.3B)** | | | | |
| | | **Impact on "Typical" User (Family Of 4 at 65 GPD = 100K/Yr)** | | | | |

## FIGURE EIGHT
## FREE CASH
## FISCAL YEAR 1990 TO 2008

| FISCAL YEAR END | BALANCE AS OF 7/1 | AMOUNT APPROPRIATED | FOLLOWING YEAR BALANCE | GAIN/(LOSS) |
|---|---|---|---|---|
| 2008 | $3,200,038 | | | |
| 2007 | $4,850,038 | $3,500,000 | $3,200,038 | ($1,650,000) |
| 2006 | $4,137,833 | $2,500,000 | $4,850,038 | $712,205 |
| 2005 | $1,930,113 | $3,500,000 | $4,137,833 | $2,207,720 |
| 2004 | $2,832,695 | $2,500,000 | $1,930,113 | ($902,582) |
| 2003 | $3,616,392 | $2,880,000 | $2,832,695 | ($783,697) |
| 2002 | **$6,958,805** | $6,113,416 | $3,616,392 | ($3,342,413) |
| 2001 | $4,087,506 | $2,077,612 | $6,958,805 | $2,871,299 |
| 2000 | $2,884,606 | $1,468,606 | $4,087,506 | $1,202,900 |
| 1999 | $5,588,576 | $3,928,000 | $2,884,606 | ($2,703,970) |
| 1998 | $4,611,834 | $3,010,784 | $5,588,576 | $976,742 |
| 1997 | $4,555,647 | $3,418,656 | $4,611,834 | $56,187 |
| 1996 | $2,996,394 | $1,300,000 | $4,555,647 | $1,559,253 |
| 1995 | $3,909,803 | $3,294,500 | $2,996,394 | ($913,409) |
| 1994 | $2,672,855 | $1,864,000 | $3,909,803 | $1,236,948 |
| 1993 | $3,039,269 | $2,030,500 | $2,672,855 | ($366,414) |
| 1992 | $2,275,622 | $1,122,000 | $3,039,269 | $763,647 |
| 1991 | $1,560,672 | $867,000 | $2,275,622 | $714,950 |
| 1990 | $1,269,570 | $850,000 | $1,560,672 | $291,102 |

**Indicates balance influenced by bond premium that was run through Free Cash in the amount of $2,385,000**

1/22/2008

**FIGURE NINE**
**TRIAL RECAPITULATION - FISCAL YEAR 2009**
**Based on Projection Number One**

**REVENUE**

| | |
|---|---|
| TAXATION | $43,776,192 |
| NEW GROWTH | $500,000 |
| EXEMPTED TAX LEVY | $3,595,201 |
| STATE AID | $22,877,854 |
| SBAB PAYMENT | $3,792,413 |
| OVERESTIMATES | $0 |
| SCHEDULE A RECEIPTS | $11,768,000 |
| FREE CASH | $3,000,000 |
| OTHER AVAILABLE FUNDS | |
| Sale of Cemetery Lots | $18,000 |
| Sewer Surplus | $2,794,092 |
| Sewer Construction | $200,000 |
| Light Revenue | $487,500 |
| CATV Revenue | $453,750 |
| Chapter 90 | $723,655 |
| Stabilization | $0 |
| Improvement of Public ways | $0 |
| Title V Loan Repayments | $15,128 |
| Water Conservation Fund | $200,000 |
| Account Transfer | $593,408 |
| Cemetery Trust Funds | $30,000 |
| Special Funds - Coal Ash | $390,639 |
| FREE CASH (REDUCE LEVY) | $500,000 |
| MUNICIPAL LIGHT (REDUCE LEVY) | $150,384 |
| CATV REVENUE (REDUCE LEVY) | $556,355 |
| BOND INTEREST RESERVE | $500,000 |
| **Total Revenue** | **$96,922,571** |

| | |
|---|---|
| $47,871,393 | Taxation |
| $22,877,854 | State Aid |
| $3,792,413 | SBAB Payment |
| $11,768,000 | Local Receipts |
| $3,000,000 | Free Cash |
| $6,406,172 | Other Funds |
| $500,000 | Free Cash (Levy) |
| $150,384 | Light (Levy) |
| $556,355 | CATV (Levy) |
| $96,922,571 | |

**CHARGES**

| ART # | | |
|---|---|---|
| | CHERRY SHEET OFFSETS | $85,000 |
| | CMRPC | $7,437 |
| | STATE AND COUNTY CHARGES | $1,336,774 |
| | OVERLAY | $600,000 |
| | DECEMBER 10, 2007 SPECIAL TOWN MEETING | $118,941 |
| | PAY AND CLASSIFICATION PLAN | $350,000 |
| | MEDICAL EXPENSES POLICE AND FIRE | $2,500 |
| | FY 2008 DEFICITS | $500,000 |
| | OPERATING BUDGET | $93,630,197 |
| | CAPITAL BUDGET | |
| E&R | Replacement of Voting Tabulators | $65,000 |
| P | Replace Marked Cruiser | $28,000 |
| P | Replace Marked Cruiser | $28,000 |
| PB | New Gas Burners (2) - Paton School | $29,000 |
| PB | New Gas Burners (4) - Beal & Coolidge | $58,000 |
| P | Replace Marked Cruiser | $28,000 |
| P | Replace Unmarked Cruiser | $28,000 |
| E | Repairs to Newton Pond Dam | $250,000 |
| H | Street Reconstruction | $150,000 |
| PB | Update System Wide Facility Study | $100,000 |
| H | Replace 3/4 Ton Pickup With Plow (#2/#26)(1995) | $38,000 |
| H | Replace Street Sweeper (#34)(1997) | $141,000 |
| PKS | Replace Mowers | $30,000 |
| PB | Replace 3/4 Ton Pickup (#34)(1997) | $27,000 |
| H | Loader Snow Blower Attachment | $90,000 |
| PKS | Dean Park Roadway Improvements | $60,000 |
| PKS | Dean Park Erosion Control | $69,000 |
| F | Defibrillator Replacement | $32,000 |
| P | Radio Voting Receiver | $10,000 |
| PKS | Replace 1/2 Ton Pickup With 1-Ton 4 x 2 (#89)(1990) | $18,500 |
| S | Sewer I & I Removal Project | $100,000 |
| S | Install VFD Controls at Rolfe & Maple Avenue | $100,000 |

| | |
|---|---|
| $ 2,029,211 | Charges |

| | |
|---|---|
| $5,741,323 | General Government |
| $7,228,273 | Public Safety |
| $2,629,497 | Retirement |
| $7,167,762 | Public Works |
| $2,484,030 | Human Services |
| $1,720,180 | Culture & Recreation |
| $46,882,724 | School Department |
| $9,281,661 | Debt and Interest |
| $10,494,747 | Unclassified (Op Sprt) |
| $93,630,197 | |

| Capital | Budget |
|---|---|
| $ 1,279,500 | From Taxation |
| $ - | From Stabilization |
| $ 200,000 | From Sewer Construction |
| $ 510,000 | From Water Revenue |
| $30,000 | From Trust Fund |
| $ 2,019,500 | |

# FIGURE NINE
## TRIAL RECAPITULATION - FISCAL YEAR 2009
### Based on Projection Number One

| | | |
|---|---|---|
| W | Replace Light Pickup (#79)(1998) | $20,000 |
| W | Replace 3/4 Ton Pickup/Utility (#61)(1999) | $40,000 |
| W | Painting & Inspection - Masonic Tank #3 | $450,000 |
| C | Cemetery Paving | $30,000 |
| ADDITIONAL STAFF POSITION - OFFICE OF THE TOWN MANAGER | | $61,230 |
| CEMETERY IMPROVEMENTS | | $18,000 |
| BILLS OF PRIOR YEAR | | $2,500 |
| STORM DRAINS | | $250,000 |
| SIDEWALKS | | $25,000 |
| WATER MAIN REPLACEMENT | | $1,025,000 |
| SEWER TRUCK LINE REPAIR/REPLACEMENT | | TBD |
| CREATE ADDITIONAL SEWER CAPACITY | | TBD |
| CONSTRUCTION/EXTENSION OF SEWERS | | $0 |
| GENERAL WATER IMPROVEMENTS | | $0 |
| COMPREHENSIVE SITE ASSESSMENT FORMER MSW LANDFILL | | $50,000 |
| CHAPTER 90 FUNDING | | $723,655 |
| COUNSELING AND EDUCATIONAL SERVICES | | $72,000 |
| ATM/STM RESERVE | | $300,000 |
| | **Total Charges** | **$101,177,734** |
| | **Surplus/(Deficit)** | **($4,255,163)** |
| | **Surplus/(Deficit) With Adoption of PAYT*** | **($3,302,693)** |

*** Assuming July 1, 2008 implementation**

| | | |
|---|---|---|
| | Warrant | Articles |
| $ | 1,063,230 | From Taxation |
| $ | 618,941 | From Free Cash |
| $ | 1,025,000 | From Water Revenue* |
| $ | - | From Sewer Revenue |
| $ | 791,655 | From Other Funds |
| $ | 3,498,826 | *** Including Acct Transfers** |

| | | |
|---|---|---|
| $ | 2,029,211 | Charges |
| $ | 93,630,197 | Budget |
| $ | 2,019,500 | Capital Budget |
| $ | 3,498,826 | Warrant Articles |
| $ | 101,177,734 | |

# FIGURE TEN
## CAPITAL BUDGET SUMMARY
## FISCAL YEAR 2009 TO 2013

| Department/Project | Total | 2009 | 2010 | 2011 | 2012 | 2013 | Later |
|---|---|---|---|---|---|---|---|
| **0155 Management Information Systems** | | | | | | | |
| Document Management System | $120,000 | | $60,000 | $30,000 | $30,000 | | |
| Public Safety Servers Upgrade | $50,000 | | $50,000 | | | | |
| Town Hall Servers Replacement | $50,000 | | | $50,000 | | | |
| Town Hall Central Storage Upgrade | $50,000 | | | $50,000 | | | |
| | $270,000 | | $110,000 | $130,000 | $30,000 | | |
| **0162 Election & Registration** | | | | | | | |
| Replacement of Voting Tabulators | $65,000 | $65,000 | | | | | |
| | $65,000 | $65,000 | | | | | |
| **0192 Public Buildings** | | | | | | | |
| Middle School Renovations | $36,000,000 | $36,000,000 | | | | | |
| Update system wide facility study | $100,000 | $100,000 | | | | | |
| New Gas Burners (2) - Paton School | $29,000 | $29,000 | | | | | |
| New Gas Burners (4) - Beal & Coolidge | $58,000 | $58,000 | | | | | |
| Replace Superintendent Vehicle | $19,000 | $19,000 | | | | | |
| Replace 1997 Pickup #39 | $27,000 | $27,000 | | | | | |
| Beal Replacement of Windows | $338,120 | | $338,120 | | | | |
| Paton School - Pulverize and repave playground and driveways | $150,000 | | $150,000 | | | | |
| Spring Street School - Pulverize and repave driveways, berm and sidewalks | $112,000 | | $112,000 | | | | |
| Police Station - Additional Space | $6,000,000 | | | $6,000,000 | | | |
| Replace Carpeting in 13 Modular Classrooms | $49,000 | | | $49,000 | | | |
| Paint Interior of Floral Street School | $52,000 | | | $52,000 | | | |
| Paint interior walls & trim at High School | $450,000 | | | | $450,000 | | |
| Remove & replace floor tile at Spring St | $195,000 | | | | | $195,000 | |
| Upgrade Beal, Paton, Spring & Coolidge Facilities | | | | | | | TBD |
| Upgrade Highway, Park, Cemetery, Water & Sewer Facilities | | | | | | | TBD |
| | $43,579,120 | $36,233,000 | $600,120 | $6,101,000 | $450,000 | $195,000 | |

## FIGURE TEN
## CAPITAL BUDGET SUMMARY
## FISCAL YEAR 2009 TO 2013

| Department/Project | Total | 2009 | 2010 | 2011 | 2012 | 2013 | Later |
|---|---|---|---|---|---|---|---|
| **0210 Police Department** | | | | | | | |
| Voting Receiver | $30,000 | $10,000 | $10,000 | $10,000 | | | |
| Replacement of Patrol Vehicles | $532,000 | $84,000 | $112,000 | $112,000 | $112,000 | $112,000 | |
| Replacement of Detective Vehicles | $84,000 | $28,000 | $28,000 | | | $28,000 | |
| Additional Patrol Vehicle | $32,000 | | | $32,000 | | | |
| Soft Body Armor | $39,000 | | | $39,000 | | | |
| **See Public Buildings for facilities needs** | | | | | | | |
| | $717,000 | $122,000 | $150,000 | $193,000 | $112,000 | $140,000 | |

| Department/Project | Total | 2009 | 2010 | 2011 | 2012 | 2013 | Later |
|---|---|---|---|---|---|---|---|
| **0220 Fire Department** | | | | | | | |
| Replace Engine #3 | $400,000 | $400,000 | | | | | |
| Defibrillator Replacement | $32,000 | $32,000 | | | | | |
| Replace Pick-up | $30,000 | | $30,000 | | | | |
| Fire Entry Protective Suits | | | $125,000 | | | | |
| Replace Engine #1 | $425,000 | | | | | $425,000 | |
| Replace Engine #2 | | | | | | | $425,000 |
| | $887,000 | $432,000 | $155,000 | | | $425,000 | |

| Department/Project | Total | 2009 | 2010 | 2011 | 2012 | 2013 | Later |
|---|---|---|---|---|---|---|---|
| **0411 Engineering** | | | | | | | |
| Replace 1994 Blazer | $25,000 | $25,000 | | | | | |
| Repairs to Newton Pond Dam | $250,000 | $250,000 | | | | | |
| Replace 1997 Blazer | $25,000 | | $25,000 | | | | |
| Replace 1999 Chevy Tahoe | $30,000 | | | $30,000 | | | |
| | $330,000 | $275,000 | $25,000 | $30,000 | | | |

## FIGURE TEN
## CAPITAL BUDGET SUMMARY
## FISCAL YEAR 2009 TO 2013

| Department/Project | Total | 2009 | 2010 | 2011 | 2012 | 2013 | Later |
|---|---|---|---|---|---|---|---|
| **0421 Highway** | | | | | | | |
| Storm Drain Construction | $1,250,000 | $250,000 | $250,000 | $250,000 | $250,000 | $250,000 | |
| Sidewalk Construction | $1,750,000 | $350,000 | $350,000 | $350,000 | $350,000 | $350,000 | |
| Street Reconstruction | $750,000 | $150,000 | $150,000 | $150,000 | $150,000 | $150,000 | |
| Street Resurfacing Account | $2,375,000 | $475,000 | $475,000 | $475,000 | $475,000 | $475,000 | |
| Replace 3/4 Ton 4 Wheel Drive P.U. | $38,000 | $38,000 | | | | | |
| Street Sweeper | $301,000 | $141,000 | | | | $160,000 | |
| Replace Front End Loader With Blower | $475,000 | $300,000 | | $175,000 | | | |
| Loader Snow Blower Attachment (In Lieu of Loader Replacement) | $90,000 | $90,000 | | | | | |
| All Purpose MT Trackless Tractor | $125,000 | | $125,000 | | | | |
| Construct Salt Shed | $350,000 | | $350,000 | | | | |
| Replace Superintendent Vehicle | $40,000 | | $40,000 | | | | |
| All Wheel Drive Dump w/ Plow 20,000 GVW | $70,000 | | $70,000 | | | | |
| Replace 3/4 Ton 4 Wheel Drive P.U. | $40,000 | | | $40,000 | | | |
| Catch Basin Cleaner | $170,000 | | | $170,000 | | | |
| Replace Dump Truck/Sander (6 wheel) | $350,000 | | | | $175,000 | $175,000 | |
| | $8,174,000 | $1,794,000 | $1,810,000 | $1,610,000 | $1,400,000 | $1,560,000 | |

| Department/Project | Total | 2009 | 2010 | 2011 | 2012 | 2013 | Later |
|---|---|---|---|---|---|---|---|
| **0440 Sewer** | | | | | | | |
| General Sewer Construction & Station Upgrades | $1,500,000 | $300,000 | $300,000 | $300,000 | $300,000 | $300,000 | |
| I & I Removal | $500,000 | $100,000 | $100,000 | $100,000 | $100,000 | $100,000 | |
| Install VFD Controls Rolfe & Maple | $100,000 | $100,000 | | | | | |
| Equipment Replacement | $75,000 | | | | $75,000 | | |
| **Not shown is upgrade of Westborough Sewer Treatment Plant.** | | | | | | | |
| **Not shown are trunk line improvements since recent report is under evaluation. Project proposal will be developed for FY 2009.** | | | | | | | |
| **Not shown are costs associated with the groundwater discharge project that is being developed at this time.** | | | | | | | |
| | $2,175,000 | $500,000 | $400,000 | $400,000 | $475,000 | $400,000 | |

**FIGURE TEN**
**CAPITAL BUDGET SUMMARY**
**FISCAL YEAR 2009 TO 2013**

| Department/Project | Total | 2009 | 2010 | 2011 | 2012 | 2013 | Later |
|---|---|---|---|---|---|---|---|
| **0450 Water** | | | | | | | |
| Water Main Replacement | $3,085,000 | $1,025,000 | $725,000 | $500,000 | $375,000 | $460,000 | |
| Meter Replacement Program | $500,000 | $100,000 | $100,000 | $100,000 | $100,000 | $100,000 | |
| Vehicle/Equipment Replacement | $295,000 | $65,000 | $95,000 | $45,000 | $45,000 | $45,000 | |
| Painting & Inspection - Masonic Tank #3 | $450,000 | $450,000 | | | | | |
| Painting & Inspection - Oak Street Tank | $250,000 | | $250,000 | | | | |
| Upgrade to Water Treatment Plant | | | | | | | TBD |
| | $4,580,000 | $1,640,000 | $1,170,000 | $645,000 | $520,000 | $605,000 | |
| **0491 Cemetery** | | | | | | | |
| Repaving | $30,000 | $30,000 | | | | | |
| Burial Section Construction | $400,000 | | $50,000 | | $350,000 | | |
| Replace Pickup | $30,000 | | | $30,000 | | | |
| | $460,000 | $30,000 | $50,000 | $30,000 | $350,000 | | |
| **0610 Library** | | | | | | | |
| Renovation & Expansion of Library Via State Grant | $9,190,000 | $9,190,000 | | | | | |
| Capital Repairs for Existing Building if Grant Not Pursued | | $3,200,000 | | | | | |
| RFID Implementation | $150,000 | | $50,000 | $50,000 | $50,000 | | |
| | $9,340,000 | $9,190,000 | $50,000 | $50,000 | $50,000 | | |

## FIGURE TEN
## CAPITAL BUDGET SUMMARY
## FISCAL YEAR 2009 TO 2013

| Department/Project | Total | 2009 | 2010 | 2011 | 2012 | 2013 | Later |
|---|---|---|---|---|---|---|---|
| **0650 Parks and Recreation** | | | | | | | |
| Replacement of Various Trucks | $107,000 | $37,000 | $40,000 | | | $30,000 | |
| Replace Mowers | $65,000 | $30,000 | | | $35,000 | | |
| Dean Park Roadway Improvements | $60,000 | $60,000 | | | | | |
| Dean Park Erosion Control | $69,000 | $69,000 | | | | | |
| Lake Street Park | $3,400,000 | $500,000 | $900,000 | $900,000 | $900,000 | $700,000 | |
| Replace Dump Trucks | $45,000 | | $45,000 | | | | |
| Dean Park Tennis Lights | $100,000 | | $100,000 | | | | |
| Edgemere Park Improvements | $30,000 | | $30,000 | | | | |
| Municipal Drive Field Improvements | $300,000 | | $300,000 | | | | |
| Maple Avenue Phase II | $250,000 | | $50,000 | $200,000 | | | |
| Renovate North Shore School Fields | $170,000 | | | $170,000 | | | |
| Neighborhood Park Improvements | $650,000 | | | $50,000 | $600,000 | | |
| Replace Park Tractor | $50,000 | | | $50,000 | | | |
| | $5,296,000 | $696,000 | $1,465,000 | $1,370,000 | $1,535,000 | $730,000 | |
| | **$75,913,120** | **$51,017,000** | **$5,985,120** | **$10,559,000** | **$4,922,000** | **$4,055,000** | |

## FIGURE TEN-A
## CAPITAL BUDGET RECOMMENDATIONS
## FISCAL YEAR 2009

| Department | Project | Amount | Cummulative Total | Funding Source | Tier Ranking | Comments |
|---|---|---|---|---|---|---|
| E&R | Replacement of Voting Tabulators | $65,000 | $65,000 | Taxation | 1 | Include in Omnibus Capital Budget Article |
| Police | Replace Marked Cruiser | $28,000 | $93,000 | Taxation | 1 | Include in Omnibus Capital Budget Article |
| Police | Replace Marked Cruiser | $28,000 | $121,000 | Taxation | 1 | Include in Omnibus Capital Budget Article |
| Pub Bldgs | New Gas Burners (2) - Paton School | $29,000 | $150,000 | Taxation | 1 | Include in Omnibus Capital Budget Article |
| Pub Bldgs | New Gas Burners (4) - Beal & Coolidge | $58,000 | $208,000 | Taxation | 1 | Include in Omnibus Capital Budget Article |
| Police | Replace Marked Cruiser | $28,000 | $236,000 | Taxation | 1 | Include in Omnibus Capital Budget Article |
| Police | Replace Unmarked Cruiser | $28,000 | $264,000 | Taxation | 1 | Include in Omnibus Capital Budget Article |
| Engineer | Repairs to Newton Pond Dam | $250,000 | $514,000 | Taxation | 1 | Include in Omnibus Capital Budget Article |
| Highway | Street Reconstruction | $150,000 | $664,000 | Taxation | 1 | Include in Omnibus Capital Budget Article |
| Highway | Storm Drain Construction | $250,000 | $914,000 | Taxation | 1 | Stand Alone Warrant Article |
| Pub Bldgs | Update System Wide Facility Study | $100,000 | $1,014,000 | Taxation | 1 | Include in Omnibus Capital Budget Article |
| Highway | Replace 3/4 Ton Pickup With Plow (#2/#26)(1995) | $38,000 | $1,052,000 | Taxation | 1 | Include in Omnibus Capital Budget Article |
| Highway | Replace Street Sweeper (#34)(1997) | $141,000 | $1,193,000 | Taxation | 1 | Include in Omnibus Capital Budget Article |
| Parks | Replace Mowers | $30,000 | $1,223,000 | Taxation | 1 | Include in Omnibus Capital Budget Article |
| Pub Bldgs | Replace 3/4 Ton Pickup (#34)(1997) | $27,000 | $1,250,000 | Taxation | 2 | Include in Omnibus Capital Budget Article |
| Highway | Loader Snow Blower Attachment | $90,000 | $1,340,000 | Taxation | 2 | Include in Omnibus Capital Budget Article |
| Parks | Dean Park Roadway Improvements | $60,000 | $1,400,000 | Taxation | 2 | Include in Omnibus Capital Budget Article |
| Parks | Dean Park Erosion Control | $69,000 | $1,469,000 | Taxation | 2 | Include in Omnibus Capital Budget Article |
| Fire | Defibrillator Replacement | $32,000 | $1,501,000 | Taxation | 2 | Include in Omnibus Capital Budget Article |
| Police | Radio Voting Receiver | $10,000 | $1,511,000 | Taxation | 2 | Include in Omnibus Capital Budget Article |
| Parks | Replace 1/2 Ton Pickup With 1-Ton 4 x 2 (#89)(1990) | $18,500 | $1,529,500 | Taxation | 2 | Include in Omnibus Capital Budget Article |
| Highway | Sidewalk Construction | $350,000 | $1,879,500 | Taxation | 2 | Not Recommended For Funding |
| Highway | Street Resurfacing Account | $475,000 | $2,354,500 | Taxation | 2 | Not Recommended For Funding |
| Pub Bldgs | Replace Superintendent Vehicle (#36)(1996) | $19,000 | $2,373,500 | Taxation | 2 | Not Recommended For Funding |
| Fire | Replace Engine #3* (1987) | $400,000 | $2,773,500 | Taxation | 2 | Not Recommended For Funding/Seeking Grant Funds |
| Engineer | Replace SUV (#3) (1999) | $25,000 | $2,798,500 | Taxation | 2 | Not Recommended For Funding |
| Highway | Replace Front End Loader (#8)(1973) | $150,000 | $2,948,500 | Taxation | 2 | Not Recommended For Funding |
| Parks | Replace 1/2 Ton Pickup With 1-Ton 4 x 2 (#85)(1991) | $18,500 | $2,967,000 | Taxation | 2 | Not Recommended For Funding |
| Parks | Lake Street Park Improvements | $500,000 | $3,467,000 | Taxation | 3 | Not Recommended For Funding |

* - While Replacement of Engine #3 is warranted, plan is to try a second time for a Federal Grant/Alternative funding is possible via Stablilization Fund

| Department | Project | Amount | Cummulative Total | Funding Source | Tier Ranking | Comments |
|---|---|---|---|---|---|---|
| Sewer | General Sewer Construction | $300,000 | $300,000 | Sewer Revenue | 1 | Stand Alone Warrant Article |
| Sewer | Sewer I & I Removal Project | $100,000 | $400,000 | Sewer Revenue | 1 | Include in Omnibus Capital Budget Article |
| Sewer | Install VFD Controls at Rolfe & Maple Avenue | $100,000 | $500,000 | Sewer Revenue | 1 | Include in Omnibus Capital Budget Article |
| Sewer | Truck Line Repair/Replacement Project | TBD | | Sewer Revenue | 1 | Stand Alone Warrant Article |
| Sewer | Additional System Capacity Project | TBD | | Sewer Revenue | 1 | Stand Alone Warrant Article |

# FIGURE TEN-A
## CAPITAL BUDGET RECOMMENDATIONS
## FISCAL YEAR 2009

| | | | | | | |
|---|---|---|---|---|---|---|
| Water | Water Main Replacement Project | $1,025,000 | $1,025,000 | Water Revenue | 1 | Stand Alone Warrant Article |
| Water | Replace Light Pickup (#79)(1998) | $20,000 | $1,045,000 | Water Revenue | 1 | Include in Omnibus Capital Budget Article |
| Water | Replace 3/4 Ton Pickup/Utility (#61)(1999) | $40,000 | $1,085,000 | Water Revenue | 1 | Include in Omnibus Capital Budget Article |
| Water | Painting & Inspection - Masonic Tank #3 | $450,000 | $1,535,000 | Water Revenue | 1 | Include in Omnibus Capital Budget Article |
| Cemetery | Repaving | $30,000 | | Trust Fund | | Include in Omnibus Capital Budget Article |

Note Shown Are the Sherwood Middle School and Public Library Projects that are shown on the Capital Budget Schedule for FY 2009

# FIGURE ELEVEN
# SURPLUS REVENUE
# FISCAL YEAR 1988 TO 2007

| | RECEIPTS | | | | | | CHARGES | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | UNEXPENDED APPROPRIATION BALANCES | | | EXCESS LOCAL | EXCESS STATE | EXCESS | TAX LEVY | SPECIAL ARTICLE | FREE CASH | |
| | SCHOOL | TOWN | TOTAL | RECEIPTS | RECEIPTS | REAL ESTATE | REDUCTION | APPROPRIATIONS | JULY1 | |
| **1988** | 39,409 | 295,949 | 335,358 | 777,438 | | | 770,000 | 443,473 | 1,237,050<br>1,449,499 | actual<br>state certified |
| **1989** | 0 | 371,822 | 371,822 | 447,354 | | | 770,000 | 386,100 | 910,673 | |
| **1990** | 124 | 622,537 | 622,761 | 804,000 | | | 770,000 | 130,609 | 1,269,570 | |
| **1991** | 23,091 | 607,625 | 630,716 | 303,894 | | | 770,000 | 80,000 | 1,560,672 | |
| **1992** | 85,560 | 893,095 | 979,655 | 221,655 | | | 770,000 | 97,000 | 2,275,622 | |
| **1993** | 22,566 | 539,375 | 561,941 | 902,505 | 114,373 | 218,531 | 770,000 | 352,000 | 3,039,269 | |
| **1994** | 64,901 | 506,092 | 570,993 | 1,007,659 | 146,282 | 205,135 | 770,000 | 1,260,500 | 2,672,855 | |
| **1995** | 0 | 684,790 | 684,790 | 1,368,791 | 212,716 | 578,173 | 770,000 | 1,094,000 | 3,909,803 | |
| **1996** | 14,501 | 1,008,838 | 1,023,339 | 1,401,250 | 264,215 | -38,780 | 770,000 | 2,524,500 | 2,996,394 | |
| **1997** | 140,410 | 678,033 | 818,443 | 1,631,358* | 29,708 | 305,627 | 1,030,000 | 270,000 | 4,555,647 | |
| **1998** | 97,934 | 574,473 | 672,407 | 2,204,849 | 188,104 | 237,102 | 1,130,000 | 2,288,656 | 4,611,834 | |
| **1999** | 58,855 | 588,350 | 647,205 | 2,672,911** | 220,504 | 618,813 | 1,130,000 | 1,880,784 | 5,588,576 | |
| **2000** | | 529,300 | 529,300 | 446,885 | 255,716 | -38,720 | 1,130,000 | 1,348,000 | 2,884,606 | |
| **2001** | 17,842 | 727,089 | 744,931 | 1,144,419 | 388,157 | 87,125 | 435,000 | 981,000 | 4,087,506 | |
| **2002** | 1 | 934,185 | 934,186 | 3,687,900*** | 218,595 | | 500,000 | 1,577,612 | 6,858,300 | |
| **2003** | 10,000 | 1,216,670 | 1,226,670 | 2,329,608 | | | 728,416 | 5,385,000 | 3,616,392 | |
| **2004** | 0 | 871,381 | 2,101,529 | 929,450 | | | 500,000 | 2,380,000 | 2,837,137 | |
| **2005** | 0 | 1,629,696 | 1,629,696 | 498,843 | | | 500,000 | 2,000,000 | 1,930,113 | |
| **2006** | 0 | 2,101,529 | 2,101,529 | 1,583,983 | | | 500,000 | 1,250,000 | 4,185,519 | |
| **2007** | 349,032 | 1,685,900 | 2,034,932 | 593,304 | 222,844.00 | | 500,000 | 2,000,000 | 4,850,038 | |

* *Includes $600,000 from Treatment Plant Lawsuit*
** *Includes $1,688,000 in non-recurring ash revenue from Wheelabrator*
*** *Includes $ 2,384,822.59 In Bond Premiums/Accrued Interest*

1/22/2008

**FIGURE TWELVE**
**SUMMARY OF HEALTH INSURANCE PROGRAM**
**FY 2000 TO FY 2009**

## SCHOOL

| PLAN | | 4/1/1999 | 4/1/2000 | 4/30/2001 | 4/4/2002 | 3/26/2003 | 4/27/2004 | 4/1/2005 | 2/13/2006 | 2/5/2007 | 1/4/2008 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| H/P Select | Fam | 10 | 8 | 10 | 12 | 10 | 8 | 5 | 0 | 0 | 0 | |
| | Ind | 20 | 23 | 17 | 15 | 11 | 10 | 9 | 0 | 0 | 0 | |
| | Total | 30 | 31 | 27 | 27 | 21 | 18 | 14 | 0 | 0 | 0 | |
| H/P PPO | Fam | | | | | | | | 1 | 2 | 1 | |
| | Ind | | | | | | | | 3 | 2 | 1 | |
| | Total | | | | | | | | 4 | 4 | 2 | |
| Tufts POS | Fam | | | | | | | | 0 | 1 | 0 | |
| | Ind | | | | | | | | 0 | 0 | 0 | |
| | Total | | | | | | | | 0 | 1 | 0 | |
| Blue Cross EPO | Fam | | | | | | | | 12 | 9 | 11 | |
| | Ind | | | | | | | | 7 | 8 | 10 | |
| | Total | | | | | | | | 19 | 17 | 21 | |
| Tufts EPO | Fam | | | | | | | | 3 | 4 | 5 | |
| | Ind | | | | | | | | 2 | 2 | 4 | |
| | Total | | | | | | | | 5 | 6 | 9 | |
| H/P HMO | Fam | 39 | 44 | 57 | 70 | 66 | 50 | 45 | 46 | 39 | 35 | |
| **Became EPO FY 06** | Ind | 71 | 64 | 71 | 86 | 82 | 68 | 59 | 52 | 46 | 46 | |
| | Total | 110 | 108 | 128 | 156 | 148 | 118 | 104 | 98 | 85 | 81 | |
| Fallon | Fam | 113 | 128 | 132 | 132 | 147 | 120 | 162 | 171 | 179 | 197 | |
| (Select Care in FY 2004) | Ind | 114 | 138 | 143 | 158 | 156 | 107 | 136 | 132 | 148 | 152 | |
| | Total | 227 | 266 | 275 | 290 | 303 | 227 | 298 | 303 | 327 | 349 | |
| Fallon - Direct | Fam | | | | | | 63 | 62 | 63 | 62 | 74 | |
| | Ind | | | | | | 75 | 61 | 61 | 53 | 51 | |
| | Total | | | | | | 138 | 123 | 124 | 115 | 125 | |
| **Total Active Plans** | | **367** | **405** | **430** | **473** | **472** | **501** | **539** | **553** | **555** | **587** | **32** |

FIGURE TWELVE
SUMMARY OF HEALTH INSURANCE PROGRAM
FY 2000 TO FY 2009

## SCHOOL (cont)

| PLAN | 4/1/1999 | 4/1/2000 | 4/30/2001 | 4/4/2002 | 3/26/2003 | 4/27/2004 | 4/1/2005 | 2/13/2006 | 2/5/2007 | 1/4/2008 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Pilgrim Medicare | | | | | 95 | 93 | 92 | 90 | 92 | 70 | |
| BC MEDEX III | | | | | | | | 3 | 2 | 2 | |
| Tufts MC | | | | | | | | 6 | 6 | 5 | |
| BC Man Blue | | | | | | | | 0 | 0 | 0 | |
| Fallon Senior | 60 | 58 | 58 | 65 | 66 | 64 | 64 | 63 | 56 | 56 | |
| Tufts Medicare Preferred | | | | | | | | | | | |
| First Senority | 20 | 22 | | | | | | | | | |
| Pilgrim Enhanced | 61 | 60 | 54 | 56 | | | | | | | |
| Pilgrim Prefered | 26 | 24 | 44 | 46 | | | | | | | |
| Medicare HMO Blue | | | | | | | | | 1 | 2 | |
| First Senority - Freedom | | | | | | | | | | 21 | |
| **Total Senior Plans** | **167** | **164** | **156** | **167** | **161** | **157** | **156** | **162** | **157** | **156** | **(1)** |
| **Total School Plans** | **534** | **569** | **586** | **640** | **633** | **658** | **695** | **715** | **712** | **743** | **31** |

## Town

| PLAN | | 4/1/1999 | 4/1/2000 | 4/30/2001 | 4/4/2002 | 3/26/2003 | 4/27/2004 | 4/1/2005 | 2/13/2006 | 2/5/2007 | 1/4/2008 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| H/P Select | Fam | 2 | 2 | 2 | 2 | 2 | 1 | 0 | 0 | 0 | 0 |
| | Ind | 3 | 2 | 1 | 1 | 0 | 0 | 3 | 0 | 0 | 0 |
| | Total | 5 | 4 | 3 | 3 | 2 | 1 | 3 | 0 | 0 | 0 |
| H/P PPO | Fam | | | | | | | | 0 | 1 | 1 |
| | Ind | | | | | | | | 2 | 3 | 3 |
| | Total | | | | | | | | 2 | 4 | 4 |
| Tufts POS | Fam | | | | | | | | 0 | 0 | 0 |
| | Ind | | | | | | | | 0 | 0 | 0 |
| | Total | | | | | | | | 0 | 0 | 0 |
| Blue Cross EPO | Fam | | | | | | | | 1 | 0 | 1 |
| | Ind | | | | | | | | 2 | 3 | 3 |
| | Total | | | | | | | | 3 | 3 | 4 |
| Tufts EPO | Fam | | | | | | | | 0 | 0 | 0 |
| | Ind | | | | | | | | 0 | 0 | 0 |
| | Total | | | | | | | | 0 | 0 | 0 |

FIGURE TWELVE
SUMMARY OF HEALTH INSURANCE PROGRAM
FY 2000 TO FY 2009

## Town (cont)

| PLAN | | 4/1/1999 | 4/1/2000 | 4/30/2001 | 4/4/2002 | 3/26/2003 | 4/27/2004 | 4/1/2005 | 2/13/2006 | 2/5/2007 | 1/4/2008 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| H/P HMO | Fam | 24 | 22 | 28 | 28 | 29 | 10 | 9 | 10 | 10 | 9 | |
| **Became EPO FY 06** | Ind | 22 | 32 | 30 | 33 | 31 | 22 | 13 | 13 | 15 | 11 | |
| | Total | 46 | 54 | 58 | 61 | 60 | 32 | 22 | 23 | 25 | 20 | |
| Fallon | Fam | 72 | 71 | 68 | 68 | 69 | 68 | 72 | 71 | 75 | 72 | |
| (Select Care in FY 2004) | Ind | 33 | 37 | 38 | 37 | 43 | 39 | 44 | 48 | 44 | 41 | |
| | Total | 105 | 108 | 106 | 105 | 112 | 107 | 116 | 119 | 119 | 113 | |
| Fallon - Direct | Fam | | | | | | 32 | 30 | 30 | 33 | 32 | |
| | Ind | | | | | | 13 | 11 | 11 | 12 | 13 | |
| | Total | | | | | | 45 | 41 | 41 | 45 | 45 | |
| **Total Active Plans** | | **156** | **166** | **167** | **169** | **174** | **185** | **182** | **188** | **196** | **186** | (10) |

| PLAN | 4/1/1999 | 4/1/2000 | 4/30/2001 | 4/4/2002 | 3/26/2003 | 4/27/2004 | 4/1/2005 | 2/13/2006 | 2/5/2007 | 1/4/2008 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Pilgrim Medicare | | | | | 82 | 68 | 67 | 50 | 47 | 47 | |
| BC MEDEX III | | | | | | | | 3 | 4 | 3 | |
| Tufts MC | | | | | | | | 8 | 9 | 6 | |
| BC Man Blue | | | | | | | | 4 | 4 | 3 | |
| Fallon Senior | 48 | 54 | 50 | 44 | 43 | 50 | 51 | 47 | 49 | 48 | |
| Tufts Medicare Preferred | | | | | | | | | | 1 | |
| First Senority | 6 | 14 | | | | | | | | | |
| Pilgrim Enhanced | 32 | 36 | 35 | 34 | | | | | | | |
| Pilgrim Prefered | 35 | 34 | 54 | 47 | | | | | | | |
| Medicare HMO Blue | | | | | | | | | 2 | 0 | |
| First Senority - Freedom | | | | | | | | | | 23 | |
| **Total Senior Plans** | **121** | **138** | **139** | **125** | **125** | **118** | **118** | **112** | **115** | **131** | 16 |
| **Total Municipal Plans** | **277** | **304** | **306** | **294** | **299** | **303** | **300** | **300** | **311** | **317** | 6 |
| **Combined All Plans** | **811** | **873** | **892** | **934** | **932** | **961** | **995** | **1015** | **1023** | **1060** | 37 |

## FIGURE TWELVE
## SUMMARY OF HEALTH INSURANCE PROGRAM
## FY 2000 TO FY 2009

**Premium**

| PLAN | | FY 2000 | FY 2001 | FY 2002 | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 | FY 2008 |
|---|---|---|---|---|---|---|---|---|---|---|
| H/P Select | Fam | $666.86 | $785.56 | $859.51 | $1,091.58 | $1,301.64 | $1,624.19 | | | |
| | Ind | $247.90 | $292.03 | $319.52 | $405.79 | $483.88 | $603.79 | | | |
| H/P PPO | Fam | | | | | | | $1,611.00 | $ 1,986.00 | $ 2,374.00 |
| | Ind | | | | | | | $732.00 | $ 903.00 | $ 1,069.00 |
| Tufts POS | Fam | | | | | | | $1,611.00 | $ 1,986.00 | $ 2,374.00 |
| | Ind | | | | | | | $732.00 | $ 903.00 | $ 1,069.00 |
| Blue Cross EPO | Fam | | | | | | | $1,231.00 | $ 1,386.00 | $ 1,490.63 |
| | Ind | | | | | | | $459.00 | $ 517.00 | $ 555.03 |
| Tufts EPO | Fam | | | | | | | $1,235.00 | $ 1,457.00 | $ 1,444.00 |
| | Ind | | | | | | | $472.00 | $ 557.00 | $ 551.00 |
| H/P HMO | Fam | $614.25 | $723.59 | $743.19 | $943.85 | $1,125.47 | $1,404.36 | $1,121.00 | $ 1,250.00 | $ 1,357.53 |
| **Became EPO FY 06** | Ind | $228.35 | $269.00 | $276.28 | $350.88 | $418.39 | $522.07 | $431.00 | $ 481.00 | $ 521.37 |
| Fallon | Fam | $470.58 | $504.36 | $604.91 | $684.80 | $867.60 | $998.38 | $1,000.72 | $ 1,089.00 | $ 1,246.35 |
| | Ind | $182.18 | $193.98 | $232.66 | $263.38 | $334.98 | $385.47 | $369.27 | $ 403.00 | $ 462.23 |
| Fallon Direct Care | Fam | | | | | $777.28 | $894.45 | $948.84 | $ 1,012.00 | $ 1,157.53 |
| | Ind | | | | | $300.11 | $345.35 | $350.12 | $ 374.00 | $ 429.47 |
| Pilgrim Medicare | | | | | | $ 343.00 | $ 366.00 | $ 408.00 | $ 414.00 | $ 414.00 |
| BC MEDEX III | | | | | | | | $ 353.00 | $ 381.00 | $ 382.00 |
| Tufts MC | | | | | | | | $ 289.00 | $ 302.00 | $ 323.00 |
| BC Man Blue | | | | | | | | $ 300.45 | $ 335.30 | $ 360.93 |
| Medicare HMO Blue | | | | | | | | $ 266.75 | $ 202.90 | $ 216.20 |
| First Senority | | $ 52.00 | $ 76.00 | | | | | $ 210.00 | $ 167.00 | $ 223.00 |
| Tufts Medicare | | | | | | | | $ 190.00 | $ 141.00 | $ 153.00 |
| Fallon Senior | | $ 84.72 | $ 69.70 | $ 89.00 | $ 115.00 | $ 173.00 | $ 237.00 | $ 213.00 | $ 177.00 | $ 207.00 |
| Pilgrim Enhanced | | $ 131.25 | $ 236.09 | $ 325.73 | $ 370.73 | | | | | |
| Pilgrim Prefered | | $ 127.75 | $ 209.82 | $ 234.94 | $ 312.40 | | | | | |

## FIGURE TWELVE
## SUMMARY OF HEALTH INSURANCE PROGRAM
## FY 2000 TO FY 2009

| Town Contribution | | FY 2000 | FY 2001 | FY 2002 | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 | FY 2008 |
|---|---|---|---|---|---|---|---|---|---|---|
| H/P Select | Fam | $ 333.43 | $ 392.78 | $ 429.76 | $ 545.79 | $ 650.82 | $ 812.10 | | | |
| | Ind | $ 123.95 | $ 146.02 | $ 159.76 | $ 202.90 | $ 241.94 | $ 301.90 | | | |
| | | 50.00% | 50.00% | 50.00% | 50.00% | 50.00% | 50.00% | | | |
| | | 50.00% | 50.00% | 50.00% | 50.00% | 50.00% | 50.00% | | | |
| H/P PPO | Fam | | | | | | | $805.50 | $993.00 | $1,187.00 |
| | Ind | | | | | | | $366.00 | $451.50 | $534.50 |
| | | | | | | | | 50.00% | 50.00% | 50.00% |
| | | | | | | | | 50.00% | 50.00% | 50.00% |
| Tufts POS | Fam | | | | | | | $805.50 | $993.00 | $1,187.00 |
| | Ind | | | | | | | $366.00 | $451.50 | $534.50 |
| | | | | | | | | 50.00% | 50.00% | 50.00% |
| | | | | | | | | 50.00% | 50.00% | 50.00% |
| Blue Cross EPO | Fam | | | | | | | $738.60 | $831.60 | $894.38 |
| | Ind | | | | | | | $275.40 | $310.20 | $333.02 |
| | | | | | | | | 60.00% | 60.00% | 60.00% |
| | | | | | | | | 60.00% | 60.00% | 60.00% |
| Tufts EPO | Fam | | | | | | | $741.00 | $874.20 | $866.40 |
| | Ind | | | | | | | $283.20 | $334.20 | $330.60 |
| | | | | | | | | 60.00% | 60.00% | 60.00% |
| | | | | | | | | 60.00% | 60.00% | 60.00% |
| H/P HMO | Fam | $ 333.43 | $ 392.78 | $ 429.76 | $ 545.79 | $ 650.82 | $ 812.10 | $ 672.60 | $ 750.00 | $ 814.52 |
| | Ind | $ 123.95 | $ 146.02 | $ 159.76 | $ 202.90 | $ 241.94 | $ 301.90 | $ 258.60 | $ 288.60 | $ 312.82 |
| | | 54.28% | 54.28% | 57.83% | 57.83% | 57.83% | 57.83% | 60.00% | 60.00% | 60.00% |
| | | 54.28% | 54.28% | 57.83% | 57.82% | 57.83% | 57.83% | 60.00% | 60.00% | 60.00% |

**FIGURE TWELVE**
**SUMMARY OF HEALTH INSURANCE PROGRAM**
**FY 2000 TO FY 2009**

| **Town Contribution** | | **FY 2000** | **FY 2001** | **FY 2002** | **FY 2003** | **FY 2004** | **FY 2005** | **FY 2006** | **FY 2007** | **FY 2008** |
|---|---|---|---|---|---|---|---|---|---|---|
| Fallon | Fam | $ 333.43 | $ 392.78 | $ 429.76 | $ 545.79 | $ 650.82 | $ 812.10 | $ 750.54 | $ 816.75 | $ 934.76 |
| | Ind | $ 123.95 | $ 146.02 | $ 159.76 | $ 202.90 | $ 241.94 | $ 301.90 | $ 276.95 | $ 302.25 | $ 346.67 |
| This became Fallon Select Care in FY 2004 | | 70.86% | 77.88% | 71.04% | 79.70% | 75.01% | 81.34% | 75.00% | 75.00% | 75.00% |
| | | 68.04% | 75.27% | 68.67% | 77.04% | 72.23% | 78.32% | 75.00% | 75.00% | 75.00% |
| Fallon - Direct Care | Fam | | | | | $ 650.82 | $ 805.01 | $ 806.51 | $ 860.20 | $ 983.90 |
| | Ind | | | | | $ 241.94 | $ 301.90 | $ 297.60 | $ 317.90 | $ 365.05 |
| | | | | | | 83.73% | 90.00% | 85.00% | 85.00% | 85.00% |
| | | | | | | 80.62% | 87.42% | 85.00% | 85.00% | 85.00% |
| Pilgrim Medicare | | | | | | $ 171.50 | $ 183.00 | $ 204.00 | $ 207.00 | $ 207.00 |
| | | | | | | 50.00% | 50.00% | 50.00% | 50.00% | 50.00% |
| BC MEDEX III | | | | | | | | $ 176.50 | $ 190.50 | $ 191.00 |
| | | | | | | | | 50.00% | 50.00% | 50.00% |
| Tufts MC | | | | | | | | $ 173.40 | $ 181.20 | $ 193.80 |
| | | | | | | | | 60.00% | 60.00% | 60.00% |
| BC Man Blue | | | | | | | | $ 180.27 | $ 201.18 | $ 216.56 |
| | | | | | | | | 60.00% | 60.00% | 60.00% |
| BC Medicare Blue | | | | | | | | $ 200.06 | $ 152.18 | $ 162.15 |
| | | | | | | | | 75.00% | 75.00% | 75.00% |
| First Senority | | $ 46.80 | $ 68.40 | | | | | $ 178.50 | $ 141.95 | $ 189.55 |
| | | 90.00% | 90.00% | | | | | 85.00% | 85.00% | 85.00% |
| Fallon Senior | | $ 65.63 | $ 62.73 | $ 80.10 | $ 103.50 | $ 155.70 | $ 183.00 | $ 181.05 | $ 150.45 | $ 175.95 |
| | | 77.46% | 90.00% | 90.00% | 90.00% | 90.00% | 77.22% | 85.00% | 85.00% | 85.00% |
| Tufts Medicare Pref | | | | | | | | $ 161.50 | $ 119.85 | $ 130.05 |
| | | | | | | | | 85.00% | 85.00% | 85.00% |
| Pilgrim Enhanced | | $ 65.63 | $ 118.05 | $ 162.87 | $ 185.37 | | | | | |
| | | 50.00% | 50.00% | 50.00% | 50.00% | | | | | |
| Pilgrim Prefered | | $ 65.63 | $ 104.91 | $ 117.47 | $ 156.20 | | | | | |
| | | 51.37% | 50.00% | 50.00% | 50.00% | | | | | |

**FIGURE TWELVE**
**SUMMARY OF HEALTH INSURANCE PROGRAM**
**FY 2000 TO FY 2009**

| Employee Contribution | | FY 2000 | FY 2001 | FY 2002 | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 | FY 2008 |
|---|---|---|---|---|---|---|---|---|---|---|
| H/P Select | Fam | $ 333.43 | $ 392.78 | $ 429.76 | $ 545.79 | $ 650.82 | $ 812.10 | | | |
| | Ind | $ 123.95 | $ 146.02 | $ 159.76 | $ 202.90 | $ 241.94 | $ 301.90 | | | |
| | | 50.00% | 50.00% | 50.00% | 50.00% | 50.00% | 50.00% | | | |
| | | 50.00% | 50.00% | 50.00% | 50.00% | 50.00% | 50.00% | | | |
| H/P PPO | Fam | | | | | | | $805.50 | $993.00 | $1,187.00 |
| | Ind | | | | | | | $366.00 | $451.50 | $534.50 |
| | | | | | | | | 50.00% | 50.00% | 50.00% |
| | | | | | | | | 50.00% | 50.00% | 50.00% |
| Tufts POS | Fam | | | | | | | $805.50 | $993.00 | $1,187.00 |
| | Ind | | | | | | | $366.00 | $451.50 | $534.50 |
| | | | | | | | | 50.00% | 50.00% | 50.00% |
| | | | | | | | | 50.00% | 50.00% | 50.00% |
| Blue Cross EPO | Fam | | | | | | | $492.40 | $554.40 | $596.25 |
| | Ind | | | | | | | $183.60 | $206.80 | $222.01 |
| | | | | | | | | 40.00% | 40.00% | 40.00% |
| | | | | | | | | 40.00% | 40.00% | 40.00% |
| Tufts EPO | Fam | | | | | | | $494.00 | $582.80 | $577.60 |
| | Ind | | | | | | | $188.80 | $222.80 | $220.40 |
| | | | | | | | | 40.00% | 40.00% | 40.00% |
| | | | | | | | | 40.00% | 40.00% | 40.00% |
| H/P HMO | Fam | $ 280.82 | $ 330.81 | $ 313.44 | $ 398.06 | $ 474.65 | $ 592.27 | $448.40 | $500.00 | $543.01 |
| | Ind | $ 104.40 | $ 122.99 | $ 116.52 | $ 147.99 | $ 176.45 | $ 220.18 | $172.40 | $192.40 | $208.55 |
| | | 45.72% | 45.72% | 42.17% | 42.17% | 42.17% | 42.17% | 40.00% | 40.00% | 40.00% |
| | | 45.72% | 45.72% | 42.17% | 42.18% | 42.17% | 42.17% | 40.00% | 40.00% | 40.00% |
| Fallon | Fam | $ 137.15 | $ 111.58 | $ 175.16 | $ 139.01 | $ 216.78 | $ 186.29 | $250.18 | $272.25 | $ 311.59 |
| This became Fallon Select Care in FY 2004 | Ind | $ 58.23 | $ 47.97 | $ 72.90 | $ 60.49 | $ 93.04 | $ 83.58 | $92.32 | $100.75 | $115.56 |
| | | 29.14% | 22.12% | 28.96% | 20.30% | 24.99% | 18.66% | 25.00% | 25.00% | 25.00% |
| | | 31.96% | 24.73% | 31.33% | 22.96% | 27.77% | 21.68% | 25.00% | 25.00% | 25.00% |

## FIGURE TWELVE
## SUMMARY OF HEALTH INSURANCE PROGRAM
## FY 2000 TO FY 2009

| Employee Contribution | | FY 2000 | FY 2001 | FY 2002 | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 | FY 2008 |
|---|---|---|---|---|---|---|---|---|---|---|
| Fallon - Direct Care | Fam | | | | | $ 126.46 | $ 89.44 | $142.33 | $151.80 | $173.63 |
| | Ind | | | | | $ 58.17 | $ 43.46 | $52.52 | $56.10 | $64.42 |
| | | | | | | 16.27% | 10.00% | 15.00% | 15.00% | 15.00% |
| | | | | | | 19.38% | 12.58% | 15.00% | 15.00% | 15.00% |
| Pilgrim Medicare | | | | | | $ 171.50 | $ 183.00 | $ 204.00 | $ 207.00 | $ 207.00 |
| | | | | | | 50.00% | 50.00% | 50.00% | 50.00% | 50.00% |
| BC MEDEX III | | | | | | | | $ 176.50 | $ 190.50 | $ 191.00 |
| | | | | | | | | 50.00% | 50.00% | 50.00% |
| Tufts MC | | | | | | | | $ 115.60 | $ 120.80 | $ 129.20 |
| | | | | | | | | 40.00% | 40.00% | 40.00% |
| BC Man Blue | | | | | | | | $ 120.18 | $ 134.12 | $ 144.37 |
| | | | | | | | | 40.00% | 40.00% | 40.00% |
| BC Blue Care 65 | | | | | | | | $ 66.69 | $ 50.72 | $ 54.05 |
| | | | | | | | | 25.00% | 25.00% | 25.00% |
| First Senority | | $ 5.20 | $ 7.60 | | | | | $ 31.50 | $ 25.05 | $ 33.45 |
| | | 10.00% | 10.00% | | | | | 15.00% | 15.00% | 15.00% |
| Fallon Senior | | $ 19.10 | $ 6.97 | $ 8.90 | $ 11.50 | $ 17.30 | $ 54.00 | $ 31.95 | $ 26.55 | $ 31.05 |
| | | 22.54% | 10.00% | 10.00% | 10.00% | 10.00% | 22.78% | 15.00% | 15.00% | 15.00% |
| Tufts Medicare Pref | | | | | | | | $ 28.50 | $ 21.15 | $ 22.95 |
| | | | | | | | | 15.00% | 15.00% | 15.00% |
| Pilgrim Enhanced | | $ 65.63 | $ 118.05 | $ 162.87 | $ 185.37 | | | | | |
| | | 50.00% | 50.00% | 50.00% | 50.00% | | | | | |
| Pilgrim Prefered | | $ 62.13 | $ 104.91 | $ 117.47 | $ 156.20 | | | | | |
| | | 48.63% | 50.00% | 50.00% | 50.00% | | | | | |

**FIGURE TWELVE**
**SUMMARY OF HEALTH INSURANCE PROGRAM**
**FY 2000 TO FY 2009**

| Plan Totals | | 4/1/1999 | 4/1/2000 | 4/30/2001 | 4/4/2002 | 3/26/2003 | 4/27/2004 | 4/1/2005 | 2/13/2006 | 2/5/2007 | 1/4/2008 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| H/P Select | Fam | 12 | 10 | 12 | 14 | 12 | 9 | 5 | | | | |
| H/P PPO | Fam | | | | | | | | 1 | 3 | 2 | |
| Tufts POS | Fam | | | | | | | | 0 | 1 | 0 | |
| Blue Cross EPO | Fam | | | | | | | | 13 | 9 | 12 | |
| Tufts EPO | Fam | | | | | | | | 3 | 4 | 5 | |
| H/P HMO (EPO) | Fam | 63 | 66 | 85 | 98 | 95 | 60 | 54 | 56 | 49 | 44 | |
| Fallon (Select in FY 04) | Fam | 185 | 199 | 200 | 200 | 216 | 188 | 234 | 242 | 254 | 269 | |
| Fallon - Direct | Fam | | | | | | 95 | 92 | 93 | 95 | 106 | |
| | | 260 | 275 | 297 | 312 | 323 | 352 | 385 | 408 | 415 | 438 | **23** |
| H/P Select | Ind | 23 | 25 | 18 | 16 | 11 | 10 | 12 | | | | |
| H/P PPO | Ind | | | | | | | | 5 | 5 | 4 | |
| Tufts POS | Ind | | | | | | | | 0 | 0 | 0 | |
| Blue Cross EPO | Ind | | | | | | | | 9 | 11 | 13 | |
| Tufts EPO | Ind | | | | | | | | 2 | 2 | 4 | |
| H/P HMO (EPO) | Ind | 93 | 96 | 101 | 119 | 113 | 90 | 72 | 65 | 61 | 57 | |
| Fallon (Select in FY 04) | Ind | 147 | 175 | 181 | 195 | 199 | 146 | 180 | 180 | 192 | 193 | |
| Fallon - Direct | Ind | | | | | | 88 | 72 | 72 | 65 | 64 | |
| | | 263 | 296 | 300 | 330 | 323 | 334 | 336 | 333 | 336 | 335 | **(1)** |
| Pilgrim Medicare | Sr | | | | | 177 | 161 | 159 | 140 | 139 | 117 | |
| BC MEDEX III | Sr | | | | | | | | 6 | 6 | 5 | |
| Tufts MC | Sr | | | | | | | | 14 | 15 | 11 | |
| BC Man Blue | Sr | | | | | | | | 4 | 4 | 3 | |
| Fallon Senior | Sr | 108 | 112 | 108 | 109 | 109 | 114 | 115 | 110 | 105 | 104 | |
| First Senority | Sr | 26 | 36 | | | | | | | | | |
| Pilgrim Enhanced | Sr | 93 | 96 | 89 | 90 | | | | | | | |
| Pilgrim Prefered | Sr | 61 | 58 | 98 | 93 | | | | | | | |
| Medicare MHO Blue | Sr | | | | | | | | | 3 | 2 | |
| Tufts Medicare Preferred | Sr | | | | | | | | | | 1 | |
| First Senority - Freedom | Sr | | | | | | | | | | 44 | |
| | | 288 | 302 | 295 | 292 | 286 | 275 | 274 | 274 | 272 | 287 | **15** |
| **Grand Total** | | **811** | **873** | **892** | **934** | **932** | **961** | **995** | **1015** | **1023** | **1060** | **37** |

# FIGURE THIRTEEN
# ANALYSIS OF NET SCHOOL SPENDING
# FISCAL YEAR 1995 TO 2008

**Variance Between Required and Actual Net School Spending**

| Fiscal Year | Required NSS | Actual NSS | Difference | Percent Difference |
|---|---|---|---|---|
| Fiscal Year 1995 | $ 17,976,439 | $ 18,519,660 | $ 543,221 | 3.02% |
| Fiscal Year 1996 | $ 18,945,099 | $ 19,886,730 | $ 941,631 | 4.97% |
| Fiscal Year 1997 | $ 19,966,578 | $ 21,144,462 | $ 1,177,884 | 5.90% |
| Fiscal Year 1998 | $ 21,622,812 | $ 23,955,596 | $ 2,332,784 | 10.79% |
| Fiscal Year 1999 | $ 23,449,422 | $ 26,109,234 | $ 2,659,812 | 11.34% |
| Fiscal Year 2000 | $ 25,238,567 | $ 28,762,594 | $ 3,524,027 | 13.96% |
| Fiscal Year 2001 | $ 27,033,662 | $ 31,199,717 | $ 4,166,055 | 15.41% |
| Fiscal Year 2002 | $ 29,465,870 | $ 33,135,729 | $ 3,669,859 | 12.45% |
| Fiscal Year 2003 | $ 31,933,286 | $ 35,705,174 | $ 3,771,888 | 11.81% |
| Fiscal Year 2004 | $ 33,741,872 | $ 39,329,286 | $ 5,587,414 | 16.56% |
| Fiscal Year 2005 | $ 36,777,283 | $ 42,111,030 | $ 5,333,747 | 14.50% |
| Fiscal Year 2006 | $ 39,662,058 | $ 44,016,335 | $ 4,354,277 | 10.98% |
| Fiscal Year 2007 | $ 43,006,922 | $ 45,676,250 | $ 2,669,328 | 6.21% |

| | | | | |
|---|---|---|---|---|
| Fiscal Year 2008 Projected | $ 46,216,469 | $ 49,642,813 | $ 3,426,344 | 7.41% |

**Changes in Required Versus Actual Net School Spending**

| Fiscal Year | Required NSS | Percent Increase | Actual NSS | Percent Increase |
|---|---|---|---|---|
| Fiscal Year 1995 | $ 17,976,439 | | $ 18,519,660 | |
| Fiscal Year 1996 | $ 18,945,099 | 5.39% | $ 19,886,730 | 7.38% |
| Fiscal Year 1997 | $ 19,966,578 | 5.39% | $ 21,144,462 | 6.32% |
| Fiscal Year 1998 | $ 21,622,812 | 8.30% | $ 23,955,596 | 13.29% |
| Fiscal Year 1999 | $ 23,449,422 | 8.45% | $ 26,109,234 | 8.99% |
| Fiscal Year 2000 | $ 25,238,567 | 7.63% | $ 28,762,594 | 10.16% |
| Fiscal Year 2001 | $ 27,033,662 | 7.11% | $ 31,199,717 | 8.47% |
| Fiscal Year 2002 | $ 29,465,870 | 9.00% | $ 33,135,729 | 6.21% |
| Fiscal Year 2003 | $ 31,933,286 | 8.37% | $ 35,705,174 | 7.75% |
| Fiscal Year 2004 | $ 33,741,872 | 5.66% | $ 39,329,286 | 10.15% |
| Fiscal Year 2005 | $ 36,777,283 | 9.00% | $ 42,111,030 | 7.07% |
| Fiscal Year 2006 | $ 39,662,058 | 7.84% | $ 44,016,335 | 4.52% |
| Fiscal Year 2007 | $ 43,006,922 | 8.43% | $ 45,676,250 | 3.77% |
| Change FY 95 to 07 | | 139.24% | | 146.64% |

| | | | | |
|---|---|---|---|---|
| Fiscal Year 2008 Projected | $ 46,216,469 | 7.46% | $ 49,642,813 | 8.68% |

## FIGURE FOURTEEN
## COMPARISON OF AUTHORIZED FTE POSITIONS
## FISCAL YEAR 1998 TO FISCAL YEAR 2009 (PROPOSED)

| DEPARTMENT | FTE Proposed FY 2009 | FTE Authorized FY 2008 | Difference FY 2008 to FY 2009 | FTE Authorized FY 1998 | Difference FY 2008 to FY 1998 | Comment |
|---|---|---|---|---|---|---|
| Town Manager | 4.0 | 4.0 | 0.0 | 4.0 | 0.0 | See COA Below |
| Accounting | 3.0 | 3.0 | 0.0 | 3.0 | 0.0 | |
| Board of Assessors | 3.0 | 3.0 | 0.0 | 4.0 | (1.0) | |
| Treasurer-Collector | 7.0 | 7.0 | 0.0 | 7.0 | 0.0 | |
| MIS | 2.0 | 2.0 | 0.0 | 1.0 | 1.0 | |
| Town Clerk | 3.0 | 3.0 | 0.0 | 3.5 | (0.5) | |
| Election & Registration | 0.5 | 0.5 | 0.0 | 0.5 | 0.0 | |
| Public Buildings | 28.0 | 28.0 | 0.0 | 28.0 | 0.0 | |
| Police | 62.3 | 62.3 | 0.0 | 46.8 | 15.5 | ACO is shown in Police Department; |
| Animal Control | 0.0 | 0.0 | 0.0 | 1.0 | (1.0) | See above |
| Fire | 38.0 | 38.0 | 0.0 | 34.0 | 4.0 | |
| Building Inspector | 2.8 | 2.8 | 0.0 | 2.5 | 0.3 | |
| Retirement | 1.0 | 1.0 | 0.0 | 1.0 | 0.0 | |
| Engineering | 8.0 | 8.0 | 0.0 | 7.5 | 0.5 | Peak staff level in FY 2001 was (10.5) FTE |
| Highway | 12.8 | 12.8 | 0.0 | 14.5 | (1.7) | |
| Sewer | 4.7 | 4.2 | 0.5 | 4.3 | (0.1) | Add (.5) (PAT 16) |
| Water | 11.7 | 11.2 | 0.5 | 13.4 | (1.7) | Add (.5) (PAT 16) |
| Cemetery, Parks & Recreation | 10.9 | 10.9 | 0.0 | 9.8 | 1.1 | Nearly (2) FTE's funded via fees |
| Board of Health | 3.0 | 3.0 | 0.0 | 3.0 | 0.0 | |
| Council on Aging | 6.3 | 6.3 | 0.0 | 4.0 | 2.3 | In FY 2008 portions of FTE funded via grant; (.75) FTE added in FY 1998 from TM Office |
| Veteran's Services | 0.3 | 0.3 | 0.0 | 0.0 | 0.3 | |
| Library | 19.0 | 19.0 | 0.0 | 20.0 | (1.0) | (.5) FTE added |
| Total | 231.3 | 230.3 | 1.0 | 212.8 | 18.5 | 8.70% |
| Less Police & Fire | 131.0 | 130.0 | 1.0 | 132.0 | (1.0) | -0.75% |

1/22/2008

# FIGURE FIFTEEN
# SOLID WASTE PROGRAM WITH AND WITHOUT PAYT

## Projection Without Pay As You Throw

| Fiscal Year | Collection Costs* | | Disposal Costs | | Landfill Revenue** | | Tax Levy "Subsidy" | Notes |
|---|---|---|---|---|---|---|---|---|
| 2000 | $675,938 | | $346,940 | | $453,309 | | $569,569 | |
| 2001 | $692,731 | 2.5% | $380,228 | 9.6% | $592,754 | 30.8% | $480,205 | |
| 2002 | $715,500 | 3.3% | $415,166 | 9.2% | $893,950 | 50.8% | $236,716 | $542,417 was deposited in Coal Ash Reserve |
| 2003 | $737,550 | 3.1% | $429,919 | 3.6% | $1,098,492 | 22.9% | $68,977 | $1,092,000 was deposited in Coal Ash Reserve |
| 2004 | $761,224 | 3.2% | $467,201 | 8.7% | $961,582 | -12.5% | $266,843 | |
| 2005 | $1,037,588 | 36.3% | $437,817 | -6.3% | $570,000 | -40.7% | $655,405 | $250,000 taken from Coal Ash Reserve |
| 2006 | $1,052,101 | 1.4% | $447,075 | 2.1% | $580,000 | 1.8% | $644,176 | $275,000 taken from Coal Ash Reserve |
| 2007 | $1,089,341 | 3.5% | $438,599 | -1.9% | $573,251 | -1.2% | $529,689 | $425,000 taken from Coal Ash Reserve |
| 2008 | $1,127,037 | 3.5% | $641,911 | 46.4% | $600,000 | 4.7% | $743,948 | $425,000 taken from Coal Ash Reserve (In addition $105,000 used to return capping grant) |
| 2009 | $1,160,758 | 3.0% | $770,112 | 20.0% | $828,000 | 38.0% | $712,870 | $390,000± (balance) to be taken from Coal Ash Reserve |
| 2010 | $1,195,581 | 3.0% | $785,514 | 2.0% | $1,035,000 | 25.0% | $946,095 | |
| 2011 | $1,231,448 | 3.0% | $801,225 | 2.0% | $1,242,000 | 20.0% | $790,673 | |
| 2012 | $1,268,392 | 3.0% | $817,249 | 2.0% | $1,490,400 | 20.0% | $595,241 | |

* Current haul contract expires on 6/30/2009

** Landfill revenue projection is subject to revison based upon WMI timetable under new agreement

## Projection With Pay As You Throw Instituted on July 1, 2008***

| Fiscal Year | Collection Costs* | | Disposal Costs | | Landfill Revenue** | | Pay-Throw Revenue**** | Pay-Throw Costs**** | Tax Levy "Subsidy" | Notes |
|---|---|---|---|---|---|---|---|---|---|---|
| 2000 | $675,938 | | $346,940 | | $453,309 | | | | $569,569 | |
| 2001 | $692,731 | 2.5% | $380,228 | 9.6% | $592,754 | 30.8% | | | $480,205 | |
| 2002 | $715,500 | 3.3% | $415,166 | 9.2% | $893,950 | 50.8% | | | | $542,417 was deposited in Coal Ash Reserve |
| 2003 | $737,550 | 3.1% | $429,919 | 3.6% | $1,098,492 | 22.9% | | | $68,977 | $1,092,000 was deposited in Coal Ash Reserve |
| 2004 | $761,224 | 3.2% | $467,201 | 8.7% | $961,582 | -12.5% | | | $266,843 | |
| 2005 | $1,037,588 | 36.3% | $437,817 | -6.3% | $570,000 | -40.7% | | | $655,405 | $250,000 taken from Coal Ash Reserve |
| 2006 | $1,052,101 | 1.4% | $447,075 | 2.1% | $580,000 | 1.8% | | | $644,176 | $275,000 taken from Coal Ash Reserve |
| 2007 | $1,089,341 | 3.5% | $438,599 | -1.9% | $573,251 | -1.2% | | | $529,689 | $425,000 taken from Coal Ash Reserve |
| 2008 | $1,127,037 | 3.5% | $641,911 | 46.4% | $600,000 | 4.7% | | | $743,948 | $425,000 taken from Coal Ash Reserve (In addition $105,000 used to return capping grant) |
| 2009 | $1,160,758 | 3.0% | $680,026 | 5.9% | $828,000 | 38.0% | $997,384 | $85,000 | ($239,600) | $340,000 (balance) to be taken from Coal Ash Reserve |
| 2010 | $1,195,581 | 3.0% | $693,627 | 2.0% | $1,035,000 | 25.0% | $1,017,332 | $130,000 | ($33,124) | |
| 2011 | $1,231,448 | 3.0% | $707,499 | 2.0% | $1,242,000 | 20.0% | $1,037,678 | $136,500 | ($204,231) | |
| 2012 | $1,268,392 | 3.0% | $721,649 | 2.0% | $1,490,400 | 20.0% | $1,058,432 | $143,325 | ($415,466) | |

Tax Levy Impact

| Fiscal Year | Without PAYT | With PAYT | Variance |
|---|---|---|---|
| 2007 | $529,689 | $529,689 | $0 |
| 2008 | $743,948 | $743,948 | $0 |
| 2009 | $712,870 | ($239,600) | ($952,470) |
| 2010 | $946,095 | ($33,124) | ($979,219) |
| 2011 | $790,673 | ($204,231) | ($994,904) |
| 2012 | $595,241 | ($415,466) | ($1,010,707) |

****** For FY 2009, the revenue estimate is based 8,800 tons with bags costing $0.75/$1.50 with disposal costs being based on 8,960 tons to provide margin of safety. Bag costs offset in year one by grant from DEP ($40,000).**

***** Modification will be necessary for actual start date after July 1, 2008**

1/24/2008

# FIGURE SIXTEEN
# SUPPLEMENTAL BUDGET
# FISCAL YEAR 2009

| Department | Account | Amount | Purpose |
|---|---|---|---|
| Finance Committee | Reserve Fun - 09 | $100,000 | Additional funding for Reserve Fund due to cutbacks among the various departmental budgets |
| | **Department Total** | **$100,000** | |
| Public Buildings | Salaries - 03 | $46,416 | To fund new W-8 HVAC technician position |
| | Major Building Repairs - 09 | $50,000 | To increase funding for miscellaneous buildings repairs |
| | **Department Total** | **$96,416** | |
| Police | Salaries - 02 | $33,565 | To fund new PAT 8 position |
| | Salaries - 03 | $67,118 | To fund new detective sergeant position |
| | Salaries - 03 | $47,751 | To fund new patrol officer position |
| | Salaries - 03 | $47,751 | To fund new patrol officer position |
| | Expenses 04-05-06 | $5,000 | To fund departmental expenses |
| | **Department Total** | **$167,620** | |
| Fire | Expenses 04-05-06 | $5,000 | To fund departmental expenses |
| | **Department Total** | **$5,000** | |
| Highway | Salaries - 03 | $39,873 | To fund new heavy equipment operator position |
| | Salaries - 03 | $39,873 | To fund new heavy equipment operator position |
| | Expenses 04-05-06 | $150,000 | To fund snow and ice control expenses |
| | **Department Total** | **$229,746** | |
| Council on Aging | Salaries - 01 | $2,500 | Move funding from formula grant to tax levy |
| | Salaries - 02 | $2,500 | Move funding from formula grant to tax levy |
| | **Department Total** | **$5,000** | |
| Library | Salaries - 03 | $18,469 | To fund additional staff hours via part time employees |
| | Expenses 04-05-06 | $9,638 | To fund additional programming, materials and building expenses |
| | **Department Total** | **$28,107** | |
| Parks & Recreation | Expenses 04-05-06-09 | $40,000 | To replace fencing, guardrail and other park improvements; Tree removal |
| | **Department Total** | **$40,000** | |
| Unclassified | Group Health and Life Insurance | $84,000 | To fund health insurance for additional employees |
| | Medicare Employer Match | $5,000 | To fund Medicare expenses for additional employees |
| | **Department Total** | **$89,000** | |
| Capital Budget | Various | $994,000 | To fund additional capital projects |
| | **Department Total** | **$994,000** | |
| | **Total Supplemental Budget** | **$1,754,889** | |

1/24/2008

# FIGURE SEVENTEEN
# OUT YEAR PROJECTION
# FISCAL YEAR 2010 TO 2012

| | FY 2007 Actual | FY 2008 Actual | FY 2009 Proposed | FY 2010 Projected | FY 2011 Projected | FY 2012 Projected |
|---|---|---|---|---|---|---|
| **REVENUE** | | | | | | |
| TAXATION | $44,644,721 | $45,864,506 | $43,776,192 | $45,383,097 | $47,542,674 | $49,243,741 |
| NEW GROWTH | | | $500,000 | $1,000,000 | $500,000 | $500,000 |
| EXEMPTED TAX LEVY | | | $3,595,201 | $3,084,770 | $3,256,377 | $3,342,953 |
| STATE AID | $19,935,052 | $21,693,871 | $22,877,854 | $24,708,082 | $26,684,729 | $28,819,507 |
| SBAB PAYMENT | $3,792,413 | $3,792,413 | $3,792,413 | $3,792,413 | $3,792,413 | $3,792,413 |
| OVERESTIMATES | $0 | $0 | $0 | $0 | $0 | $0 |
| SCHEDULE A RECEIPTS | $11,400,000 | $11,260,800 | $11,768,000 | $12,889,690 | $13,035,296 | $13,631,548 |
| FREE CASH | $1,250,000 | $2,000,000 | $3,000,000 | $2,000,000 | $2,000,000 | $2,000,000 |
| OTHER AVAILABLE FUNDS | | | | | | |
| Sale of Cemetery Lots | $18,000 | $18,000 | $18,000 | $18,000 | $18,000 | $18,000 |
| Sewer Surplus | $2,970,000 | $3,186,086 | $2,794,092 | $2,500,000 | $2,625,000 | $2,756,250 |
| Sewer Construction | $258,000 | $0 | $200,000 | $0 | $0 | $0 |
| Light Revenue | $258,939 | $291,434 | $487,500 | $469,640 | $378,250 | $363,750 |
| CATV Revenue | $484,635 | $469,370 | $453,750 | $432,775 | $416,675 | $400,400 |
| Chapter 90 | $1,397,858 | $0 | $723,655 | $759,838 | $797,830 | $837,721 |
| Title V Loan Repayments | $15,128 | $15,128 | $15,128 | $15,128 | $15,128 | $15,128 |
| Water System Improvements | $305,702 | $200,000 | $0 | $0 | $0 | $0 |
| Water Conservation Fund | $50,000 | $150,000 | $200,000 | $100,000 | $100,000 | $100,000 |
| Account Transfer | $149,868 | $0 | $593,408 | $0 | $0 | $0 |
| Cemetery Trust Funds | $30,000 | $0 | $30,000 | $0 | $0 | $0 |
| Special Funds - Coal Ash | $425,000 | $530,000 | $390,639 | $0 | $0 | $0 |
| Sale or Property | $194,220 | $96,402 | $0 | $200,000 | $200,000 | $0 |
| FREE CASH (REDUCE LEVY) | $500,000 | $500,000 | $500,000 | $500,000 | $500,000 | $500,000 |
| MUNICIPAL LIGHT (REDUCE LEVY) | $115,441 | $189,358 | $150,384 | $157,903 | $165,798 | $174,088 |
| CATV REVENUE (REDUCE LEVY) | $454,691 | $492,491 | $556,355 | $611,991 | $673,190 | $740,509 |
| BOND INTEREST RESERVE | $800,000 | $500,000 | $500,000 | $500,000 | $150,000 | $0 |
| **Total Revenue** | **$89,449,668** | **$91,249,859** | **$96,922,571** | **$99,123,327** | **$102,851,359** | **$107,236,009** |
| **CHARGES** | | | | | | |
| CHERRY SHEET OFFSETS | $73,331 | $81,348 | $85,000 | $87,125 | $89,303 | $91,536 |
| CMRPC | $7,080 | $7,256 | $7,437 | $7,623 | $7,813 | $8,009 |
| STATE AND COUNTY CHARGES | $882,906 | $1,150,859 | $1,336,774 | $1,470,451 | $1,617,497 | $1,779,246 |
| OVERLAY | $484,866 | $545,199 | $600,000 | $600,000 | $600,000 | $600,000 |
| PREVIOUS SPECIAL TOWN MEETINGS | $1,696,185 | $0 | $118,941 | $0 | $0 | $0 |
| MEDICAL EXPENSES POLICE AND FIRE | $1,044 | $1,278 | $2,500 | $2,500 | $2,500 | $2,500 |
| PRIOR YEAR DEFICITS DEFICITS | $203,000 | $129,026 | $500,000 | $300,000 | $300,000 | $300,000 |
| OPERATING BUDGET | | | | | | |

# FIGURE SEVENTEEN
# OUT YEAR PROJECTION
# FISCAL YEAR 2010 TO 2012

| | FY 2007 Actual | FY 2008 Actual | FY 2009 Proposed | FY 2010 Projected | FY 2011 Projected | FY 2012 Projected |
|---|---|---|---|---|---|---|
| General Government | $5,845,705 | $5,955,271 | $6,091,323 | $6,228,152 | $6,277,652 | $6,440,884 |
| Public Safety | $6,533,990 | $7,030,122 | $7,228,273 | $7,484,217 | $7,747,989 | $8,021,110 |
| Retirement | $1,931,719 | $2,538,769 | $2,629,497 | $3,286,871 | $3,385,477 | $4,231,847 |
| Public Works | $6,392,742 | $6,945,506 | $7,167,762 | $7,408,103 | $7,657,246 | $7,915,530 |
| Human Services | $2,054,826 | $2,301,107 | $2,484,030 | $2,625,010 | $2,774,459 | $2,932,901 |
| Culture and Recreation | $1,540,442 | $1,681,182 | $1,720,180 | $1,777,861 | $1,837,631 | $1,899,569 |
| Schools | $40,002,737 | $42,733,949 | $46,882,724 | $49,462,747 | $52,184,753 | $55,056,554 |
| Interest & Maturing Debt | $9,510,083 | $8,677,615 | $9,281,661 | $8,906,469 | $8,305,130 | $8,039,551 |
| Unclassified | $8,143,469 | $8,923,372 | $10,494,747 | $11,748,201 | $13,168,722 | $14,772,362 |
| Total Operating Budget | $81,955,713 | $86,786,893 | $93,980,197 | $98,927,632 | $103,339,060 | $109,310,307 |
| CAPITAL BUDGET | | | | | | |
| Taxation | $686,000 | $1,078,000 | $1,279,500 | $1,500,000 | $1,500,000 | $1,500,000 |
| Sewer Revenue | $575,000 | $140,000 | $200,000 | $0 | $0 | $0 |
| Water Revenue | $1,090,000 | $0 | $510,000 | $1,000,000 | $1,000,000 | $1,000,000 |
| Account Transfer | $89,868 | $0 | $0 | $0 | $0 | $0 |
| Trust Funds | $30,000 | $0 | $30,000 | $0 | $0 | $0 |
| Total Capital Budget | $2,470,868 | $1,218,000 | $2,019,500 | $2,500,000 | $2,500,000 | $2,500,000 |
| ADDITIONAL STAFF POSITION | $0 | $0 | $61,230 | $0 | $0 | $0 |
| CEMETERY IMPROVEMENTS | $18,000 | $18,000 | $18,000 | $18,000 | $18,000 | $18,000 |
| BILLS OF PRIOR YEAR | $0 | $0 | $2,500 | $2,500 | $2,500 | $2,500 |
| STORM DRAINS | $100,000 | $0 | $250,000 | $250,000 | $250,000 | $250,000 |
| SIDEWALKS | $0 | $25,000 | $25,000 | $250,000 | $250,000 | $250,000 |
| WATER MAIN REPLACEMENT | $660,702 | $700,000 | $1,025,000 | $0 | $0 | $0 |
| CONSTRUCTION/EXTENSION OF SEWERS | $258,000 | $300,000 | $0 | $0 | $0 | $0 |
| GENERAL WATER IMPROVEMENTS | $0 | $110,000 | $0 | $0 | $0 | $0 |
| COMPREHENSIVE SITE ASSESSMENT - MSW | $0 | $0 | $50,000 | $0 | $0 | $0 |
| CHAPTER 90 FUNDING | $565,973 | $0 | $723,655 | $759,838 | $797,830 | $837,721 |
| COUNSELING AND EDUCATIONAL SERVICES | $72,000 | $72,000 | $72,000 | $72,000 | $72,000 | $72,000 |
| LANDFILL CAPPING GRANT RETURN | $0 | $105,000 | $0 | $0 | $0 | $0 |
| ATM/STM RESERVE | $0 | $0 | $300,000 | $0 | $0 | $0 |
| **Total Charges** | **$89,449,668** | **$91,249,859** | **$101,177,734** | **$105,247,669** | **$109,846,502** | **$116,021,819** |
| **Surplus/(Deficit)** | | | **($4,255,163)** | **($6,124,343)** | **($6,995,143)** | **($8,785,810)** |

**BACKUP**
**OUT YEAR PROJECTION**
**Fiscal Year 2010-2012**

| | FY 01 EXPENDED | FY 02 EXPENDED | FY 03 EXPENDED | FY 04 EXPENDED | FY 05 EXPENDED | FY 06 EXPENDED | FY 07 EXPENDED |
|---|---|---|---|---|---|---|---|
| PERSONNEL BOARD | $4,023 | $4,814 | $8,062 | $10,480 | $19,627 | $5,774 | $0 |
| SELECTMEN | $20,303 | $20,776 | $22,004 | $21,930 | $21,046 | $19,981 | $21,877 |
| TOWN MANAGER | $253,606 | $261,985 | $308,230 | $270,781 | $281,047 | $284,235 | $293,308 |
| FINANCE COMMITTEE | $653 | $859 | $942 | $708 | $847 | $1,052 | $958 |
| ACCOUNTANT | $156,070 | $149,124 | $156,978 | $168,678 | $172,078 | $176,661 | $183,275 |
| ASSESSORS | $177,017 | $185,473 | $190,516 | $194,401 | $192,755 | $195,614 | $226,265 |
| TREASURER-COLLECTOR | $291,862 | $299,267 | $311,726 | $307,771 | $316,992 | $316,475 | $353,377 |
| TOWN COUNSEL | $48,084 | $39,449 | $38,113 | $40,297 | $51,540 | $46,060 | $49,882 |
| MIS | $234,715 | $331,062 | $326,698 | $390,361 | $370,919 | $338,370 | $388,392 |
| TOWN CLERK | $155,039 | $139,979 | $149,686 | $155,835 | $148,027 | $148,668 | $164,212 |
| ELECTION AND REGISTRATION | $74,848 | $69,973 | $92,778 | $58,890 | $95,082 | $70,729 | $82,459 |
| CONSERVATION COMMISSION | $3,685 | $3,469 | $2,961 | $5,336 | $4,073 | $45,262 | $7,005 |
| PLANNING BOARD | $2,263 | $2,445 | $2,727 | $1,807 | $1,965 | $1,052 | $1,381 |
| BOARD OF APPEALS | $262 | $420 | $420 | $356 | $355 | $319 | $416 |
| PUBLIC BUILDINGS | $2,260,156 | $2,242,595 | $2,417,442 | $2,598,553 | $2,894,179 | $3,196,430 | $3,276,635 |
| POLICE DEPARTMENT | $2,919,502 | $2,993,312 | $3,029,742 | $3,231,193 | $3,327,204 | $3,508,020 | $3,993,182 |
| FIRE DEPARTMENT | $1,926,575 | $1,950,423 | $2,136,184 | $2,228,007 | $2,409,254 | $2,543,707 | $2,594,455 |
| BUILDING INSPECTOR | $156,362 | $162,266 | $170,941 | $176,769 | $177,222 | $200,520 | $240,422 |
| WEIGHTS & MEASURES | $2,077 | $2,565 | $2,615 | $2,986 | $2,780 | $2,575 | $2,772 |
| CIVIL DEFENSE | $1,315 | $1,736 | $2,132 | $1,616 | $1,564 | $1,697 | $2,615 |
| FORESTRY | $39,761 | $49,712 | $36,174 | $41,851 | $48,095 | $50,882 | $68,221 |
| PENSIONS | $1,630,742 | $1,240,656 | $1,240,656 | $1,774,518 | $1,321,034 | $1,879,499 | $2,538,769 |
| TOWN ENGINEER | $437,384 | $503,542 | $489,738 | $510,819 | $510,179 | $461,721 | $491,484 |
| HIGHWAYS | $1,307,602 | $975,393 | $1,494,939 | $1,243,029 | $1,714,850 | $1,415,297 | $1,408,201 |
| STREET LIGHTING | $123,225 | $127,099 | $136,521 | $131,657 | $126,194 | $133,668 | $154,444 |
| SEWER | $1,912,158 | $1,893,479 | $1,973,260 | $2,043,213 | $2,013,038 | $2,336,424 | $2,175,997 |
| WATER | $1,299,863 | $1,364,427 | $1,308,795 | $1,259,139 | $1,389,334 | $1,495,321 | $1,498,206 |
| CEMETERIES | $174,513 | $144,570 | $138,805 | $151,514 | $164,968 | $148,049 | $154,648 |
| HEALTH | $1,243,843 | $1,319,040 | $1,324,366 | $1,411,285 | $1,663,492 | $1,688,675 | $1,797,226 |
| COUNCIL ON AGING | $183,261 | $204,933 | $208,162 | $224,639 | $226,926 | $218,588 | $215,583 |
| VETERAN'S SERVICES | $33,487 | $35,211 | $25,358 | $33,289 | $35,360 | $35,466 | $45,509 |
| COMMISSION ON DISABILITIES | $0 | $282 | $280 | $150 | $0 | $0 | $0 |
| LIBRARY | $951,482 | $1,002,322 | $1,002,328 | $1,043,634 | $1,022,464 | $1,009,533 | $1,103,556 |
| PARKS AND RECREATION | $390,379 | $385,981 | $380,108 | $412,649 | $444,084 | $404,226 | $408,836 |
| SCHOOLS | $27,883,764 | $30,215,699 | $31,882,457 | $33,986,103 | $35,861,744 | $37,662,722 | $39,808,790 |
| INTEREST AND MATURING DEBT | $3,092,194 | $4,999,995 | $7,638,020 | $8,961,936 | $8,693,987 | $9,245,336 | $8,677,615 |

**BACKUP**
**OUT YEAR PROJECTION**
**Fiscal Year 2010-2012**

| | FY 01 EXPENDED | FY 02 EXPENDED | FY 03 EXPENDED | FY 04 EXPENDED | FY 05 EXPENDED | FY 06 EXPENDED | FY 07 EXPENDED |
|---|---|---|---|---|---|---|---|
| Unemployment Compensation Insurance | $19,793 | $67,019 | $71,591 | $83,448 | $43,766 | $64,411 | $87,191 |
| Group Health and Life Insurance | $2,573,606 | $2,991,005 | $3,836,906 | $4,483,109 | $5,529,698 | $5,375,635 | $5,684,151 |
| Medicare | $325,524 | $363,278 | $407,410 | $454,086 | $512,640 | $534,477 | $545,000 |
| Printing/Postage/Stationary | $100,007 | $86,663 | $94,171 | $98,892 | $87,986 | $90,703 | $94,599 |
| Gasoline and Oil | $160,050 | $131,361 | $149,266 | $177,347 | $230,958 | $268,090 | $323,003 |
| Radio Maintenance | $10,421 | $7,816 | $10,421 | $10,421 | $10,421 | $10,421 | $10,421 |
| WAREP Payment | $3,000 | $4,000 | $4,000 | $0 | $0 | $0 | $1,000 |
| Memorial Day | $393 | $1,706 | $1,764 | $1,288 | $1,800 | $1,293 | $1,767 |
| General Insurance | $168,774 | $182,348 | $446,370 | $519,550 | $483,559 | $477,320 | $571,934 |
| Non-Contributory Pensions | $6,845 | $6,845 | $7,059 | $7,535 | $4,067 | $3,751 | $3,751 |
| Out of State Travel | $13,454 | $12,229 | $5,552 | $9,728 | $0 | $0 | $0 |
| Employee Assistance Program | $3,500 | $3,500 | $3,500 | $3,980 | $3,980 | $3,980 | $3,980 |
| Telephone System | $32,798 | $30,854 | $37,114 | $30,000 | $3,252 | $143 | $0 |
| Bills of Prior Year | $0 | $2,612 | $254 | $7,006 | $508 | $16,655 | $0 |
| Ambulance Services | $35,000 | $55,000 | $60,000 | $62,000 | $66,015 | $67,716 | $67,716 |
| UNCLASSIFIED | $3,453,165 | $3,946,236 | $5,135,378 | $5,948,389 | $6,978,649 | $6,914,595 | $7,394,513 |
| | $52,845,240 | $57,270,569 | $63,786,242 | $69,044,570 | $72,702,955 | $76,203,201 | $79,824,486 |
| GENERAL GOVERNMENT | $3,682,586 | $3,751,690 | $4,029,283 | $4,226,183 | $4,570,532 | $4,846,681 | $5,049,442 |
| PUBLIC SAFETY | $5,045,592 | $5,160,014 | $5,377,788 | $5,682,422 | $5,966.119 | $6,307,400 | $6,901,667 |
| RETIREMENT | $1,630,742 | $1,240,656 | $1,240,656 | $1,774,518 | $1,321,034 | $1,879,499 | $2,538,769 |
| PUBLIC WORKS | $5,254,745 | $5,008,510 | $5,542,058 | $5,339,371 | $5,918,563 | $5,990,481 | $5,882,980 |
| HUMAN SERVICES | $1,460,591 | $1,559,466 | $1,558,166 | $1,669,364 | $1,925,778 | $1,942,729 | $2,058,318 |
| CULTURE & RECREATION | $1,341,861 | $1,388,303 | $1,382,436 | $1,456,284 | $1,466,548 | $1,413,759 | $1,512,392 |
| SCHOOLS | $27,883,764 | $30,215,699 | $31,882,457 | $33,986,103 | $35,861,744 | $37,662,722 | $39,808,790 |
| INTEREST AND MATURING DEBT | $3,092,194 | $4,999,995 | $7,638,020 | $8,961,936 | $8,693,987 | $9,245,336 | $8,677,615 |
| UNCLASSIFIED | $3,453,165 | $3,946,236 | $5,135,378 | $5,948,389 | $6,978,649 | $6,914,595 | $7,394,513 |
| TOTAL | $52,845,240 | $57,270,569 | $63,786,242 | $69,044,570 | $72,702,955 | $76,203,201 | $79,824,486 |

**BACKUP**
**OUT YEAR PROJECTION**
**Fiscal Year 2010-2012**

| | | Fiscal Year 2009 | | | | |
|---|---|---|---|---|---|---|
| | FY 08 BUDGET | DEPARTMENT REQUEST | TOWN MANGR RECOMMEND | FY 10 Projected | FY 11 Projected | FY 12 Projected |
| PERSONNEL BOARD | $275,100 | $3,600 | $353,600 | $375,000 | $275,000 | $300,000 |
| SELECTMEN | $22,463 | $22,463 | $22,763 | $23,213 | $23,671 | $24,138 |
| TOWN MANAGER | $296,137 | $302,472 | $301,472 | $308,048 | $314,768 | $321,634 |
| FINANCE COMMITTEE | $281,345 | $281,345 | $281,345 | $281,345 | $281,345 | $281,345 |
| ACCOUNTANT | $185,101 | $189,593 | $189,593 | $195,761 | $202,130 | $208,706 |
| ASSESSORS | $207,037 | $199,394 | $190,923 | $199,221 | $207,879 | $216,914 |
| TREASURER-COLLECTOR | $362,393 | $362,937 | $362,937 | $376,823 | $391,241 | $406,210 |
| TOWN COUNSEL | $56,400 | $56,400 | $56,400 | $55,493 | $55,493 | $55,493 |
| MIS | $425,039 | $450,125 | $430,125 | $440,256 | $450,626 | $461,240 |
| TOWN CLERK | $168,068 | $168,692 | $168,692 | $174,840 | $181,212 | $187,817 |
| ELECTION AND REGISTRATION | $82,324 | $103,450 | $103,450 | $88,411 | $103,074 | $102,905 |
| CONSERVATION COMMISSION | $6,550 | $6,700 | $6,550 | $6,550 | $6,550 | $6,550 |
| PLANNING BOARD | $3,300 | $3,300 | $3,300 | $3,300 | $3,300 | $3,300 |
| BOARD OF APPEALS | $670 | $670 | $670 | $670 | $670 | $670 |
| PUBLIC BUILDINGS | $3,583,344 | $3,774,750 | $3,619,503 | $3,699,221 | $3,780,694 | $3,863,961 |
| POLICE DEPARTMENT | $4,118,894 | $4,144,518 | $4,204,923 | $4,345,200 | $4,490,157 | $4,639,950 |
| FIRE DEPARTMENT | $2,622,116 | $2,706,452 | $2,704,384 | $2,808,328 | $2,916,267 | $3,028,355 |
| BUILDING INSPECTOR | $214,087 | $236,207 | $236,207 | $244,630 | $253,354 | $262,389 |
| WEIGHTS & MEASURES | $3,000 | $3,000 | $3,000 | $3,000 | $3,075 | $3,152 |
| CIVIL DEFENSE | $2,160 | $2,160 | $2,244 | $2,300 | $2,358 | $2,417 |
| FORESTRY | $69,865 | $77,515 | $77,515 | $80,759 | $82,778 | $84,847 |
| PENSIONS | $2,538,769 | $2,629,497 | $2,629,497 | $3,286,871 | $3,385,477 | $4,231,847 |
| TOWN ENGINEER | $486,977 | $557,791 | $495,882 | $505,800 | $515,916 | $526,234 |
| HIGHWAYS | $1,525,129 | $2,017,631 | $1,657,814 | $1,690,970 | $1,724,790 | $1,759,285 |
| STREET LIGHTING | $154,444 | $148,943 | $148,943 | $156,390 | $164,210 | $172,420 |
| SEWER | $2,731,716 | $3,073,201 | $2,765,538 | $2,877,476 | $2,993,944 | $3,115,127 |
| WATER | $1,926,403 | $1,975,403 | $1,977,989 | $2,055,489 | $2,136,026 | $2,219,719 |
| CEMETERIES | $120,837 | $122,100 | $121,596 | $121,978 | $122,361 | $122,745 |
| HEALTH | $2,013,111 | $2,176,247 | $2,176,377 | $2,306,960 | $2,445,377 | $2,592,100 |
| COUNCIL ON AGING | $249,356 | $282,069 | $253,972 | $259,051 | $264,232 | $269,517 |
| VETERAN'S SERVICES | $38,140 | $53,181 | $53,181 | $58,499 | $64,349 | $70,784 |
| COMMISSION ON DISABILITIES | $500 | $500 | $500 | $500 | $500 | $500 |
| LIBRARY | $1,195,367 | $1,284,271 | $1,214,426 | $1,262,584 | $1,312,652 | $1,364,706 |
| PARKS AND RECREATION | $485,815 | $526,880 | $505,754 | $515,277 | $524,979 | $534,864 |
| SCHOOLS | $42,733,949 | $46,882,724 | $46,882,724 | $49,462,747 | $52,184,753 | $55,056,554 |
| INTEREST AND MATURING DEBT | $8,677,615 | $9,036,661 | $9,281,661 | $8,906,469 | $8,305,130 | $8,039,551 |

**BACKUP**
**OUT YEAR PROJECTION**
**Fiscal Year 2010-2012**

| | FY 08 BUDGET | Fiscal Year 2009 DEPARTMENT REQUEST | Fiscal Year 2009 TOWN MANGR RECOMMEND | FY 10 Projected | FY 11 Projected | FY 12 Projected |
|---|---|---|---|---|---|---|
| Unemployment Compensation Insurance | $100,000 | $100,000 | $100,000 | $109,922 | $120,829 | $132,817 |
| Group Health and Life Insurance | $6,940,000 | $8,400,000 | $8,400,000 | $9,471,174 | $10,678,945 | $12,040,731 |
| Medicare | $610,000 | $645,000 | $645,000 | $665,358 | $686,358 | $708,021 |
| Printing/Postage/Stationary | $120,000 | $121,027 | $121,027 | $125,575 | $130,294 | $135,191 |
| Gasoline and Oil | $360,000 | $436,392 | $436,392 | $523,351 | $627,638 | $752,706 |
| Radio Maintenance | $10,425 | $10,425 | $10,425 | $10,425 | $10,425 | $10,425 |
| WAREP Payment | $5,000 | $6,000 | $6,000 | $6,000 | $6,000 | $6,000 |
| Memorial Day | $3,195 | $3,195 | $3,195 | $3,166 | $3,137 | $3,108 |
| General Insurance | $680,000 | $680,000 | $680,000 | $742,139 | $809,955 | $883,969 |
| Non-Contributory Pensions | $3,752 | $3,752 | $3,752 | $3,606 | $3,606 | $3,606 |
| Out of State Travel | $0 | $0 | $0 | $0 | $0 | $0 |
| Employee Assistance Program | $4,000 | $4,000 | $4,000 | $4,000 | $4,000 | $4,000 |
| Telephone System | $5,000 | $5,000 | $5,000 | $2,500 | $2,500 | $2,500 |
| Bills of Prior Year | $0 | $0 | $0 | $0 | $0 | $0 |
| Ambulance Services | $82,000 | $79,956 | $79,956 | $80,986 | $85,035 | $89,287 |
| UNCLASSIFIED | $8,923,372 | $10,494,747 | $10,494,747 | $11,748,201 | $13,168,722 | $14,772,362 |
| | $86,786,893 | $94,357,589 | $93,980,197 | $98,927,632 | $103,339,060 | $109,310,307 |
| GENERAL GOVERNMENT | $5,955,271 | $5,925,891 | $6,091,323 | $6,228,152 | $6,277,652 | $6,440,884 |
| PUBLIC SAFETY | $7,030,122 | $7,169,852 | $7,228,273 | $7,484,217 | $7,747,989 | $8,021,110 |
| RETIREMENT | $2,538,769 | $2,629,497 | $2,629,497 | $3,286,871 | $3,385,477 | $4,231,847 |
| PUBLIC WORKS | $6,945,506 | $7,895,069 | $7,167,762 | $7,408,103 | $7,657,246 | $7,915,530 |
| HUMAN SERVICES | $2,301,107 | $2,511,997 | $2,484,030 | $2,625,010 | $2,774,459 | $2,932,901 |
| CULTURE & RECREATION | $1,681,182 | $1,811,151 | $1,720,180 | $1,777,861 | $1,837,631 | $1,899,569 |
| SCHOOLS | $42,733,949 | $46,882,724 | $46,882,724 | $49,462,747 | $52,184,753 | $55,056,554 |
| INTEREST AND MATURING DEBT | $8,677,615 | $9,036,661 | $9,281,661 | $8,906,469 | $8,305,130 | $8,039,551 |
| UNCLASSIFIED | $8,923,372 | $10,494,747 | $10,494,747 | $11,748,201 | $13,168,722 | $14,772,362 |
| TOTAL | $86,786,893 | $94,357,589 | $93,980,197 | $98,927,632 | $103,339,060 | $109,310,307 |

# BACKUP
## OUT YEAR PROJECTION
## Fiscal Year 2010-2012

| ITEM | ACTUAL FY 04 | ACTUAL FY 05 | ACTUAL FY 06 | ACTUAL FY 07 | PROJECTED FY 08 | PROPOSED FY 09 | PROJECTED FY 10 | PROJECTED FY 11 | PROJECTED FY 12 |
|---|---|---|---|---|---|---|---|---|---|
| MOTOR VEHICLE EXCISE | $4,260,729 | $4,680,209 | $4,688,251 | $4,411,326 | $4,200,000 | $4,400,000 | $4,532,000 | $4,667,960 | $4,807,999 |
| OTHER EXCISE | $44,571 | $47,454 | $49,047 | $60,720 | $55,000 | $60,000 | $60,000 | $60,000 | $60,000 |
| PENALTIES AND INTEREST | $203,838 | $220,875 | $217,472 | $185,248 | $170,000 | $170,000 | $175,100 | $180,353 | $185,764 |
| PAYMENT IN LIEU OF TAXES | $29,515 | $27,057 | $28,152 | $28,471 | $28,400 | $28,000 | $28,840 | $29,705 | $30,596 |
| CHARGES FOR SERVICES - WATER | $2,750,427 | $2,827,012 | $2,939,701 | $3,138,007 | $3,100,000 | $3,300,000 | $3,800,000 | $3,876,000 | $3,953,520 |
| CHARGES FOR SERVICES - ASH DISPOSAL* | $961,582 | $570,000 | $580,000 | $573,251 | $500,000 | $828,000 | $1,035,000 | $1,242,000 | $1,490,400 |
| FEES | $138,184 | $118,150 | $97,333 | $108,154 | $100,000 | $100,000 | $103,000 | $106,090 | $109,273 |
| RENTALS | $12,764 | $15,698 | $12,702 | $12,462 | $12,400 | $12,000 | $12,000 | $12,000 | $12,000 |
| DEPARTMENTAL REVENUE - SCHOOLS | $0 | $40,501 | $43,848 | $45,768 | $40,000 | $40,000 | $40,000 | $40,000 | $40,000 |
| DEPARTMENTAL REVENUE - LIBRARIES | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| DEPARTMENTAL REVENUE - CEMETERIES | $34,820 | $31,380 | $42,297 | $81,348 | $75,000 | $50,000 | $50,000 | $50,000 | $50,000 |
| OTHER DEPARTMENTAL REVENUE | $337,487 | $227,967 | $295,018 | $255,636 | $225,000 | $225,000 | $236,250 | $248,063 | $260,466 |
| LICENSE AND PERMITS** | $423,937 | $373,429 | $1,237,994 | $609,097 | $550,000 | $550,000 | $1,000,000 | $632,500 | $664,125 |
| SPECIAL ASSESSMENTS | $21,584 | $31,575 | $35,150 | $30,131 | $30,000 | $30,000 | $30,000 | $30,000 | $30,000 |
| FINES AND FORFEITS | $310,446 | $186,372 | $271,803 | $296,276 | $250,000 | $250,000 | $262,500 | $275,625 | $289,406 |
| INVESTMENT INCOME | $1,229,492 | $932,675 | $1,126,738 | $1,621,437 | $1,500,000 | $1,400,000 | $1,200,000 | $1,260,000 | $1,323,000 |
| MISCELLANEOUS RECURRING | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| MISCELLANEOUS NON-RECURRING | $185,840 | $172,413 | $150,070 | $190,576 | $150,000 | $100,000 | $100,000 | $100,000 | $100,000 |
| MEDICAID REIMBURSEMENT | $49,779 | $51,139 | $107,257 | $197,470 | $150,000 | $100,000 | $100,000 | $100,000 | $100,000 |
| SUPPLEMENTAL TAX PROGRAM | $178,455 | $169,937 | $47,040 | $147,927 | $125,000 | $125,000 | $125,000 | $125,000 | $125,000 |
| | $11,173,450 | $10,723,843 | $11,969,873 | $11,993,305 | $11,260,800 | $11,768,000 | $12,889,690 | $13,035,296 | $13,631,548 |

1/24/2008

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# Town of Shrewsbury

**MASSACHUSETTS 01545-5398**

November 23, 2007

To: Board of Selectmen

From: Daniel J. Morgado

Re: Annual Financial Workshop

On November 26th the Board will hold its eleventh annual financial workshop. While the format of the workshops, the nature and appearance of prepared materials and the pressing topics of discussion have changed over the years, the one constant has been the consistent and deliberated policy direction given to me by the Board resulting from these meetings. This policy direction is characterized by the steady conservative management that the Town has enjoyed for so many years resulting in high levels of service at a very affordable tax rate when compared with surrounding communities.

In preparing the materials for this year's workshop, I noted that next spring we will together conclude our tenth fiscal year with my first budget being Fiscal Year 1999. Accordingly, I feel it appropriate to look back over the challenges that we addressed over the past ten years prior to looking forward to the challenges of the subsequent fiscal year and beyond.

In the Fall of 1997, the Board was gearing up for the Fiscal Year 1999 budget. It was a time of great transition with the retirement of Mr. Carney and pending retirements of Mr. Holland and Chief McGinley. The Town was aware of the critical need to address school facility issues as enrollment was already exceeding available seats and the school community was anxiously awaiting the opening of the Floral Street School (FY 2008 average cost to residential taxpayer is $8.33).

The Lamoureux Pagano Architects (LPA) K-12 Study was delivered in October of 1997, days after my arrival which indicated the need for the community to prepare for a 6,000 student school system. The report projected a K-12 enrollment in 2005 of 5,853 students. This took many by surprise since enrollment on October 1, 1997 was only 3,964 with an additional caveat at the time of 76 students in a Pre-K program that few noticed and understood. The intriguing aspect of this projection was that the Town was projecting a need for seats for children not yet born which was extremely risky but necessary. The actual 2005 enrollment came in at 5,688

(44% over 1997) off by 165 students but the enrollment number that really exploded during this period was Pre-K at 188 Students an increase from 1997 of 247% (112 students). The increase in enrollment was not the only change experienced by the School Department. During these past ten years we have seen the nature of education change greatly to meet regulatory and market demands as well as to address a rapid increase in the number and nature of children with special needs.

The LPA report resulted in quick action being taken by all concerned with additional seats added to the system via the construction of a new high school, a newly renovated second middle school, a double expansion/renovation at the former North Shore School (Parker Road) and modular units added to Paton and Spring Street Schools. At the same time accessibility issues were resolved at the Beal, Paton and Spring Street facilities in addition to numerous upgrades, renovations, reconfigurations and other major maintenance and upkeep projects at the various schools to keep them in first class condition. The Town's expansion of classroom seating was halted in its tracks when the SBAB program was abruptly shut down with Sherwood Middle School in line for much needed attention.

Along the way, the Town was able to construct a new purpose built senior center, a new Fire Headquarters, a new Fire Station #3, renovate the Harrington Avenue Fire Station #2 and undertake an aggressive expansion and renovation of the public parks, cemetery and open space holdings of the Community. Included in this expansion of public lands, was the purchase of nearly $5,000,000 in property with several of the properties being prime real estate that will provided to the community great utility over the years. Finally, the Town acquired one of the remaining unencumbered high valued non residentially zoned parcels in the community when it acquired a portion of the former Allen Farm.

Few communities can showcase a school, public facilities and public property inventory comparable to the Town of Shrewsbury.

An example of the Town's hallmark steady conservative management and stewardship was showcased in creating and maintaining reserve accounts during this period as the instance of the Bond Interest Reserve Account and Coal Ash Reserve Account demonstrate. In both instances the Board proposed and Town Meting supported the creation of these accounts. The Board, with the support of Town Meeting, further delivered on its promise to ensure all revenue created by the High School and Middle School Projects would inure to the benefit of the taxpayers that authorize these exempted projects in the use bond premiums and proceeds for the sale of 51 Holden Street. It is our understanding that the Town of Shrewsbury was the first community to make use of bond premiums in this fashion and hastened the current DOR policy in this regard.

The Town's highway and storm drainage infrastructure remains in good shape with good levels of investment resulting from very strong State support. In 1997, there were three very troubled intersections in this community that were very much a topic of great discussion and debate. By the end of next year, all three of these intersections will have been totally rebuilt along with associated streetscape improvements. The Town's long term investment in a robust and extremely competent Engineering Department continues to pay dividends each and every year where Shrewsbury enjoys the strongest reputation among public works and public infrastructure agencies as the department to get things done on time and on budget. Our ability to deliver projects resulted in Shrewsbury advancing quickly through the TIP planning process as demonstrated by the Town Center, Lakeway and Grafton Street Projects and the recent successful earmarks for the Jordon Pond and Lake Street Park improvements.

The one area of public works infrastructure that the Town has failed is in the investment of the expansion and maintenance of sidewalks. Recently, Mr. Knipe identified $1.7 Million in unmet sidewalk reconstruction, resurfacing and new construction. Without a strong funding commitment, our sidewalks program will continue to lag.

In keeping with the continued trend of our State and Federal governments, even the management of stormwater has come into our regulatory environment with the advent of the new Stormwater Management Regulations. You have recently learned from Mr. Perreault at the Public Works Workshop of the need to ramp up expenditures to meet the regulatory unfunded mandate associated with stormwater management.

On the utility side of things, in the Fall of 1997, the Board received a status report from Mr. Carney on the progress being made relative to the 1990 Water Distribution Study. This status report outlined a number of improvements that were necessary. Soon thereafter, the Town began to address in a systematic fashion improvements to the system building upon the foundation of those improvements undertaken in the early to mid 1990's. Two new water tanks have been constructed along with new booster station and associated new distribution piping to enhance efficiency and overall water management. There has been systematic repair and replacement of old piping and updating of electronic water management systems. During this period, the Board has dealt with regulatory issues that have blocked additional capacity being put on line and have embarked upon a very aggressive water conservation program including the adoption of a rate structure to discourage consumption.

The Town's sewer system also has been greatly enhanced and expanded with the construction of the Edgemere Phase I and Phase II projects bringing sewer service to all lake side properties. In addition to the expansion of the system, the Town has addressed the issue of the need to begin the systematic rehabilitation and/or replacement of original sewer infrastructure including both gravity and force main piping, pump stations and appurtenances. The Hill Street Pump Station Project is an example of taking original infrastructure and updating it to today's needs. Like the water franchise, the sewer option is faced with a very difficult regulatory environment that the Town has been trying to negotiate in the form of the CWMP process.

During this recent period the electric and CATV businesses have seen technological improvement and enhancement. In addition, new businesses were created with the internet and telephone expansions. SELCO continues to be a statewide leader in the field of public power, CTAV and other technologies and the overall franchise is strong and prepared to compete against all comers on both price and service.

The Town's landfill franchise will turn twenty next year and will continue to provide a strong and reliable revenue source for many years to come. As explained under separate cover, this franchise has generated in excess of $10 Million in the past ten years that has benefited all Town departments.

On the service level side of things, the Town continues to maintain very high level of service mostly within the tax rate. There has been an expansion into the area I call "government ala carte" as all departments have pushed fees very much into the mainstream of the Town's overall revenue capacity. Certainly, the School Department has been the most aggressive in this regard with families now paying in some instances fees in excess of $1,000 per year. On the municipal, side, we have taken the Recreation program, with the exception of swimming lessons, entirely fee based. Even with this expansion of fees, the Town continues to lead in the area of affordability of the entire "market basket" of services provided to our residents when compared with other communities. A challenge for the Board and community will be where this drive for additional fee for service government will lead us.

We have maintained high levels of service among the various municipal departments by working harder and smarter, and with the exception of the police (+14) and fire (+4) departments, the overall municipal department employee count is below where we were in Fiscal Year 1998. This has been achieved through attrition by carefully considering each and every new or replacement hire. While employee counts are steady, population and demand for service is up considerably as we deal with the affect of the 31% increase in the Town's population (1990 to 2000 Federal Census).

Unfortunately, during this period the Town's overall head count continued to grow primarily to meet school enrollment and programmatic demands. Just recently for instance, the School Department moved four part time positions to full time to service programmatic needs at Parker Road. While such an action meets our programmatic goals, it creates substantial benefit funding exposure as demonstrated in the OPEB report that you received on Monday night showing a $34.6 to $80.0 Million unfunded actuarial liability on health benefits alone. Great care must be taken before creating any additional benefited positions and long term costs and obligations should be factored in when considering expansion of programs and services with Town personnel versus contracting out the service.

During this period the Board continued to deal with the Town's unfunded pension liability and responded accordingly to each new valuation report. In fact, in one instance the Town Meeting upon the request of the Board, was able to place an additional $500,000 into the pension system towards the unfunded liability.

I am continually impressed with the ability of all of our employees to adapt to the circumstances presented and to maintain a focus on the job at hand. The low hierarchical management structure allows for more direct services to be provided at the lowest possible costs. We have also made great use of the many excellent contractors in out sourcing work whenever possible, the best example being what has been accomplished in the Public Buildings Department where more public spaces are cleaned via private contractor than with our own employees. Where Town employees are used, we have increased efficiency through new technologies, re-organizations and acquisition of better equipment.

We enjoy an excellent overall relationship with our organized employee groups as best demonstrated with our soon to expire three year agreement on health insurance which provided excellent results for both employee and employer. Our Personnel Board continues to provide independent oversight over the personnel management function for our expansive non-union PAT and DH employee groups and when necessary has assisted with our organized employee groups.

A challenge for this spring will be to conclude a successor agreement for our Health Insurance Program for the ensuing three year period. Consideration of the various options will be undertaken jointly with the respective employee groups. The Board also learned Monday night, of the value of the adoption by Town Meeting in May of 2006, upon the Board's request, of Chapter 32, Section 18.

Over these past years, I have continued with some difficulties in achieving timely settlements which is a historic characteristic of the Shrewsbury labor/management dynamic but with the exception of a breakdown in the Police Department last year, our personnel function provided over these past ten years an overall stable work environment.

The drive to do more with less is not without compromise as our overwhelming emphasis has been on getting it done versus meeting the multitude of reporting and other process matters and requirements that have been forced upon us. The recent debacle over the diesel exhaust procurement is a prime example of how the product of government (i.e. service) clashed with the process of government and the need to comply with State law and regulations. This incident has driven home to me the need to place more emphasis on process, compliance audits and reporting to keep the community away from controversy and unnecessary involvement with any agency of the Commonwealth. This change of emphasis however, will force a change in the level of output among our various product areas due to staffing constraints at the staff support level.

It is paradoxical that while we place great emphasis in getting to basics, low cost structures and providing the product (services) of government, the Commonwealth of Massachusetts and Federal Governments are hell bent on creating a bigger and bigger bureaucracy focused on the process of government. A prime example being the news last week that starting next spring residents who want to dig a hole on private property will first need to secure a permit from the Town of Shrewsbury.

The drive to more with less has also put great strain upon our department heads making them responsible for too great a portion of purchasing, personnel and financial management and compliance responsibilities of this community. There are no communities of this size and complexity in this Commonwealth that operate with a comparable low hierarchical management structure and low central staff support head count. While this structure pays great dividends in the area of responsiveness and economy it forces us to ask a lot from our people especially from our Department Heads. Over the course of the next five years additional staffing will be needed unless there is a reversal of the continuing creation by the Commonwealth and Federal governments of ever more cumbersome regulations and mandates. Another example was the resources recently consumed to comply with the new health insurance mandate for the Commonwealth which will have for municipal employers de minimis application.

Since 1997, the Board and Town has moved aggressively in the area of land use planning with some success but frankly overall with disappointing results. The Board tried unsuccessfully to convince Town Meeting of the need to expand lot sizes to control both rates of growth and ultimate build out. This setback however, did not stop the process of working with the Planning Board to put into place those growth control and phased development measures that were already within the authority of the Planning Board or were subsequently adopted by Town Meeting. There were revisions of the Zoning By-Law and introduction of various overlay regulations all designed to enhance parcel value to create incentives to redevelop the Town's very limited commercial and industrial tax base. Other than market forces, the greatest single residential growth control may be the implementation by the Sewer Commission of limitations on residential sewer extensions in order to comply with the de facto regulatory capping of the capacity of the wastewater treatment facility.

In every instance, we have taken every opportunity to work with our landowners to increase our non residential tax base. In some instances, we have worked with multiple developers making proposals for a specific location over these past ten years with still no results. In the case of one parcel, we are now working with our third different potential developer on the same parcel over the past eight to ten years. The non-residential marketplace has never recovered from the Y2K bust and the opportunities being developed are hampered by high property asking prices, huge site development costs and difficulties and great competition from sites in other communities much better suited for development. In one recent instance we were beat out by another site in another community since the proposed user was able to just move into a vacant building as opposed to building from scratch which was their originally intention.

One bright spot for the community and an example of taking advantage of opportunity was the location of Charles River Laboratories to South Street and the introduction of Tax Incremental Financing (TIF) for the first time. The Town's participation with such a high profile company demonstrated to the high tech/ bio tech industry the Town's willingness to act aggressively in the area of economic development. The recent Chapter 43D grant award is another such example.

Finally, an example of this long term commitment to develop the non-residential tax base is the progress that was made at CenTech Park and now with the advent of CenTech East facilitated by the construction of CenTech Boulevard which was made possible through the acquisition (via the $5 Million land acquisition bond) of the Anderson parcel. They say luck is when opportunity meets preparation and the efforts and accomplishments of CenTech East and CenTech Boulevard is such an example where opportunity and preparation have met.

Of all of my goals assigned by the Board of Selectmen, I find my economic development results to be the least satisfying over the preceding years as the number of opportunities have not come close to the level of preparation that have been put into this activity.

The biggest land use issue before this community has been how the Board has handled the Chapter 40B mandate and threat. In the space of four years, the Board took what was a threat and turned it into an opportunity that will see the Avalon at Shrewsbury Project provide a mitigation payment of nearly $4 Million plus provide a very possible positive economic multiplier affect if current internal discussions come to fruition. The Board took the Town from victim to partner by adopting the recent Chapter 40B strategy.

In thinking about the previous ten budgets, the primary issue continues to be finances. When we began, it was the very heady days of the late 1990's when all seemed possible and prosperity was known to most. We are now in a totally different station with some doing extremely well, others very poorly but most just plain uncertain and concerned about what lies ahead at the next bend approaching.

On an overall financial basis we remain relatively strong with our franchises providing the Town with an excellent financial base. A recent bond update by Moody's commented on the Town's overall fiscal health and future relative to our peer group. The primary problem is our general fund situation as we like so many other communities face an ever increasing demand being placed on a stagnate or insufficient revenue stream. Our biggest challenge is meeting the needs of the School Department while not cannibalizing all other municipal departments.

I have taken in recent weeks to explaining that the reason we and most all other communities are in the present situation is that our value system, compassion and technology of 2007 has exceeded our revenue capacity which is based upon the regressive property tax, a system for the bygone era more for horse and buggy than high performance sports car.

A very quick example appears on a recent loss run for the West Suburban Health Group (self insured) of which the Town is a member, where there is one claim that began in Fiscal Year 2007 for a single individual (community of the individual is unknown) that through September of 2007 has incurred $1,222,869.38 in claims (we have stop loss at $225,000). In the month previous alone, $45,218.38 was added to this claim. This is a clear example of where our value system, compassion and technology of 2007 comes up hard against our outdated property tax system.

When Proposition 2 ½ was enacted in 1980, the fact that in 2007 medical claims would routinely exceed six figures and in many unfortunate instances get into seven figures was not contemplated. In 1980, the fact that SPED transportation in 2007 for just 166 students would exceed $1.5 Million was not contemplated. In 1980, the fact that in 2007 one out of every 150 children will develop autism or a related disorder was not contemplated. Unfortunately however, too many still cling to the notion expressed since 1980 that budgets are balanced by cutting taxes and raising (via new mandates, programs, standards and regulation) spending or we can ignore facts by just repeating the same intellectually dishonest statements and slogans time and time again.

I expect that when we meet, the Board will re-affirm its long standing policy of conservative steady management balancing needs versus resources understanding a reluctance and concern of our taxpayers to pay additional property taxes as demonstrated in the recent defeats of override attempts most recently last May. I also expect that the Board will direct that the cannibalization of municipal departments to feed any particular program or service is wholly unsatisfactory.

The ensuing pages contain a number of statistics and materials detailing our and the general state of fiscal health in this Commonwealth and nation but before getting to the main purpose of your workshop, I felt the above indulgence worthwhile.

I look forward to reviewing with the Board the attached matters on the 26th and working with the Board and all concerned to maintain this Town's historical character and standing in Fiscal Year 2009 and beyond.

Please advise with any questions.

Cc Finance Committee
Department Heads

FINANCIAL ISSUES
FOR THE
FY 2009 BUDGET SEASON

- For the first time in many years the Town's assessed valuation decreases which in turn has increased the percentage of the tax levy relative to assessed value:

| FY | Levy Limit without Debt & Capital Exclusions | Maximum Levy Limit | Total Tax Levy | Excess Capacity | Excess as a % of Maximum Levy | Tax Levy Ceiling | Assessed Value | Tax Levy as % of Assessed Value |
|---|---|---|---|---|---|---|---|---|
| 2008 | $42,708,480 | $45,896,770 | $45,864,506 | $32,264 | 0.07% | $125,449,961 | $5,017,998,457 | 0.91% |
| 2007 | $41,119,263 | $44,686,206 | $44,644,721 | $41,485 | 0.09% | $128,881,988 | $5,155,279,506 | 0.87% |
| 2006 | $39,143,375 | $43,235,918 | $43,214,514 | $21,404 | 0.05% | $116,922,387 | $4,676,895,485 | 0.92% |
| 2005 | $37,653,331 | $41,425,381 | $41,399,263 | $26,118 | 0.06% | $106,260,943 | $4,250,437,722 | 0.97% |
| 2004 | $36,196,865 | $40,381,102 | $39,549,134 | $831,968 | 2.06% | $99,670,197 | $3,986,807,862 | 0.99% |
| 2003 | $34,764,572 | $39,797,377 | $37,027,303 | $2,770,074 | 6.96% | $87,328,544 | $3,493,141,773 | 1.06% |
| 2002 | $33,131,548 | $36,263,184 | $36,060,964 | $202,220 | 0.56% | $66,386,164 | $2,655,446,563 | 1.36% |
| 2001 | $31,465,027 | $32,315,523 | $32,224,086 | $91,437 | 0.28% | $64,707,000 | $2,588,280,006 | 1.24% |
| 2000 | $29,312,849 | $30,160,105 | $28,627,015 | $1,533,090 | 5.08% | $53,648,830 | $2,145,953,181 | 1.33% |

| Fiscal Year | Unused Capacity |
|---|---|
| 1999 | $1,537,605 |
| 1998 | $1,084,657 |
| 1997 | $112,269 |

**Actual unused capacity in FY 2003 was $365,056 due to the use of the $2,385,000 bond premium via Free Cash**

- Growth in the area of the tax levy and a slowing of the shift to the residential sector. Town of Shrewsbury tax burden continues to be below communities in the region (Exhibits 1.1, 1.2 and 1.3):

| FY | Residential | Open Space | Commercial | Industrial | Personal Property | Total | Res/OS as % of Total | CIP as % of Total*** |
|---|---|---|---|---|---|---|---|---|
| 2008 | $40,508,943 | $27,512 | $3,324,985 | $1,577,782 | $425,283 | $45,864,506 | 88.38 | 11.62 |
| 2007 | $39,398,448 | $27,101 | $3,171,601 | $1,687,643 | $359,927 | $44,644,720 | 88.31 | 11.69 |
| 2006 | $38,039,674 | $24,760 | $3,101,144 | $1,688,763 | $360,174 | $43,214,515 | 88.08 | 11.92 |
| 2005 | $36,287,392 | $31,000 | $3,116,629 | $1,601,200 | $363,043 | $41,399,264 | 87.73 | 12.27 |
| 2004 | $34,417,527 | $28,748 | $3,093,957 | $1,624,559 | $384,343 | $39,549,134 | 87.10 | 12.90 |
| 2003 | $31,669,588 | $23,373 | $3,155,765 | $1,584,456 | $594,120 | $37,027,302 | 85.59 | 14.41 |
| 2002 | $30,155,270 | $26,203 | $3,428,258 | $1,647,785 | $803,448 | $36,060,964 | 83.70 | 16.30 |
| 2001 | $26,894,514 | $23,913 | $3,079,012 | $1,487,858 | $738,789 | $32,224,086 | 83.54 | 16.46 |
| 2000 | $24,079,563 | $31,178 | $2,770,717 | $1,343,662 | $401,896 | $28,627,016 | 84.22 | 15.78 |
| 1999 | $22,321,588 | $30,133 | $2,585,052 | $1,243,499 | $406,542 | $26,586,814 | 84.07 | 15.93 |

***** Selected CIP Percentages (2007)**
Boylston (8.6%), Franklin (20.0%), Grafton (7.4%), Northborough (19.6%), Westborough (40.5%), Worcester (17.9%)

- FY 2008 saw a return to the $550,000 to $600,000 baseline for new growth (Exhibit 2.1):

| Fiscal Year | New Growth |
|---|---|
| 2008 | $561,235 |
| 2007 | $997,304 |
| 2006 | $548,711 |
| 2005 | $551,544 |
| 2004 | $563,179 |
| 2003 | $804,735 |
| 2002 | $879,895 |
| 2001 | $1,419,357 |
| 2000 | $833,094 |
| 1999 | $1,122,922 |

- Status of personal property valuation for high tech firms the shift of which in FY 2004 greatly impacted the residential taxpayer. Town of Westborough has also seen the affect of such a shift (attached):

| Fiscal Year | Total PP Value | High Tech Value | % of High Tech |
|---|---|---|---|
| 2008 | $46,529,857 | $3,441,006 | 7.40% |
| 2007 | $41,561,998 | $5,634,026 | 13.56% |
| 2006 | $38,979,835 | $6,000,000 | 15.39% |
| 2005 | $37,273,381 | $5,900,000 | 15.83% |
| 2004 | $38,744,224 | $5,000,000 | 12.90% |
| 2003 | $56,049,097 | $30,823,841 | 54.99% |
| 2002 | $59,164,147 | $26,645,361 | 45.04% |
| 2001 | $59,340,454 | $26,656,001 | 44.92% |
| 2000 | $30,127,106 | $18,140 | 0.06% |

Change of HP to a manufacturing corporation resulted in loss of high tech value. Previous designation allowed for equipment to be taxed as personal property

- Status of school choice and charter schools assessments and reimbursements. The Charter School program is heavily subsidized (Exhibit 3.1) and a change in formula or practice will have an impact to the bottom line:

| Fiscal Year | Number of Students (FTE) | Net Cost of Charter School Tuition | Number of Students (FTE) | Cost of School Choice Program |
|---|---|---|---|---|
| 2008(est) | 81.00 | $383,136 | 10.0 | $61,947 |
| 2007 | 61.23 | $224,890 | 10.0 | $61,861 |
| 2006 | 38.30 | $204,783 | 16.5 | $88,162 |
| 2005 | 25.48 | $168,898 | 17.1 | $104,140 |
| 2004 | 20.00 | $160,161 | 16.5 | $78,761 |

| | | | | |
|---|---|---|---|---|
| 2003 | 23.50 | $170,601 | 10.7 | $46,558 |
| 2002 | 21.15 | $94,256 | 13.2 | $53,319 |
| 2001 | 24.44 | $52,736 | 4.7 | $21,108 |
| 2000 | 29.24 | $26,307 | 7.9 | $32,859 |
| 1999 | 18.00 | $0 | 7.7 | $37,470 |

- The status of State Aid in FY 2009 and beyond (Exhibit 3.1). We know from our meeting last April at the State House that a change in emphasis has been made to force communities like Shrewsbury to put more effort into educational funding. We are on notice to not expect double digit Chapter 70 increases anytime in the near future. The underlying issue remains the lack of State resources to fully fund local governments as agreed by most parties and as articulated by the MMA 40-10 plan (attached). Also, State Charges and Offsets now top $1 Million in FY 2008:

| Fiscal Year | Total State Aid |
|---|---|
| 2008 | $25,486,284 |
| 2007 | $23,727,465 |
| 2006 | $21,077,629 |
| 2005 | $18,621,647 |
| 2004 | $16,744,700 |
| 2003 | $12,679,840 |
| 2002 | $11,648,532 |
| 2001 | $10,595,853 |
| 2000 | $9,596,115 |
| 1999 | $8,693,528 |

$3,697,772 SBAB

- Status of local receipts in light of current economic climate (Exhibit 4.1) and the continuing uncertainty of motor vehicle excise (See Exhibit 4.2).

- The status of lottery or other distributions. There is an effort to send up to $450 Million in surplus to the Cities and Towns which is worth approximately $1.5 Million to the Town of Shrewsbury. There is disagreement as to whether there is a surplus or not:

| Fiscal Year | Lottery Distributions | Surplus Distribution |
|---|---|---|
| 2008 | $3,168,140 | $ TBD |
| 2007 | $3,107,117 | $0 |
| 2006 | $2,493,603 | $0 |
| 2005 | $2,110,492 | $0 |
| 2004 | $2,110,492 | $269,859 |
| 2003 | $2,250,774 | $0 |
| 2002 | $2,482,932 | $0 |
| 2001 | $2,324,233 | $172,153 |
| 2000 | $2,123,910 | $275,198 |
| 1999 | $1,896,262 | $275,930 |

- Projected increases in health insurance expenses resulting from premium increases and changes in enrollment for both active and retired employees (Exhibit 5.1). Reimbursements from the school lunch and after school programs have kept the Town's General Fund exposure under double digits the last two years. The current three year agreement on health insurance ends on June 30, 2008 and a new program will be put into place for FY 2009-2011 which will examine three options of: 1) current WSHG with changes; 2) Supersavers with WSHG or; 3) GIC. Status quo is not an option that can be accepted. Notification (under current rules) for GIC must be made by October 1, 2008 for a July 1, 2009 implementation. Local action is only stop gap as Federal control over the entire medical industrial complex is the only option available for the fiscal survival of all citizens (see attached):

| Fiscal Year | Amount Expended | Change |
|---|---|---|
| 2007 | $5,684,151 | 5.72% |
| 2006 | $5,376,598 | -2.77% |
| 2005 | $5,529,698 | 23.35% |
| 2004 | $4,483,109 | 16.84% |
| 2003 | $3,836,906 | 28.28% |
| 2002 | $2,991,004 | 16.22% |
| 2001 | $2,573,606 | 36.90% |
| 2000 | $1,879,964 | 10.46% |
| 1999 | $1,701,899 | 3.94% |
| 1998 | $1,637,322 | |

- Growth in the Medicare Match Account continues but at a far less rate of increase than in previous years:

| Fiscal Year | Amount | Percent Increase | Notes |
|---|---|---|---|
| 2007 | $545,000 | 1.97% | No transfer required ($645,000 aprtn) |
| 2006 | $534,477 | 4.26% | No transfer required ($575,000 aprtn) |
| 2005 | $512,640 | 12.89% | Transfer of $7,360 was required |
| 2004 | $454,086 | 11.46% | No transfer required ($480,000 aprtn) |
| 2003 | $407,410 | 12.15% | No transfer required ($453,000 aprtn) |
| 2002 | $363,278 | 11.60% | No transfer required ($375,000 aprtn) |
| 2001 | $325,524 | 20.79% | $13,000 Transfer was not Required |
| 2000 | $269,474 | 13.01% | $44,747 Transfer was Required |
| 1999 | $238,445 | 25.60% | $40,000 Transfer was Required |
| 1998 | $189,852 | 12.12% | |

- FY 2007 saw the best result in investment earnings since FY 2001. Question is raised however about the future of interest rates and the amount of cash on hand to invest:

| Fiscal Year | Total Income |
|---|---|
| 2007 | $1,621,437 |
| 2006 | $1,126,738 |
| 2005 | $932,675 |
| 2004 | $1,229,492 |
| 2003 | $1,561,045 |

Affect of call provisions of bondholders taking advantage of lower interest rates

| | |
|---|---|
| 2002 | $980,007 |
| 2001 | $1,753,148 |
| 2000 | $1,721,010 |
| 1999 | $1,605,296 |
| 1998 | $1,597,405 |

- Question over Motor Vehicle Excise Tax receipts as high-water mark might be $4.4 to $4.6 Million:

| Fiscal Year | Total Receipts | Change |
|---|---|---|
| 2007 | $4,411,326 | -5.91% |
| 2006 | $4,688,251 | 0.17% |
| 2005 | $4,680,209 | 9.85% |
| 2004 | $4,260,729 | -4.00% |
| 2003 | $4,438,140 | 7.52% |
| 2002 | $4,127,776 | 5.32% |
| 2001 | $3,919,368 | 3.96% |
| 2000 | $3,770,230 | 14.56% |
| 1999 | $3,291,131 | 6.92% |
| 1998 | $3,078,215 | |

- Medicare billing for certain costs associated with the Special Education Program has grown very nicely but constant effort is required to avoid a reduction in revenue:

| Fiscal Year | Reimbursement |
|---|---|
| 2007 | $197,470 |
| 2006 | $107,257 |
| 2005 | $51,139 |
| 2004 | $49,779 |
| 2003 | $185,266 |
| 2002 | $129,032 |
| 2001 | $70,106 |
| 2000 | $98,263 |
| 1999 | $130,056 |

- Supplemental Tax Program that was started in 2001 increased in FY 2007 boosted by the Avalon Shrewsbury Project on Rte 20 ($53,376):

| Fiscal Year | Commitment | Note | Revenue |
|---|---|---|---|
| 2007 | $131,618 | $8,679 billed in FY 08 | $147,927 |
| 2006 | $63,990 | $14,627 billed in FY 07 | $47,040 |
| 2005 | $80,084 | $3,075 billed in FY 06 | $169,937 |
| 2004 | $180,715 | $13,287 billed in FY 05 | $178,455 |
| 2003 | $98,631 | $26,813 billed in FY 04 | $89,088 |
| 2002 | $145,835 | $38,209 billed in FY 03 | $104,070 |
| 2001 | $159,457 | | $142,235 |

- The MBTA assessment will continue to trend upward:

| Fiscal Year | Amount |
|---|---|
| FY 2008 | $142,329 |
| FY 2007 | $132,034 |
| FY 2006 | $112,991 |
| FY 2005 | $91,481 |
| FY 2004 | $42,430 |
| FY 2003 | $0 |

- In FY 2008 the continued affects of a non fully funded pension system will be realized. A new valuation of the system will be completed (as of January 1, 2008) for implementation in FY 2010:

| Date | Funded Ratio | Unfunded Accrued Liability | Required Appropriation* |
|---|---|---|---|
| January 1, 2006 | 71.3% | $21,831,496 | $2,538,769 |
| January 1, 2004 | 77.9% | $14,419,434 | $1,879,499 |
| January 1, 2002 | 78.9% | $12,533,566 | $1,240,656 |
| January 1, 2000 | 97.1% | $1,414,990 | $1,559,742 |
| January 1, 1999 | 83.9% | $7,517,187 | $1,541,285 |
| ***Adjusted by PERAC by 3.6% for FY 2009** | | | |

- There has been a rebound in the reserve position of the Town with increased Free Cash and Stabilization balances (Exhibits 6.1 & 6.2).
- The size of any Fiscal Year 2008 budget deficit. Previous operational deficits that were handled at the Annual Meeting were:

| Fiscal Year | Deficit Made Up At Town Meeting From Free Cash |
|---|---|
| 2007 | $129,026 |
| 2006 | $203,000 |
| 2005 | $523,000 |
| 2004 | $388,000 |
| 2003 | $366,000 |
| 2002 | $95,000 |
| 2001 | $731,000 |
| 2000 | $103,000 |

- High rates of growth for operational budgets (Exhibit 7.1)

- There is evidence of a widening of fiscal distress being experienced in the community evidenced by rates of foreclosure notices as follows:

| Year | Foreclosure Filings |
|---|---|
| 2004 | 34 |
| 2005 | 36 |
| 2006 | 94 |
| 2007 (to date) | 128 |

## FINANCIAL QUESTIONS FOR THE FY 2009 BUDGET SEASON & BEYOND

1. How do we handle the problem of a lack of resources among the various municipal departments, particularly in the area of staffing (attached)?

2. How will the needs of the School Department be met expecting an operational budget increase request of 8-12%, in addition to increased costs associated with education contained within the various municipal departments and the unclassified budget?

3. What will be the outcome of the review of water and sewer rates to determine if revenue is sufficient to cover the costs associated with EPA & DEP standards and infrastructure needs set forth in the Capital Budget and in Phase IV of the CWMP? Should the Water Department be taken to full enterprise and be removed from the General Fund?

4. How will Capital Budget requests be addressed for the period FY 2009 to FY 2013 which will be far in excess of the available revenue stream? Also, how will facility requests in the area of school, parks, police, public works and libraries be handled? Finally, what action will be taken relative to the Library Project if a grant award is made and relative to the Sherwood Middle School should the Town be invited to participate by SBAB? Should the issue of a Town wide facility study be reconsidered after not being funded in Fiscal Year 2008?

5. What will be the ongoing status of "Budget Busters" (Health, Medicare, Pensions, General Insurance) and what will be the form of the HIP for FY 2009, 2010 and 2011?

6. What impact will the status of Town's exempted debt obligation have concerning future requests with consideration of the additional permanent resulting from Fire Station Project? Should a formal policy be adopted based upon the average residential tax bill (Exhibit 8.1)?

7. What will be the impact of the new Landfill Operation Agreement with potential of $1.2 Million on an annual basis?

8. How do school enrollment trends affect out year budgeting decisions (Exhibit 9.1)?

9. What impact will there be on the Town's vehicle fleet in light of continued deferral of replacement?

10. What is the impact of the GASB 45 OPEB report recently received and what will be the result of the January 1, 2008 pension system valuation?

11. Does the Board propose a "Pay as You Throw" system effective July 1, 2008 moving solid waste services from public good to toll good? If so, what form should the program take and what level of recovery should occur in order to reduce General Fund support? Are all landfill receipts earmarked for solid waste costs or do they remain a general receipt (Exhibit 10.1)? What form should the solid waste program take in Fiscal Year 2010 and beyond?

12. What should the impact of the one time revenue from the Avalon at Shrewsbury Hills Project have on the FY 2009 (and beyond) Budget?

13. Whether the Town will engage in a formal benchmarking program and take advantage of the grant opportunity offer by the Research Bureau?

14. What approach should be used in filing the initial FY 2009 budget? Should the manager file a Level One Budget? What change in process (if any) should be employed and what use will be made of the results of the 2007 Citizen Survey in pre-determining preferences?

15. Will there be an operational override in May 2009 and if so, what form will the override take and what process shall be employed to determine that form?

16. Can resident be expected to pay a higher average residential tax bill understanding that the Town's current tax effort is substantial below other communities and the State average (Exhibits 1.2 & 1.3)?

17. What should be the reasonable expectation in creating sufficient economic growth to offset service demands?

**EXHIBIT 1.1**
**TAX RATE RECAPITULATIONS**
**FISCAL YEAR 2001 TO 2008**

| | ACTUAL | ACTUAL | ACTUAL | ACTUAL | ACTUAL | ACTUAL | ACTUAL | ACTUAL |
|---|---|---|---|---|---|---|---|---|
| **CHARGES** | FY 08 | FY 07 | FY 06 | FY 05 | FY 04 | FY 03 | FY 02 | FY 01 |
| APPROPRIATIONS | $89,465,197 | $88,001,485 | $83,343,542 | $77,611,947 | $76,082,197 | $68,397,505 | $64,314,219 | $59,547,857 |
| TAX TITLE | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| COURT JUDGMENTS | $0 | $0 | $0 | $0 | $0 | $0 | $126,964 | $119,334 |
| OVERLAY DEFICITS | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $803 |
| CHERRY SHEET OFFSETS | $81,348 | $73,331 | $73,909 | $67,387 | $61,412 | $62,215 | $62,973 | $59,915 |
| CMRPC | $7,256 | $7,079 | $6,906 | $6,738 | $6,574 | $6,413 | $4,777 | $4,660 |
| STATE AND COUNTY CHARGES | $1,150,859 | $882,906 | $840,584 | $694,057 | $434,305 | $205,797 | $194,113 | $201,558 |
| OVERLAY | $545,199 | $484,866 | $451,929 | $334,363 | $465,564 | $301,261 | $257,908 | $323,213 |
| **TOTAL TO BE RAISED** | $91,249,859 | $89,449,668 | $84,716,870 | $78,714,491 | $77,050,052 | $68,973,192 | $64,960,954 | $60,257,340 |
| **REVENUE** | | | | | | | | |
| STATE AID | $25,486,284 | $23,727,465 | $21,077,629 | $18,621,647 | $16,746,262 | $12,679,840 | $11,648,532 | $10,595,853 |
| OVERESTIMATES | $0 | $0 | $0 | $0 | $0 | $331 | $2,850 | $4,982 |
| SCHEDULE A RECEIPTS | $11,260,800 | $11,400,000 | $10,388,000 | $10,415,000 | $10,244,000 | $9,521,090 | $9,693,984 | $9,302,066 |
| FREE CASH | $2,000,000 | $1,250,000 | $2,000,000 | $2,380,000 | $3,000,000 | $1,501,785 | $1,056,827 | $1,348,000 |
| OTHER AVAILABLE FUNDS | | | | | | | | |
| SALE OF CEMETERY LOTS | $18,000 | $18,000 | $25,000 | $25,000 | $25,000 | $25,000 | $25,000 | $25,000 |
| SEWER SURPLUS | $2,746,086 | $2,970,000 | $3,566,655 | $2,300,000 | $2,000,400 | $2,140,000 | $1,650,000 | $1,525,000 |
| LIGHT REVENUE | $291,434 | $258,939 | $262,767 | $273,150 | $280,490 | $329,010 | $1,860,260 | $102,990 |
| CATV REVENUE | $469,370 | $484,635 | $499,545 | $514,456 | $529,365 | $736,140 | $820,863 | $924,158 |
| STABILIZATION | $0 | $0 | $170,000 | $635,000 | $185,000 | $0 | $275,000 | $0 |
| OTHER FUNDS (CHAPTER 90) | $0 | $1,397,858 | $508,066 | $422,311 | $424,567 | $431,755 | $425,099 | $210,686 |
| BUDGET/FUND TRANSFERS | $0 | $149,868 | $566,714 | $400,223 | $500,000 | $42,316 | $339,500 | $405,000 |
| HOME FARM WELL INTEREST | $0 | $0 | $0 | $0 | $1,450,000 | $0 | $0 | $2,091,000 |
| TITLE V RESERVE | $15,128 | $15,128 | $16,248 | $4,831 | $4,831 | $4,831 | $4,831 | $0 |
| INTEREST/PREMIUM RESERVE | $0 | $0 | $0 | $0 | $0 | $0 | $300,000 | $0 |
| WATER SYSTEM IMPRVMNTS | $200,000 | $305,702 | $500,000 | $0 | $930,000 | $430,000 | $0 | $0 |
| WATER CONSERVATION FUND | $150,000 | $50,000 | $30,000 | $0 | $0 | $0 | $0 | $0 |
| CEMETERY TRUST FUNDS | $0 | $30,000 | $75,000 | $71,500 | $0 | $0 | $0 | $0 |
| SPECIAL FUNDS - COAL ASH | $530,000 | $425,000 | $275,000 | $250,000 | $0 | $0 | $0 | $0 |
| HIGHWAY IMPROVEMENTS | $0 | $0 | $400,000 | $0 | $0 | $0 | $0 | $0 |
| SURPLUS SBAB (FLORAL) | $0 | $0 | $89,681 | $0 | $0 | $0 | $0 | $0 |
| SALE OF PROPERTY | $96,402 | $194,220 | | | | | | |
| SEWER CONSTRUCTION | $440,000 | $258,000 | | | | | | |
| FREE CASH (REDUCE LEVY) | $500,000 | $500,000 | $500,000 | $500,000 | $728,416 | $2,885,000 | $435,000 | $1,130,000 |
| MUNICIPAL LIGHT (REDUCE LEVY) | $189,358 | $115,441 | $121,995 | $115,606 | $118,531 | $113,132 | $112,244 | $118,519 |
| CATV REVENUE (REDUCE LEVY) | $492,491 | $454,691 | $430,056 | $386,504 | $334,056 | $283,927 | $250,000 | $250,000 |
| BOND INTEREST RESERVE | $500,000 | $800,000 | $0 | $0 | $0 | $821,732 | $0 | $0 |
| **TOTAL REVENUE** | $45,385,353 | $44,804,947 | $41,502,355 | $37,315,228 | $37,500,918 | $31,945,889 | $28,899,990 | $28,033,254 |
| **TOTAL LEVY** | $45,864,506 | $44,644,721 | $43,214,514 | $41,399,263 | $39,549,134 | $37,027,303 | $36,060,964 | $32,224,086 |
| **TAX RATE** | $9.14 | $8.66 | $9.24 | $9.74 | $9.92 | $10.60 | $13.58 | $12.45 |

11/21/2007

# EXHIBIT 1.2
## Summary of Single Family Tax Bills
## Fiscal Years 1988 to 2008

| FY | Assessed Value | Parcels | Average Value | Tax Rate | Single Family Tax Bill | Increase | Percent Increase | Hi-Lo Rank | # of Towns Included | State Average | Variance to State Average |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1988 | $597,062,402 | 6,130 | $97,400 | $14.62 | $1,424.00 | | | 118 | 293 | $1,301 | $123 |
| 1989 | $1,050,029,027 | 6,260 | $167,736 | $9.36 | $1,570.00 | $146.00 | 10.25% | 96 | 297 | $1,326 | $244 |
| 1990 | $1,072,459,683 | 6,314 | $169,854 | $10.02 | $1,702.00 | $132.00 | 8.41% | 112 | 323 | $1,504 | $198 |
| 1991 | $1,099,088,583 | 6,400 | $171,733 | $10.40 | $1,786.00 | $84.00 | 4.94% | 99 | 265 | $1,640 | $146 |
| 1992 | $972,972,119 | 6,447 | $150,919 | $11.93 | $1,800.00 | $14.00 | 0.78% | 133 | 339 | $1,663 | $137 |
| 1993 | $1,015,893,420 | 6,677 | $152,148 | $12.22 | $1,859.00 | $59.00 | 3.28% | 136 | 339 | $1,747 | $112 |
| 1994 | $1,067,739,013 | 6,938 | $153,897 | $12.74 | $1,961.00 | $102.00 | 5.49% | 132 | 340 | $1,808 | $153 |
| 1995 | $1,082,234,386 | 7,135 | $151,680 | $13.38 | $2,029.00 | $68.00 | 3.47% | 137 | 340 | $1,872 | $157 |
| 1996 | $1,124,419,977 | 7,319 | $153,630 | $13.84 | $2,126.00 | $97.00 | 4.78% | 133 | 340 | $1,959 | $167 |
| 1997 | $1,166,241,040 | 7,485 | $155,810 | $14.42 | $2,247.00 | $121.00 | 5.69% | 129 | 340 | $2,031 | $216 |
| 1998 | $1,274,284,500 | 7,718 | $165,106 | $13.32 | $2,199.00 | -$48.00 | -2.14% | 155 | 340 | $2,121 | $78 |
| 1999 | $1,340,116,000 | 7,952 | $168,526 | $13.45 | $2,267.00 | $68.00 | 3.09% | 155 | 340 | $2,191 | $76 |
| 2000 | $1,473,016,300 | 8,225 | $179,090 | $13.34 | $2,389.00 | $122.00 | 5.38% | 148 | 340 | $2,679 | ($290) |
| 2001 | $1,753,632,800 | 8,441 | $207,752 | $12.45 | $2,587.00 | $198.00 | 8.29% | 140 | 340 | $2,826 | ($239) |
| 2002 | $1,817,609,000 | 8,572 | $212,040 | $13.58 | $2,880.00 | $293.00 | 11.33% | 124 | 340 | $3,015 | ($135) |
| 2003 | $2,466,221,700 | 8,672 | $284,389 | $10.60 | $3,015.00 | $135.00 | 4.69% | 136 | 340 | $3,206 | ($191) |
| 2004 | $2,860,861,900 | 8,760 | $326,582 | $9.92 | $3,239.70 | $224.70 | 7.45% | 133 | 340 | $3,412 | ($172) |
| 2005 | $3,069,672,100 | 8,861 | $346,425 | $9.74 | $3,374.18 | $134.48 | 4.15% | 138 | 340 | $3,588 | ($214) |
| 2006 | $3,402,311,500 | 8,890 | $382,712 | $9.24 | $3,536.26 | $162.08 | 4.80% | 141 | 338 | $3,801 | ($265) |
| 2007 | $3,718,735,600 | 8,950 | $415,501 | $8.66 | $3,598.24 | $61.98 | 1.75% | 149 | 339 | $3,962 | ($364) |
| 2008 | $3,589,670,000 | 8,974 | $400,008 | $9.14 | $3,656.07 | $57.83 | 1.61% | | | | |
| | | | | | | | 97.49% | | | | |

EXHIBIT 1.3

# Municipal Market Basket
## Comparison of Single Family Tax Bills
## Fiscal Year 2005 to 2007
## Selected Communities From the Market Basket Project

| Rank | Community | Ave Residential Tax Bill (2005) | Ave Residential Tax Bill (2006) | Ave Residential Tax Bill (2007) | Change 2006 to 2007 |
|---|---|---|---|---|---|
| 1 | Fitchburg | $2,365.00 | $2,449.00 | $2,523.00 | $74.00 |
| 2 | Leicester | $2,264.00 | $2,498.00 | $2,565.00 | $67.00 |
| 3 | Oxford | $2,519.00 | $2,665.00 | $2,694.00 | $29.00 |
| 4 | Northbridge | $2,581.00 | $2,734.00 | $2,752.00 | $18.00 |
| 5 | Auburn | $2,580.00 | $2,602.00 | $2,793.00 | $191.00 |
| 6 | Clinton | $2,654.00 | $2,722.00 | $2,830.00 | $108.00 |
| 7 | Bellingham | $2,684.00 | $2,783.00 | $2,953.00 | $170.00 |
| 8 | Worcester | $2,781.00 | $2,879.00 | $2,995.00 | $116.00 |
| 9 | Leominster | $2,801.00 | $2,881.00 | $3,003.00 | $122.00 |
| 10 | Millbury | $2,643.00 | $2,999.00 | $3,006.00 | $7.00 |
| 11 | Norwood | $2,961.00 | $2,987.00 | $3,081.00 | $94.00 |
| 12 | Sutton | $3,208.00 | $3,557.00 | $3,560.00 | $3.00 |
| **13** | **Shrewsbury*** ** | **$3,374.00** | **$3,536.00** | **$3,598.00** | **$62.00** |
| 14 | Holden | $3,576.00 | $3,705.00 | $3,598.00 | -$107.00 |
| 15 | Hudson | $3,200.00 | $3,544.00 | $3,607.00 | $63.00 |
| 16 | Tewksbury | $3,343.00 | $3,610.00 | $3,742.00 | $132.00 |
| 17 | Milford | $3,424.00 | $3,574.00 | $3,756.00 | $182.00 |
| 18 | Billerica | $3,449.00 | $3,696.00 | $3,780.00 | $84.00 |
| 19 | Grafton | $3,486.00 | $3,583.00 | $3,854.00 | $271.00 |
| 20 | Franklin | $3,515.00 | $3,742.00 | $3,872.00 | $130.00 |
| 21 | Paxton | $3,800.00 | $3,866.00 | $3,965.00 | $99.00 |
| 22 | West Boylston | $3,638.00 | $3,843.00 | $3,981.00 | $138.00 |
| 23 | Danvers | $3,751.00 | $3,883.00 | $4,034.00 | $151.00 |
| 24 | Sterling | $3,885.00 | $4,282.00 | $4,111.00 | -$171.00 |
| 25 | Foxborough | $3,878.00 | $4,230.00 | $4,296.00 | $66.00 |
| 26 | Canton | $4,147.00 | $4,445.00 | $4,509.00 | $64.00 |
| 27 | Upton | $4,119.00 | $4,379.00 | $4,522.00 | $143.00 |
| 28 | Framingham | $4,129.00 | $4,306.00 | $4,564.00 | $258.00 |
| 29 | Mansfield | $4,533.00 | $4,625.00 | $4,690.00 | $65.00 |
| 30 | Boylston | $4,385.00 | $4,504.00 | $4,717.00 | $213.00 |
| 31 | Natick | $4,303.00 | $4,559.00 | $4,727.00 | $168.00 |
| 32 | Millis | $4,083.00 | $4,180.00 | $4,733.00 | $553.00 |
| 33 | Berlin | $4,519.00 | $4,813.00 | $4,865.00 | $52.00 |
| 34 | Walpole | $4,499.00 | $4,727.00 | $4,903.00 | $176.00 |
| 35 | Chelmsford | $4,467.00 | $4,688.00 | $4,966.00 | $278.00 |
| 36 | Ashland | $4,713.00 | $5,067.00 | $5,180.00 | $113.00 |
| **37** | Northborough | $4,891.00 | $5,078.00 | $5,355.00 | $277.00 |
| 38 | Medway | $4,961.00 | $5,283.00 | $5,494.00 | $211.00 |
| 39 | Norfolk | $4,859.00 | $5,556.00 | $5,803.00 | $247.00 |
| 40 | Holliston | $5,293.00 | $5,548.00 | $5,810.00 | $262.00 |
| 41 | Westborough | $5,922.00 | $6,234.00 | $6,198.00 | -$36.00 |
| 42 | Andover | $6,009.00 | $6,400.00 | $6,658.00 | $258.00 |
| 43 | Hopkinton | $6,015.00 | $6,440.00 | $7,060.00 | $620.00 |
| 44 | Southborough | $6,667.00 | $6,884.00 | $7,289.00 | $405.00 |
| 45 | Acton | $6,900.00 | $7,724.00 | $7,926.00 | $202.00 |
| 46 | Marlborough | $3,796.00 | N/A | N/A | |

*** Shrewsbury was 15th on this list in FY 2005; 12th in FY 2006

# EXHIBIT 2.1
# NEW GROWTH AND BUILDING PERMIT ANALYSIS
# FISCAL YEAR 2000 TO 2008

| Property Class | FY 2008 | FY 2007 | FY 2006 | FY 2005 | FY 2004 | FY 2003 | FY 2002 | FY 2001 | FY 2000 |
|---|---|---|---|---|---|---|---|---|---|
| **Residential** | | | | | | | | | |
| Single Family | $26,852,550 | $47,161,250 | $38,246,930 | $39,569,980 | $25,091,945 | $38,944,480 | $63,437,300 | $66,927,300 | $65,342,800 |
| Condominium | $12,497,700 | $20,834,200 | $9,406,380 | $8,578,464 | $2,760,528 | $600,589 | $6,186,700 | $7,546,300 | $2,102,800 |
| Two & Three Family | $0 | $2,300,750 | $545,300 | $0 | $2,348,365 | $320,700 | $0 | $1,354,900 | $1,873,700 |
| Multi-Family | $10,267,700 | $21,621,100 | $0 | $809,800 | ($599,200) | $0 | $27,700 | $0 | $1,393,200 |
| Vacant Land | $2,949,462 | $4,054,800 | $767,350 | $191,853 | $5,048,600 | $1,196,697 | ($7,024,900) | ($8,007,509) | ($11,949,650) |
| All Others | $0 | $76,071 | $0 | $0 | $1,067,968 | $22,346 | $346,550 | $1,159,496 | $1,400 |
| **Total Residential** | $52,567,412 | $96,048,171 | $48,965,960 | $49,150,097 | $35,718,206 | $41,084,812 | $62,973,350 | $68,980,487 | $58,764,250 |
| **Open Space** | $0 | $475,200 | $0 | $284,800 | $0 | $0 | $8,800 | $0 | $21,576 |
| **Commercial** | $1,301,604 | $3,721,970 | $4,062,627 | $3,708,079 | $2,532,670 | $4,657,056 | $5,146,950 | $4,244,792 | $1,475,601 |
| **Chapter 61, 61A, 61B** | $0 | $0 | $0 | $0 | $24,245 | $0 | | $0 | $67,689 |
| **Industrial** | $4,924,200 | $3,111,375 | $1,887,400 | $0 | $9,791,846 | $8,281,675 | $1,832,400 | $1,837,300 | $844,750 |
| **Personal Property** | $6,014,424 | $4,576,584 | $1,419,891 | $2,456,200 | $5,063,106 | $5,235,268 | $712,768 | $31,335,878 | $766,210 |
| **Total Valuation Growth** | $64,807,640 | $107,933,300 | $56,335,878 | $55,599,176 | $53,130,073 | $59,258,811 | $70,674,268 | $106,398,457 | $61,940,076 |
| **Tax Rate** | $8.66 | $9.24 | $9.74 | $9.92 | $10.60 | $13.58 | $12.45 | $13.34 | $13.45 |
| **New Growth** | $561,234 | $997,304 | $548,711 | $551,544 | $563,179 | $804,735 | $879,895 | $1,419,355 | $833,094 |

| **Building Permits** (Selected Areas) | **2006** | **2005** | **2004** | **2003** | **2002** | **2001** | **2000** | **1999** | **1998** |
|---|---|---|---|---|---|---|---|---|---|
| **One Family** | 39 | 53 | 68 | 96 | 128 | 126 | 178 | 244 | 269 |
| **Two Family** | 16 | 11 | 2 | 0 | 5 | 0 | 8 | 17 | 13 |
| **Apartment/Condos** | 14 | 12 | 7 | 34 | 16 | 6 | 8 | 8 | 22 |
| **Residential Alterations** | 307 | 309 | 308 | 345 | 297 | 293 | 238 | 216 | 201 |
| **Commercial** | 9 | 5 | 6 | 5 | 11 | 8 | 8 | 14 | 5 |
| **Commercial Alternations** | 62 | 40 | 34 | 46 | 41 | 62 | 42 | 35 | 36 |
| **Industrial** | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 |
| **Industrial Alterations** | 6 | 0 | 0 | 4 | 0 | 1 | 0 | 2 | 5 |
| **Total** | 454 | 430 | 425 | 530 | 499 | 496 | 482 | 536 | 551 |

| **New One-Family Homes 1990 to 1997** | | | | |
|---|---|---|---|---|
| | 1990 | 61 | 1994 | 222 |
| | 1991 | 125 | 1995 | 157 |
| | 1992 | 288 | 1996 | 221 |
| | 1993 | 256 | 1997 | 261 |

11/21/2007

# EXHIBIT 3.1 - STATE AID AND CHARGES
## FISCAL YEAR 2000 TO 2008

| Line Item | Fiscal Year 2008 Actual | Fiscal Year 2007 Actual | Fiscal Year 2006 Actual | Fiscal Year 2005 Actual | Fiscal Year 2004 Actual | Fiscal Year 2003 Actual | Fiscal Year 2002 Actual | Fiscal Year 2001 Actual | Fiscal Year 2000 Actual |
|---|---|---|---|---|---|---|---|---|---|
| **REVENUE** | | | | | | | | | |
| A. EDUCATION | | | | | | | | | |
| 1. Chapter 70 | $17,419,669 | $15,898,949 | $13,800,607 | $11,948,701 | $10,287,704 | $8,745,774 | $7,590,859 | $6,394,912 | $5,616,512 |
| 2. School Transportation | $0 | $0 | $0 | $0 | $0 | $247,393 | $250,825 | $342,826 | $322,292 |
| 3. School Construction (Removed in FY 2006) | $0 | $0 | $0 | $3,702,732 | $3,697,772 | $496,000 | $496,000 | $496,000 | $598,150 |
| 5. Charter School Tuition Reimbursement | $351,651 | $222,350 | $193,772 | $131,443 | $10,440 | $0 | $0 | $0 | $0 |
| 5. Tuition State Wards | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $67,163 | $17,978 |
| 6. Chater School Capital Facility Reimbursement | $0 | $0 | $34,870 | $28,196 | $0 | $0 | $0 | $0 | $0 |
| 8. School Lunch (Offset) | $33,298 | $26,597 | $28,245 | $26,723 | $27,247 | $25,019 | $22,775 | $20,307 | $20,177 |
| **Sub-Total** | **$17,804,618** | **$16,147,896** | **$14,057,494** | **$15,837,795** | **$14,023,163** | **$9,514,186** | **$8,360,459** | **$7,321,208** | **$6,575,109** |
| B. GENERAL GOVERNMENT | | | | | | | | | |
| 1. Lottery, Beano & Charity Games | $3,168,140 | $3,107,117 | $2,493,603 | $2,110,492 | $2,110,492 | $2,250,774 | $2,482,932 | $2,324,233 | $2,123,910 |
| 2. Additional Assistance | $298,861 | $298,861 | $298,861 | $298,861 | $298,861 | $318,726 | $376,077 | $376,077 | $376,077 |
| 3. Highway Fund | $0 | $0 | $0 | $0 | $0 | $0 | $51,858 | $207,431 | $207,431 |
| 6. Police Career Incentive | $143,439 | $159,050 | $166,024 | $150,155 | $140,291 | $129,068 | $119,784 | $101,872 | $78,330 |
| 8. Veteran's Benefits | $17,277 | $13,048 | $12,907 | $3,406 | $3,738 | $14,598 | $16,918 | $8,202 | $7,020 |
| 9. Exemptions (Vets,Blind,Surviving) | $70,048 | $31,591 | $31,025 | $34,421 | $34,499 | $30,907 | $30,431 | $30,772 | $31,608 |
| 10. Exemptions (Elderly) | $22,804 | $22,782 | $22,768 | $22,670 | $22,328 | $21,017 | $22,042 | $22,700 | $22,726 |
| 11. State Owned Land | $120,634 | $107,973 | $156,870 | $123,183 | $78,725 | $98,335 | $148,013 | $163,750 | $135,760 |
| 12. Public Libraries | $48,050 | $46,734 | $45,664 | $40,664 | $34,165 | $37,196 | $40,018 | $39,608 | $38,144 |
| **Sub-Total** | **$3,889,253** | **$3,787,156** | **$3,227,722** | **$2,783,852** | **$2,723,099** | **$2,900,621** | **$3,288,073** | **$3,274,645** | **$3,021,006** |
| **Total State Aid** | **$21,693,871** | **$19,935,052** | **$17,285,216** | **$18,621,647** | **$16,746,262** | **$12,414,807** | **$11,648,532** | **$10,595,853** | **$9,596,115** |
| **CHARGES** | | | | | | | | | |
| County Tax | $49,947 | $49,947 | $49,947 | $49,947 | $49,947 | $49,947 | $49,947 | $49,947 | $49,947 |
| Mosquito Control | $57,811 | $56,482 | $52,245 | $47,364 | $47,261 | $40,895 | $35,818 | $39,250 | $39,459 |
| Mosquito Control (Underestimate) | $0 | $0 | $0 | $0 | $0 | $3,659 | $0 | $0 | $0 |
| Air Pollution Districts | $9,220 | $9,076 | $8,834 | $8,484 | $8,187 | $7,860 | $7,368 | $7,104 | $6,838 |
| RMV Non-Renewal Surcharge | $19,380 | $20,240 | $16,700 | $13,500 | $16,400 | $17,880 | $17,340 | $21,360 | $25,980 |
| WRTA Assessment | $75,438 | $68,366 | $71,306 | $82,522 | $80,509 | $78,546 | $76,630 | $74,368 | $73,563 |
| Special Education | $0 | $0 | $0 | $9,648 | $5,501 | $7,010 | $7,010 | $9,529 | $18,155 |
| MBTA | $142,329 | $132,034 | $112,991 | $91,481 | $42,430 | $0 | $0 | $0 | $0 |
| School Choice Tuition | $61,947 | $99,364 | $104,140 | $78,761 | $45,890 | $0 | $0 | $0 | $0 |
| Charter School Tuition | $734,787 | $447,240 | $424,421 | $312,350 | $138,180 | $0 | $0 | $0 | $0 |
| **Sub-Total** | **$1,150,859** | **$882,749** | **$840,584** | **$694,057** | **$434,305** | **$205,797** | **$194,113** | **$201,558** | **$213,942** |
| Overestimate - Mosquito Control | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $1,666 | $482 |
| Overestimate - Special Education | $0 | ($157) | $0 | $0 | $0 | $331 | $2,850 | $3,316 | $0 |
| Overestimate - Regional Transit | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| **Sub-Total** | $0 | ($157) | $0 | $0 | $0 | $331 | $2,850 | $4,982 | $482 |
| **Total Net Charges** | **$1,150,859** | **$882,906** | **$840,584** | **$694,057** | **$434,305** | **$205,466** | **$191,263** | **$196,576** | **$213,460** |
| School Lunch Offset | $33,298 | $26,597 | $28,245 | $26,723 | $27,247 | $25,019 | $22,775 | $20,307 | $20,177 |
| Library Offset | $48,050 | $46,734 | $45,664 | $40,664 | $34,165 | $37,196 | $40,018 | $39,608 | $38,144 |
| **Total Off-Sets** | **$81,348** | **$73,331** | **$73,909** | **$67,387** | **$61,412** | **$62,215** | **$62,793** | **$59,915** | **$58,321** |

| Line Item | Fiscal Year 2008 Actual | Fiscal Year 2007 Actual | Fiscal Year 2006 Actual | Fiscal Year 2005 Actual | Fiscal Year 2004 Actual | Fiscal Year 2003 Actual | Fiscal Year 2002 Actual | Fiscal Year 2001 Actual | Fiscal Year 2000 Actual |
|---|---|---|---|---|---|---|---|---|---|
| **"Education" Local Aid** | **$17,804,618** | **$16,147,896** | **$14,057,494** | **$12,135,063** | **$10,325,391** | **$9,018,186** | **$7,864,459** | **$6,825,208** | **$5,976,959** |
| **"General Government" Local Aid** | **$3,889,253** | **$3,787,156** | **$3,227,722** | **$2,783,852** | **$2,723,099** | **$2,900,621** | **$3,288,073** | **$3,274,645** | **$3,021,006** |
| **Charges and Offsets** | **$1,232,207** | **$956,237** | **$914,493** | **$761,444** | **$495,717** | **$267,681** | **$254,056** | **$256,491** | **$271,781** |
| **Total** | **$20,461,664** | **$18,978,815** | **$16,370,723** | **$14,157,471** | **$12,552,773** | **$11,651,126** | **$10,898,476** | **$9,843,362** | **$8,726,184** |

Indicates amount after "9C" reduction was made

| "General Government" Less Charges | $2,738,394 | $2,904,407 | $2,387,138 | $2,089,795 | $2,288,794 | $2,694,824 | $3,093,960 | $3,073,087 | $2,807,064 |
|---|---|---|---|---|---|---|---|---|---|

# EXHIBIT 4.1
# SCHEDULE A RECEIPTS
# FISCAL YEAR 2000 TO 2008

| ITEM | PROJECTED FY 08 | ACTUAL FY 07 | ACTUAL FY 06 | ACTUAL FY 05 | ACTUAL FY 04 | ACTUAL FY 03 | ACTUAL FY 02 | ACTUAL FY 01 | ACTUAL FY 00 |
|---|---|---|---|---|---|---|---|---|---|
| MOTOR VEHICLE EXCISE | $4,200,000 | $4,411,326 | $4,688,251 | $4,680,209 | $4,260,729 | $4,438,140 | $4,127,776 | $3,919,368 | $3,770,230 |
| OTHER EXCISE | $55,000 | $60,720 | $49,047 | $47,454 | $44,571 | $52,128 | $69,073 | $75,927 | $63,055 |
| PENALTIES AND INTEREST | $170,000 | $185,248 | $217,472 | $220,875 | $203,838 | $158,815 | $131,076 | $177,166 | $171,002 |
| PAYMENT IN LIEU OF TAXES | $28,400 | $28,471 | $28,152 | $27,057 | $29,515 | $29,908 | $26,568 | $26,689 | $26,282 |
| CHARGES FOR SERVICES - WATER | $3,100,000 | $3,138,007 | $2,939,701 | $2,827,012 | $2,750,427 | $2,687,023 | $2,778,081 | $2,625,987 | $2,531,831 |
| CHARGES FOR SERVICES - ASH DISPOSAL | $500,000 | $573,251 | $580,000 | $570,000 | $961,582 | $1,098,492 | $893,950 | $592,754 | $453,309 |
| FEES | $100,000 | $108,154 | $97,333 | $118,150 | $138,184 | $198,556 | $120,026 | $89,679 | $88,006 |
| RENTALS | $12,400 | $12,462 | $12,702 | $15,698 | $12,764 | $13,238 | $12,240 | $13,391 | $11,791 |
| DEPARTMENTAL REVENUE - SCHOOLS | $40,000 | $45,768 | $43,848 | $40,501 | $0 | $0 | $0 | $180 | $725 |
| DEPARTMENTAL REVENUE - LIBRARIES | $0 | $0 | $0 | $0 | $0 | $0 | $97 | $456 | $541 |
| DEPARTMENTAL REVENUE - CEMETERIES | $75,000 | $81,348 | $42,297 | $31,380 | $34,820 | $31,905 | $30,798 | $36,935 | $30,844 |
| OTHER DEPARTMENTAL REVENUE | $225,000 | $255,636 | $295,018 | $227,967 | $337,487 | $328,916 | $198,007 | $189,727 | $138,407 |
| LICENSE AND PERMITS | $550,000 | $609,097 | $1,237,994 | $373,429 | $423,937 | $385,023 | $618,764 | $354,409 | $422,312 |
| SPECIAL ASSESSMENTS | $30,000 | $30,131 | $35,150 | $31,575 | $21,584 | $47,422 | $35,456 | $84,848 | $21,434 |
| FINES AND FORFEITS | $250,000 | $296,276 | $271,803 | $186,372 | $310,446 | $298,028 | $273,867 | $270,726 | $208,634 |
| INVESTMENT INCOME | $1,500,000 | $1,621,437 | $1,126,738 | $932,675 | $1,229,492 | $1,561,045 | $980,007 | $1,753,148 | $1,721,010 |
| MISCELLANEOUS RECURRING | $0 | $0 | $0 | $0 | $0 | $0 | $17,221 | $22,722 | $32,809 |
| MISCELLANEOUS NON-RECURRING | $150,000 | $190,576 | $150,070 | $172,413 | $185,840 | $247,705 | $2,835,775 | $0 | $0 |
| MEDICAID REIMBURSEMENT | $150,000 | $197,470 | $107,257 | $51,139 | $49,779 | $185,266 | $129,032 | $70,106 | $98,263 |
| SUPPLEMENTAL TAX PROGRAM | $125,000 | $147,927 | $47,040 | $169,937 | $178,455 | $89,088 | $104,070 | $142,235 | $0 |
| | $11,260,800 | $11,993,305 | $11,969,873 | $10,723,843 | $11,173,450 | $11,850,698 | $13,381,884 | $10,446,453 | $9,790,485 |
| ESTIMATE | | $11,400,000 | $10,388,000 | $10,415,000 | $10,244,000 | $9,521,090 | $9,693,984 | $9,302,066 | $9,343,600 |
| OVER(UNDER) | | $593,305 | $1,581,873 | $308,843 | $929,450 | $2,329,608 | $3,687,900 | $1,144,387 | $446,885 |
| PERCENT OVER(UNDER) | | 5.2% | 15.2% | 3.0% | 9.1% | 24.5% | 38.0% | 12.3% | 4.8% |

FY 2002 total includes a bond premium of $2,384,823, AP Account Closeout of $449,443, building permit fee of $252,000 on the State Street Bank project and coal ash revenue of $180,806

FY 2003 total includes a bond premium of $247,705 and coal ash revenue of $364,000

FY 2006 total includes permit fees for the Charles River Labs & Avalon Shrewsbury Projects

EXHIBIT 4.2
Analysis of Motor
Vehicle Excise Tax
Commitments One Through Four
1998 to 2007

## Commitment #1

| Year | # of Bills | Increase | Value | Increase | Value Per Bill | Increase |
|---|---|---|---|---|---|---|
| 1998 | 22,597 | | $1,970,266.25 | | $87.19 | |
| 1999 | 23,282 | 685 | $2,210,410.00 | $240,143.75 | $94.94 | $7.75 |
| 2000 | 24,003 | 721 | $2,408,810.00 | $198,400.00 | $100.35 | $5.41 |
| 2001 | 25,289 | 1,286 | $2,695,761.25 | $286,951.25 | $106.60 | $6.24 |
| 2002 | 25,832 | 543 | $2,816,752.50 | $120,991.25 | $109.04 | $2.44 |
| 2003 | 26,328 | 496 | $2,949,453.75 | $132,701.25 | $112.03 | $2.99 |
| 2004 | 26,574 | 246 | $2,987,201.25 | $37,747.50 | $112.41 | $0.38 |
| 2005 | 27,271 | 697 | $3,168,876.25 | $181,675.00 | $116.20 | $3.79 |
| 2006 | 27,640 | 369 | $3,235,402.50 | $66,526.25 | $117.06 | $0.86 |
| 2007 | 27,585 | (55) | $3,180,298.75 | ($55,103.75) | $115.29 | ($1.76) |

## Commitment #2

| Year | # of Bills | Increase | Value | Increase | Value Per Bill | Increase |
|---|---|---|---|---|---|---|
| 1998 | 2,159 | | $493,780.32 | | $228.71 | |
| 1999 | 1,948 | (211) | $470,501.32 | ($23,279.00) | $241.53 | $12.82 |
| 2000 | 2,379 | 431 | $635,405.71 | $164,904.39 | $267.09 | $25.56 |
| 2001 | 2,011 | (368) | $560,287.49 | ($75,118.22) | $278.61 | $11.52 |
| 2002 | 2,264 | 253 | $661,474.00 | $101,186.51 | $292.17 | $13.56 |
| 2003 | 2,078 | (186) | $577,754.71 | ($83,719.29) | $278.03 | ($14.14) |
| 2004 | 2,233 | 155 | $539,389.00 | ($38,365.71) | $241.55 | ($36.48) |
| 2005 | 1,826 | (407) | $435,094.27 | ($104,294.73) | $238.28 | ($3.28) |
| 2006 | 2,300 | 474 | $656,190.48 | $116,801.48 | $285.30 | $43.75 |
| 2007 | 1,880 | (420) | $510,790.95 | ($145,399.53) | $271.70 | ($13.60) |

## Commitment #1 & #2

| Year | # of Bills | Increase | Value | Increase | Value Per Bill | Increase |
|---|---|---|---|---|---|---|
| 1998 | 24,756 | | 2,464,047 | | $99.53 | |
| 1999 | 25,230 | 474 | 2,680,911 | $216,864.75 | $106.26 | $6.73 |
| 2000 | 26,382 | 1,152 | 3,044,216 | $363,304.39 | $115.39 | $9.13 |
| 2001 | 27,300 | 918 | 3,256,049 | $211,833.03 | $119.27 | $3.88 |
| 2002 | 28,096 | 796 | 3,478,227 | $222,177.76 | $123.80 | $4.53 |
| 2003 | 28,406 | 310 | 3,527,208 | $48,981.96 | $124.17 | $0.37 |
| 2004 | 28,807 | 401 | 3,526,590 | ($618.21) | $122.42 | ($1.75) |
| 2005 | 29,097 | 290 | 3,603,971 | $77,380.27 | $123.86 | $1.44 |
| 2006 | 29,940 | 843 | 3,891,593 | $287,622.46 | $129.98 | $6.12 |
| 2007 | 29,465 | (475) | 3,691,090 | ($200,503.28) | $125.27 | ($4.71) |

## Commitment #3

| Year | # of Bills | Increase | Value | Increase | Value Per Bill | Increase |
|---|---|---|---|---|---|---|
| 1998 | 1,391 | | $209,487.53 | | $150.60 | |
| 1999 | 1,505 | 114 | $298,072.60 | $88,585.07 | $198.05 | $47.45 |
| 2000 | 1,671 | 166 | $296,445.55 | ($1,627.05) | $177.41 | ($20.65) |
| 2001 | 1,569 | (102) | $259,439.78 | ($37,005.77) | $165.35 | ($12.05) |
| 2002 | 1,344 | (225) | $193,487.40 | ($65,952.38) | $143.96 | ($21.39) |
| 2003 | 1,543 | 199 | $239,761.26 | $46,273.86 | $155.39 | $11.42 |
| 2004 | 1,361 | (182) | $243,943.55 | $4,182.29 | $179.24 | $23.85 |

EXHIBIT 4.2
Analysis of Motor
Vehicle Excise Tax
Commitments One Through Four
1998 to 2007

| | | | | | | |
|---|---|---|---|---|---|---|
| 2005 | 1,832 | 471 | $400,772.00 | $156,828.45 | $218.76 | $39.52 |
| 2006 | 1,414 | (418) | $211,119.74 | ($189,652.26) | $149.31 | ($69.46) |
| 2007 | 1,470 | 56 | $313,463.61 | $102,343.87 | $213.24 | $63.93 |

**First Three Commitments**

| Year | # of Bills | Increase | Value | Increase | Value Per Bill | Increase |
|---|---|---|---|---|---|---|
| 1998 | 26,147 | | $2,673,534.10 | | $102.25 | |
| 1999 | 26,735 | 588 | $2,978,983.92 | $305,449.82 | $111.43 | $9.18 |
| 2000 | 28,053 | 1,318 | $3,340,661.26 | $361,677.34 | $119.08 | $7.66 |
| 2001 | 28,869 | 816 | $3,515,488.52 | $174,827.26 | $121.77 | $2.69 |
| 2002 | 29,440 | 571 | $3,671,713.90 | $156,225.38 | $124.72 | $2.94 |
| 2003 | 29,949 | 509 | $3,766,969.72 | $95,255.82 | $125.78 | $1.06 |
| 2004 | 30,168 | 219 | $3,770,533.80 | $3,564.08 | $124.98 | ($0.79) |
| 2005 | 30,929 | 761 | $4,004,742.52 | $234,208.72 | $129.48 | $4.50 |
| 2006 | 31,354 | 425 | $4,102,712.72 | $97,970.20 | $130.85 | $1.37 |
| 2007 | 30,990 | (364) | $4,004,553.31 | ($98,159.41) | $129.22 | ($0.26) |

**Commitment #4**

| Year | # of Bills | Increase | Value | Increase | Value Per Bill | Increase |
|---|---|---|---|---|---|---|
| 1998 | 1,533 | | $211,593.46 | | $138.03 | |
| 1999 | 1,791 | 258 | $252,737.88 | $41,144.42 | $141.12 | $3.09 |
| 2000 | 1,394 | (397) | $222,543.72 | ($30,194.16) | $159.64 | $18.53 |
| 2001 | 1,745 | 351 | $274,920.67 | $52,376.95 | $157.55 | ($2.10) |
| 2002 | 1,934 | 189 | $353,606.28 | $78,685.61 | $182.84 | $25.29 |
| 2003 | 1,613 | (321) | $262,934.60 | ($90,671.68) | $163.01 | ($19.83) |
| 2004 | 1,748 | 135 | $375,342.02 | $112,407.42 | $214.73 | $51.72 |
| 2005 | 1,752 | 4 | $357,486.13 | ($17,855.89) | $204.04 | ($10.68) |
| 2006 | 1,416 | (336) | $232,231.20 | ($125,254.93) | $164.01 | ($40.04) |
| 2007 | 1,597 | 181 | $318,112.75 | $85,881.55 | $199.19 | $35.19 |

**First Four Commitments**

| Year | # of Bills | Increase | Value | Increase | Value Per Bill | Increase |
|---|---|---|---|---|---|---|
| 1998 | 27,680 | | $2,885,127.56 | | $104.23 | |
| 1999 | 28,526 | 846 | $3,231,721.80 | $346,594.24 | $113.29 | $9.06 |
| 2000 | 29,447 | 921 | $3,563,204.98 | $331,483.18 | $121.00 | $7.71 |
| 2001 | 30,614 | 1,167 | $3,790,409.19 | $227,204.21 | $123.81 | $2.81 |
| 2002 | 31,374 | 760 | $4,025,320.18 | $234,910.99 | $128.30 | $4.49 |
| 2003 | 31,562 | 188 | $4,029,904.32 | $4,584.14 | $127.68 | ($0.62) |
| 2004 | 31,916 | 354 | $4,145,875.82 | $115,971.50 | $129.90 | $2.22 |
| 2005 | 32,681 | 765 | $4,362,228.65 | $216,352.83 | $133.48 | $3.58 |
| 2006 | 32,406 | (275) | $4,291,888.26 | ($70,340.39) | $132.44 | ($1.04) |
| 2007 | 32,532 | 126 | $4,322,666.06 | $30,777.80 | $132.87 | $0.43 |

11/23/2007

**EXHIBIT 5.1**
**Summary of Health Insurance Program FY 2000 to FY 2008**

## SCHOOL

| PLAN | | 4/1/1999 | 4/1/2000 | 4/30/2001 | 4/4/2002 | 3/26/2003 | 4/27/2004 | 4/1/2005 | 2/13/2006 | 2/5/2007 | 11/20/2007 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| H/P Select | Fam | 10 | 8 | 10 | 12 | 10 | 8 | 5 | 0 | 0 | 0 | |
| | Ind | 20 | 23 | 17 | 15 | 11 | 10 | 9 | 0 | 0 | 0 | |
| | Total | 30 | 31 | 27 | 27 | 21 | 18 | 14 | 0 | 0 | 0 | |
| H/P PPO | Fam | | | | | | | | 1 | 2 | 1 | |
| | Ind | | | | | | | | 3 | 2 | 1 | |
| | Total | | | | | | | | 4 | 4 | 2 | |
| Tufts POS | Fam | | | | | | | | 0 | 1 | 0 | |
| | Ind | | | | | | | | 0 | 0 | 0 | |
| | Total | | | | | | | | 0 | 1 | 0 | |
| Blue Cross EPO | Fam | | | | | | | | 12 | 9 | 11 | |
| | Ind | | | | | | | | 7 | 8 | 10 | |
| | Total | | | | | | | | 19 | 17 | 21 | |
| Tufts EPO | Fam | | | | | | | | 3 | 4 | 5 | |
| | Ind | | | | | | | | 2 | 2 | 4 | |
| | Total | | | | | | | | 5 | 6 | 9 | |
| H/P HMO | Fam | 39 | 44 | 57 | 70 | 66 | 50 | 45 | 46 | 39 | 35 | |
| **Became EPO FY 06** | Ind | 71 | 64 | 71 | 86 | 82 | 68 | 59 | 52 | 46 | 46 | |
| | Total | 110 | 108 | 128 | 156 | 148 | 118 | 104 | 98 | 85 | 81 | |
| Fallon | Fam | 113 | 128 | 132 | 132 | 147 | 120 | 162 | 171 | 179 | 194 | |
| (Select Care in FY 2004) | Ind | 114 | 138 | 143 | 158 | 156 | 107 | 136 | 132 | 148 | 151 | |
| | Total | 227 | 266 | 275 | 290 | 303 | 227 | 298 | 303 | 327 | 345 | |
| Fallon - Direct | Fam | | | | | | 63 | 62 | 63 | 62 | 73 | |
| | Ind | | | | | | 75 | 61 | 61 | 53 | 50 | |
| | Total | | | | | | 138 | 123 | 124 | 115 | 123 | |
| **Total Active Plans** | | **367** | **405** | **430** | **473** | **472** | **501** | **539** | **553** | **555** | **581** | **58.31%** |

**EXHIBIT 5.1**
**Summary of Health Insurance Program FY 2000 to FY 2008**

## SCHOOL (cont)

| PLAN | 4/1/1999 | 4/1/2000 | 4/30/2001 | 4/4/2002 | 3/26/2003 | 4/27/2004 | 4/1/2005 | 2/13/2006 | 2/5/2007 | 11/20/2007 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Pilgrim Medicare | | | | | 95 | 93 | 92 | 90 | 92 | 72 | |
| BC MEDEX III | | | | | | | | 3 | 2 | 2 | |
| Tufts MC | | | | | | | | 6 | 6 | 5 | |
| BC Man Blue | | | | | | | | 0 | 0 | 0 | |
| Fallon Senior | 60 | 58 | 58 | 65 | 66 | 64 | 64 | 63 | 56 | 56 | |
| Tufts Medicare Preferred | | | | | | | | | | | |
| First Senority | 20 | 22 | | | | | | | | | |
| Pilgrim Enhanced | 61 | 60 | 54 | 56 | | | | | | | |
| Pilgrim Prefered | 26 | 24 | 44 | 46 | | | | | | | |
| Medicare HMO Blue | | | | | | | | | 1 | 2 | |
| First Senority - Freedom | | | | | | | | | | 21 | |
| **Total Senior Plans** | **167** | **164** | **156** | **167** | **161** | **157** | **156** | **162** | **157** | **158** | **-5.39%** |
| **Total School Plans** | **534** | **569** | **586** | **640** | **633** | **658** | **695** | **715** | **712** | **739** | **38.39%** |

## Town

| PLAN | | 4/1/1999 | 4/1/2000 | 4/30/2001 | 4/4/2002 | 3/26/2003 | 4/27/2004 | 4/1/2005 | 2/13/2006 | 2/5/2007 | 11/20/2007 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| H/P Select | Fam | 2 | 2 | 2 | 2 | 2 | 1 | 0 | 0 | 0 | 0 |
| | Ind | 3 | 2 | 1 | 1 | 0 | 0 | 3 | 0 | 0 | 0 |
| | Total | 5 | 4 | 3 | 3 | 2 | 1 | 3 | 0 | 0 | 0 |
| H/P PPO | Fam | | | | | | | | 0 | 1 | 1 |
| | Ind | | | | | | | | 2 | 3 | 3 |
| | Total | | | | | | | | 2 | 4 | 4 |
| Tufts POS | Fam | | | | | | | | 0 | 0 | 0 |
| | Ind | | | | | | | | 0 | 0 | 0 |
| | Total | | | | | | | | 0 | 0 | 0 |
| Blue Cross EPO | Fam | | | | | | | | 1 | 0 | 1 |
| | Ind | | | | | | | | 2 | 3 | 3 |
| | Total | | | | | | | | 3 | 3 | 4 |
| Tufts EPO | Fam | | | | | | | | 0 | 0 | 0 |
| | Ind | | | | | | | | 0 | 0 | 0 |
| | Total | | | | | | | | 0 | 0 | 0 |

**EXHIBIT 5.1**
**Summary of Health Insurance Program FY 2000 to FY 2008**

## Town (cont)

| PLAN | | 4/1/1999 | 4/1/2000 | 4/30/2001 | 4/4/2002 | 3/26/2003 | 4/27/2004 | 4/1/2005 | 2/13/2006 | 2/5/2007 | 11/20/2007 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| H/P HMO | Fam | 24 | 22 | 28 | 28 | 29 | 10 | 9 | 10 | 10 | 9 | |
| **Became EPO FY 06** | Ind | 22 | 32 | 30 | 33 | 31 | 22 | 13 | 13 | 15 | 11 | |
| | Total | 46 | 54 | 58 | 61 | 60 | 32 | 22 | 23 | 25 | 20 | |
| Fallon | Fam | 72 | 71 | 68 | 68 | 69 | 68 | 72 | 71 | 75 | 72 | |
| (Select Care in FY 2004) | Ind | 33 | 37 | 38 | 37 | 43 | 39 | 44 | 48 | 44 | 39 | |
| | Total | 105 | 108 | 106 | 105 | 112 | 107 | 116 | 119 | 119 | 111 | |
| Fallon - Direct | Fam | | | | | | 32 | 30 | 30 | 33 | 32 | |
| | Ind | | | | | | 13 | 11 | 11 | 12 | 13 | |
| | Total | | | | | | 45 | 41 | 41 | 45 | 45 | |
| **Total Active Plans** | | **156** | **166** | **167** | **169** | **174** | **185** | **182** | **188** | **196** | **184** | **17.95%** |

| PLAN | 4/1/1999 | 4/1/2000 | 4/30/2001 | 4/4/2002 | 3/26/2003 | 4/27/2004 | 4/1/2005 | 2/13/2006 | 2/5/2007 | 11/20/2007 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Pilgrim Medicare | | | | | 82 | 68 | 67 | 50 | 47 | 47 | |
| BC MEDEX III | | | | | | | | 3 | 4 | 3 | |
| Tufts MC | | | | | | | | 8 | 9 | 6 | |
| BC Man Blue | | | | | | | | 4 | 4 | 3 | |
| Fallon Senior | 48 | 54 | 50 | 44 | 43 | 50 | 51 | 47 | 49 | 48 | |
| Tufts Medicare Preferred | | | | | | | | | | 1 | |
| First Senority | 6 | 14 | | | | | | | | | |
| Pilgrim Enhanced | 32 | 36 | 35 | 34 | | | | | | | |
| Pilgrim Prefered | 35 | 34 | 54 | 47 | | | | | | | |
| Medicare HMO Blue | | | | | | | | | 2 | 0 | |
| First Senority - Freedom | | | | | | | | | | 22 | |
| **Total Senior Plans** | **121** | **138** | **139** | **125** | **125** | **118** | **118** | **112** | **115** | **130** | **7.44%** |
| **Total Municipal Plans** | **277** | **304** | **306** | **294** | **299** | **303** | **300** | **300** | **311** | **314** | **13.36%** |
| **Combined All Plans** | **811** | **873** | **892** | **934** | **932** | **961** | **995** | **1015** | **1023** | **1053** | **29.84%** |

**EXHIBIT 5.1**
**Summary of Health Insurance Program FY 2000 to FY 2008**

**Premium**

| PLAN | | FY 2000 | FY 2001 | FY 2002 | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 | FY 2008 |
|---|---|---|---|---|---|---|---|---|---|---|
| H/P Select | Fam | $666.86 | $785.56 | $859.51 | $1,091.58 | $1,301.64 | $1,624.19 | | | |
| | Ind | $247.90 | $292.03 | $319.52 | $405.79 | $483.88 | $603.79 | | | |
| H/P PPO | Fam | | | | | | | $1,611.00 | $ 1,986.00 | $ 2,264.73 |
| | Ind | | | | | | | $732.00 | $ 903.00 | $ 1,020.15 |
| Tufts POS | Fam | | | | | | | $1,611.00 | $ 1,986.00 | $ 2,264.73 |
| | Ind | | | | | | | $732.00 | $ 903.00 | $ 1,020.15 |
| Blue Cross EPO | Fam | | | | | | | $1,231.00 | $ 1,386.00 | $ 1,490.63 |
| | Ind | | | | | | | $459.00 | $ 517.00 | $ 555.03 |
| Tufts EPO | Fam | | | | | | | $1,235.00 | $ 1,457.00 | $ 1,424.76 |
| | Ind | | | | | | | $472.00 | $ 557.00 | $ 573.95 |
| H/P HMO | Fam | $614.25 | $723.59 | $743.19 | $943.85 | $1,125.47 | $1,404.36 | $1,121.00 | $ 1,250.00 | $ 1,357.53 |
| **Became EPO FY 06** | Ind | $228.35 | $269.00 | $276.28 | $350.88 | $418.39 | $522.07 | $431.00 | $ 481.00 | $ 521.37 |
| Fallon | Fam | $470.58 | $504.36 | $604.91 | $684.80 | $867.60 | $998.38 | $1,000.72 | $ 1,089.00 | $ 1,246.35 |
| | Ind | $182.18 | $193.98 | $232.66 | $263.38 | $334.98 | $385.47 | $369.27 | $ 403.00 | $ 462.23 |
| Fallon Direct Care | Fam | | | | | $777.28 | $894.45 | $948.84 | $ 1,012.00 | $ 1,157.53 |
| | Ind | | | | | $300.11 | $345.35 | $350.12 | $ 374.00 | $ 429.47 |
| Pilgrim Medicare | | | | | | $ 343.00 | $ 366.00 | $ 408.00 | $ 414.00 | $ 414.00 |
| BC MEDEX III | | | | | | | | $ 353.00 | $ 381.00 | $ 382.00 |
| Tufts MC | | | | | | | | $ 289.00 | $ 302.00 | $ 323.00 |
| BC Man Blue | | | | | | | | $ 300.45 | $ 335.30 | $ 360.93 |
| Medicare HMO Blue | | | | | | | | $ 266.75 | $ 202.90 | $ 216.20 |
| First Senority | | $ 52.00 | $ 76.00 | | | | | $ 210.00 | $ 167.00 | $ 223.00 |
| Tufts Medicare | | | | | | | | $ 190.00 | $ 141.00 | $ 153.00 |
| Fallon Senior | | $ 84.72 | $ 69.70 | $ 89.00 | $ 115.00 | $ 173.00 | $ 237.00 | $ 213.00 | $ 177.00 | $ 207.00 |
| Pilgrim Enhanced | | $ 131.25 | $ 236.09 | $ 325.73 | $ 370.73 | | | | | |
| Pilgrim Prefered | | $ 127.75 | $ 209.82 | $ 234.94 | $ 312.40 | | | | | |

**EXHIBIT 5.1**

**Summary of Health Insurance Program FY 2000 to FY 2008**

| Town Contribution | | FY 2000 | FY 2001 | FY 2002 | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 | FY 2008 |
|---|---|---|---|---|---|---|---|---|---|---|
| H/P Select | Fam | $ 333.43 | $ 392.78 | $ 429.76 | $ 545.79 | $ 650.82 | $ 812.10 | | | |
| | Ind | $ 123.95 | $ 146.02 | $ 159.76 | $ 202.90 | $ 241.94 | $ 301.90 | | | |
| | | 50.00% | 50.00% | 50.00% | 50.00% | 50.00% | 50.00% | | | |
| | | 50.00% | 50.00% | 50.00% | 50.00% | 50.00% | 50.00% | | | |
| H/P PPO | Fam | | | | | | | $805.50 | $993.00 | $1,132.37 |
| | Ind | | | | | | | $366.00 | $451.50 | $510.08 |
| | | | | | | | | 50.00% | 50.00% | 50.00% |
| | | | | | | | | 50.00% | 50.00% | 50.00% |
| Tufts POS | Fam | | | | | | | $805.50 | $993.00 | $1,132.37 |
| | Ind | | | | | | | $366.00 | $451.50 | $510.08 |
| | | | | | | | | 50.00% | 50.00% | 50.00% |
| | | | | | | | | 50.00% | 50.00% | 50.00% |
| Blue Cross EPO | Fam | | | | | | | $738.60 | $831.60 | $894.38 |
| | Ind | | | | | | | $275.40 | $310.20 | $333.02 |
| | | | | | | | | 60.00% | 60.00% | 60.00% |
| | | | | | | | | 60.00% | 60.00% | 60.00% |
| Tufts EPO | Fam | | | | | | | $741.00 | $874.20 | $854.86 |
| | Ind | | | | | | | $283.20 | $334.20 | $344.37 |
| | | | | | | | | 60.00% | 60.00% | 60.00% |
| | | | | | | | | 60.00% | 60.00% | 60.00% |
| H/P HMO | Fam | $ 333.43 | $ 392.78 | $ 429.76 | $ 545.79 | $ 650.82 | $ 812.10 | $ 672.60 | $ 750.00 | $ 814.52 |
| | Ind | $ 123.95 | $ 146.02 | $ 159.76 | $ 202.90 | $ 241.94 | $ 301.90 | $ 258.60 | $ 288.60 | $ 312.82 |
| | | 54.28% | 54.28% | 57.83% | 57.83% | 57.83% | 57.83% | 60.00% | 60.00% | 60.00% |
| | | 54.28% | 54.28% | 57.83% | 57.82% | 57.83% | 57.83% | 60.00% | 60.00% | 60.00% |

**EXHIBIT 5.1**

**Summary of Health Insurance Program FY 2000 to FY 2008**

| Town Contribution | | FY 2000 | FY 2001 | FY 2002 | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 | FY 2008 |
|---|---|---|---|---|---|---|---|---|---|---|
| Fallon | Fam | $ 333.43 | $ 392.78 | $ 429.76 | $ 545.79 | $ 650.82 | $ 812.10 | $ 750.54 | $ 816.75 | $ 934.76 |
| | Ind | $ 123.95 | $ 146.02 | $ 159.76 | $ 202.90 | $ 241.94 | $ 301.90 | $ 276.95 | $ 302.25 | $ 346.67 |
| This became Fallon Select Care in FY 2004 | | 70.86% | 77.88% | 71.04% | 79.70% | 75.01% | 81.34% | 75.00% | 75.00% | 75.00% |
| | | 68.04% | 75.27% | 68.67% | 77.04% | 72.23% | 78.32% | 75.00% | 75.00% | 75.00% |
| Fallon - Direct Care | Fam | | | | | $ 650.82 | $ 805.01 | $ 806.51 | $ 860.20 | $ 983.90 |
| | Ind | | | | | $ 241.94 | $ 301.90 | $ 297.60 | $ 317.90 | $ 365.05 |
| | | | | | | 83.73% | 90.00% | 85.00% | 85.00% | 85.00% |
| | | | | | | 80.62% | 87.42% | 85.00% | 85.00% | 85.00% |
| Pilgrim Medicare | | | | | | $ 171.50 | $ 183.00 | $ 204.00 | $ 207.00 | $ 207.00 |
| | | | | | | 50.00% | 50.00% | 50.00% | 50.00% | 50.00% |
| BC MEDEX III | | | | | | | | $ 176.50 | $ 190.50 | $ 191.00 |
| | | | | | | | | 50.00% | 50.00% | 50.00% |
| Tufts MC | | | | | | | | $ 173.40 | $ 181.20 | $ 193.80 |
| | | | | | | | | 60.00% | 60.00% | 60.00% |
| BC Man Blue | | | | | | | | $ 180.27 | $ 201.18 | $ 216.56 |
| | | | | | | | | 60.00% | 60.00% | 60.00% |
| BC Medicare Blue | | | | | | | | $ 200.06 | $ 152.18 | $ 162.15 |
| | | | | | | | | 75.00% | 75.00% | 75.00% |
| First Senority | | $ 46.80 | $ 68.40 | | | | | $ 178.50 | $ 141.95 | $ 189.55 |
| | | 90.00% | 90.00% | | | | | 85.00% | 85.00% | 85.00% |
| Fallon Senior | | $ 65.63 | $ 62.73 | $ 80.10 | $ 103.50 | $ 155.70 | $ 183.00 | $ 181.05 | $ 150.45 | $ 175.95 |
| | | 77.46% | 90.00% | 90.00% | 90.00% | 90.00% | 77.22% | 85.00% | 85.00% | 85.00% |
| Tufts Medicare Pref | | | | | | | | $ 161.50 | $ 119.85 | $ 130.05 |
| | | | | | | | | 85.00% | 85.00% | 85.00% |
| Pilgrim Enhanced | | $ 65.63 | $ 118.05 | $ 162.87 | $ 185.37 | | | | | |
| | | 50.00% | 50.00% | 50.00% | 50.00% | | | | | |
| Pilgrim Prefered | | $ 65.63 | $ 104.91 | $ 117.47 | $ 156.20 | | | | | |
| | | 51.37% | 50.00% | 50.00% | 50.00% | | | | | |

**EXHIBIT 5.1**
**Summary of Health Insurance Program FY 2000 to FY 2008**

| Employee Contribution | | FY 2000 | FY 2001 | FY 2002 | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 | FY 2008 |
|---|---|---|---|---|---|---|---|---|---|---|
| H/P Select | Fam | $ 333.43 | $ 392.78 | $ 429.76 | $ 545.79 | $ 650.82 | $ 812.10 | | | |
| | Ind | $ 123.95 | $ 146.02 | $ 159.76 | $ 202.90 | $ 241.94 | $ 301.90 | | | |
| | | 50.00% | 50.00% | 50.00% | 50.00% | 50.00% | 50.00% | | | |
| | | 50.00% | 50.00% | 50.00% | 50.00% | 50.00% | 50.00% | | | |
| H/P PPO | Fam | | | | | | | $805.50 | $993.00 | $1,132.37 |
| | Ind | | | | | | | $366.00 | $451.50 | $510.08 |
| | | | | | | | | 50.00% | 50.00% | 50.00% |
| | | | | | | | | 50.00% | 50.00% | 50.00% |
| Tufts POS | Fam | | | | | | | $805.50 | $993.00 | $1,132.37 |
| | Ind | | | | | | | $366.00 | $451.50 | $510.08 |
| | | | | | | | | 50.00% | 50.00% | 50.00% |
| | | | | | | | | 50.00% | 50.00% | 50.00% |
| Blue Cross EPO | Fam | | | | | | | $492.40 | $554.40 | $596.25 |
| | Ind | | | | | | | $183.60 | $206.80 | $222.01 |
| | | | | | | | | 40.00% | 40.00% | 40.00% |
| | | | | | | | | 40.00% | 40.00% | 40.00% |
| Tufts EPO | Fam | | | | | | | $494.00 | $582.80 | $569.90 |
| | Ind | | | | | | | $188.80 | $222.80 | $229.58 |
| | | | | | | | | 40.00% | 40.00% | 40.00% |
| | | | | | | | | 40.00% | 40.00% | 40.00% |
| H/P HMO | Fam | $ 280.82 | $ 330.81 | $ 313.44 | $ 398.06 | $ 474.65 | $ 592.27 | $448.40 | $500.00 | $543.01 |
| | Ind | $ 104.40 | $ 122.99 | $ 116.52 | $ 147.99 | $ 176.45 | $ 220.18 | $172.40 | $192.40 | $208.55 |
| | | 45.72% | 45.72% | 42.17% | 42.17% | 42.17% | 42.17% | 40.00% | 40.00% | 40.00% |
| | | 45.72% | 45.72% | 42.17% | 42.18% | 42.17% | 42.17% | 40.00% | 40.00% | 40.00% |
| Fallon | Fam | $ 137.15 | $ 111.58 | $ 175.16 | $ 139.01 | $ 216.78 | $ 186.29 | $250.18 | $272.25 | $ 311.59 |
| **This became Fallon Select Care in FY 2004** | Ind | $ 58.23 | $ 47.97 | $ 72.90 | $ 60.49 | $ 93.04 | $ 83.58 | $92.32 | $100.75 | $115.56 |
| | | 29.14% | 22.12% | 28.96% | 20.30% | 24.99% | 18.66% | 25.00% | 25.00% | 25.00% |
| | | 31.96% | 24.73% | 31.33% | 22.96% | 27.77% | 21.68% | 25.00% | 25.00% | 25.00% |

**EXHIBIT 5.1**
**Summary of Health Insurance Program FY 2000 to FY 2008**

| Employee Contribution | | FY 2000 | FY 2001 | FY 2002 | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 | FY 2008 |
|---|---|---|---|---|---|---|---|---|---|---|
| Fallon - Direct Care | Fam | | | | | $ 126.46 | $ 89.44 | $142.33 | $151.80 | $173.63 |
| | Ind | | | | | $ 58.17 | $ 43.46 | $52.52 | $56.10 | $64.42 |
| | | | | | | 16.27% | 10.00% | 15.00% | 15.00% | 15.00% |
| | | | | | | 19.38% | 12.58% | 15.00% | 15.00% | 15.00% |
| Pilgrim Medicare | | | | | | $ 171.50 | $ 183.00 | $ 204.00 | $ 207.00 | $ 207.00 |
| | | | | | | 50.00% | 50.00% | 50.00% | 50.00% | 50.00% |
| BC MEDEX III | | | | | | | | $ 176.50 | $ 190.50 | $ 191.00 |
| | | | | | | | | 50.00% | 50.00% | 50.00% |
| Tufts MC | | | | | | | | $ 115.60 | $ 120.80 | $ 129.20 |
| | | | | | | | | 40.00% | 40.00% | 40.00% |
| BC Man Blue | | | | | | | | $ 120.18 | $ 134.12 | $ 144.37 |
| | | | | | | | | 40.00% | 40.00% | 40.00% |
| BC Blue Care 65 | | | | | | | | $ 66.69 | $ 50.72 | $ 54.05 |
| | | | | | | | | 25.00% | 25.00% | 25.00% |
| First Senority | | $ 5.20 | $ 7.60 | | | | | $ 31.50 | $ 25.05 | $ 33.45 |
| | | 10.00% | 10.00% | | | | | 15.00% | 15.00% | 15.00% |
| Fallon Senior | | $ 19.10 | $ 6.97 | $ 8.90 | $ 11.50 | $ 17.30 | $ 54.00 | $ 31.95 | $ 26.55 | $ 31.05 |
| | | 22.54% | 10.00% | 10.00% | 10.00% | 10.00% | 22.78% | 15.00% | 15.00% | 15.00% |
| Tufts Medicare Pref | | | | | | | | $ 28.50 | $ 21.15 | $ 22.95 |
| | | | | | | | | 15.00% | 15.00% | 15.00% |
| Pilgrim Enhanced | | $ 65.63 | $ 118.05 | $ 162.87 | $ 185.37 | | | | | |
| | | 50.00% | 50.00% | 50.00% | 50.00% | | | | | |
| Pilgrim Prefered | | $ 62.13 | $ 104.91 | $ 117.47 | $ 156.20 | | | | | |
| | | 48.63% | 50.00% | 50.00% | 50.00% | | | | | |

**EXHIBIT 5.1**
**Summary of Health Insurance Program FY 2000 to FY 2008**

| Plan Totals | | 4/1/1999 | 4/1/2000 | 4/30/2001 | 4/4/2002 | 3/26/2003 | 4/27/2004 | 4/1/2005 | 2/13/2006 | 2/5/2007 | 11/20/2007 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| H/P Select | Fam | 12 | 10 | 12 | 14 | 12 | 9 | 5 | | | | |
| H/P PPO | Fam | | | | | | | | 1 | 3 | 2 | |
| Tufts POS | Fam | | | | | | | | 0 | 1 | 0 | |
| Blue Cross EPO | Fam | | | | | | | | 13 | 9 | 12 | |
| Tufts EPO | Fam | | | | | | | | 3 | 4 | 5 | |
| H/P HMO (EPO) | Fam | 63 | 66 | 85 | 98 | 95 | 60 | 54 | 56 | 49 | 44 | |
| Fallon (Select in FY 04) | Fam | 185 | 199 | 200 | 200 | 216 | 188 | 234 | 242 | 254 | 266 | |
| Fallon - Direct | Fam | | | | | | 95 | 92 | 93 | 95 | 105 | |
| | | 260 | 275 | 297 | 312 | 323 | 352 | 385 | 408 | 415 | 434 | **19** |
| H/P Select | Ind | 23 | 25 | 18 | 16 | 11 | 10 | 12 | | | | |
| H/P PPO | Ind | | | | | | | | 5 | 5 | 4 | |
| Tufts POS | Ind | | | | | | | | 0 | 0 | 0 | |
| Blue Cross EPO | Ind | | | | | | | | 9 | 11 | 13 | |
| Tufts EPO | Ind | | | | | | | | 2 | 2 | 4 | |
| H/P HMO (EPO) | Ind | 93 | 96 | 101 | 119 | 113 | 90 | 72 | 65 | 61 | 57 | |
| Fallon (Select in FY 04) | Ind | 147 | 175 | 181 | 195 | 199 | 146 | 180 | 180 | 192 | 190 | |
| Fallon - Direct | Ind | | | | | | 88 | 72 | 72 | 65 | 63 | |
| | | 263 | 296 | 300 | 330 | 323 | 334 | 336 | 333 | 336 | 331 | **(5)** |
| Pilgrim Medicare | Sr | | | | | 177 | 161 | 159 | 140 | 139 | 119 | |
| BC MEDEX III | Sr | | | | | | | | 6 | 6 | 5 | |
| Tufts MC | Sr | | | | | | | | 14 | 15 | 11 | |
| BC Man Blue | Sr | | | | | | | | 4 | 4 | 3 | |
| Fallon Senior | Sr | 108 | 112 | 108 | 109 | 109 | 114 | 115 | 110 | 105 | 104 | |
| First Senority | Sr | 26 | 36 | | | | | | | | | |
| Pilgrim Enhanced | Sr | 93 | 96 | 89 | 90 | | | | | | | |
| Pilgrim Prefered | Sr | 61 | 58 | 98 | 93 | | | | | | | |
| Medicare MHO Blue | Sr | | | | | | | | | 3 | 2 | |
| Tufts Medicare Preferred | Sr | | | | | | | | | | 1 | |
| First Senority - Freedom | Sr | | | | | | | | | | 43 | |
| | | 288 | 302 | 295 | 292 | 286 | 275 | 274 | 274 | 272 | 288 | **16** |
| **Grand Total** | | **811** | **873** | **892** | **934** | **932** | **961** | **995** | **1015** | **1023** | **1053** | **30** |

# EXHIBIT 6.1
# FREE CASH
# FISCAL YEAR 1990 TO 2007

| FISCAL YEAR END | BALANCE AS OF 7/1 | AMOUNT APPROPRIATED | FOLLOWING YEAR BALANCE | GAIN/(LOSS) |
|---|---|---|---|---|
| 2007 | $4,850,038 | $2,500,000 | | |
| 2006 | $4,137,833 | $2,500,000 | $4,850,038 | $712,205 |
| 2005 | $1,930,113 | $2,500,000 | $4,137,833 | $2,207,720 |
| 2004 | $2,832,695 | $2,500,000 | $1,930,113 | -$902,582 |
| 2003 | $3,616,392 | $2,880,000 | $2,832,695 | -$783,697 |
| 2002 | $6,958,805 | $6,113,416 | $3,616,392 | -$3,342,413 |
| 2001 | $4,087,506 | $2,077,612 | $6,958,805 | $2,871,299 |
| 2000 | $2,884,606 | $1,468,606 | $4,087,506 | $1,202,900 |
| 1999 | $5,588,576 | $3,928,000 | $2,884,606 | -$2,703,970 |
| 1998 | $4,611,834 | $3,010,784 | $5,588,576 | $976,742 |
| 1997 | $4,555,647 | $3,418,656 | $4,611,834 | $56,187 |
| 1996 | $2,996,394 | $1,300,000 | $4,555,647 | $1,559,253 |
| 1995 | $3,909,803 | $3,294,500 | $2,996,394 | -$913,409 |
| 1994 | $2,672,855 | $1,864,000 | $3,909,803 | $1,236,948 |
| 1993 | $3,039,269 | $2,030,500 | $2,672,855 | -$366,414 |
| 1992 | $2,275,622 | $1,122,000 | $3,039,269 | $763,647 |
| 1991 | $1,560,672 | $867,000 | $2,275,622 | $714,950 |
| 1990 | $1,269,570 | $850,000 | $1,560,672 | $291,102 |

**Indicates balance influenced by bond premium that was run through Free Cash in the amount of $2,385,000**

# EXHIBIT 6.2
## Surplus Revenue Account

| | RECEIPTS | | | | | | CHARGES | | |
|---|---|---|---|---|---|---|---|---|---|
| | UNEXPENDED APPROPRIATION BALANCES SCHOOL | TOWN | TOTAL | EXCESS LOCAL RECEIPTS | EXCESS STATE RECEIPTS | EXCESS REAL ESTATE | TAX LEVY REDUCTION | SPECIAL ARTICLE APPROPRIATIONS | FREE CASH JULY1 |
| **1987** | 119.676 | 293.292 | 412.968 | 858.155 | | | 770.000 | 512.652 | 1.317.765 actual<br>1.689.331 state certified |
| **1988** | 39.409 | 295.949 | 335.358 | 777.438 | | | 770.000 | 443.473 | 1.237.050 actual<br>1.449.499 state certified |
| **1989** | 0 | 371.822 | 371.822 | 447.354 | | | 770.000 | 386.100 | 910.673 |
| **1990** | 124 | 622.537 | 622.761 | 804.000 | | | 770.000 | 130.609 | 1.269.570 |
| **1991** | 23.091 | 607.625 | 630.716 | 303.894 | | | 770.000 | 80.000 | 1.560.672 |
| **1992** | 85.560 | 893.095 | 979.655 | 221.655 | | | 770.000 | 97.000 | 2.275.622 |
| **1993** | 22.566 | 539.375 | 561.941 | 902.505 | 114.373 | 218.531 | 770.000 | 352.000 | 3.039.269 |
| **1994** | 64.901 | 506.092 | 570.993 | 1.007.659 | 146.282 | 205.135 | 770.000 | 1.260.500 | 2.672.855 |
| **1995** | 0 | 684.790 | 684.790 | 1.368.791 | 212.716 | 578.173 | 770.000 | 1.094.000 | 3.909.803 |
| **1996** | 14.501 | 1.008.838 | 1.023.339 | 1.401.250 | 264.215 | -38.780 | 770.000 | 2.524.500 | 2.996.394 |
| **1997** | 140.410 | 678,033 | 818,443 | 1,631,358* | 29,708 | 305,627 | 1,030,000 | 270,000 | 4,555,647 |
| **1998** | 97,934 | 574,473 | 672,407 | 2,204,849 | 188,104 | 237,102 | 1,130,000 | 2,288,656 | 4,611,834 |
| **1999** | 58,855 | 588,350 | 647,205 | 2,672,911** | 220,504 | 618,813 | 1,130,000 | 1,880,784 | 5,588,576 |
| **2000** | | 529.300 | 529,300 | 446,885 | 255,716 | -38,720 | 1,130,000 | 1,348,000 | 2,884,606 |
| **2001** | 17,842 | 727,089 | 744,931 | 1,144,419 | 388,157 | 87,125 | 435,000 | 981,000 | 4,087,506 |
| **2002** | 1 | 934,185 | 934,186 | 3,687,900*** | 218,595 | | 500,000 | 1,577,612 | 6,858,300 |
| **2003** | 10,000 | 1,216,670 | 1,226,670 | 2,329,608 | | | 728,416 | 5,385,000 | 3,616,392 |
| **2004** | 0 | 871,381 | 2,101,529 | 929,450 | | | 500,000 | 2,380,000 | 2,837,137 |
| **2005** | 0 | 1,629,696 | 1,629,696 | 498,843 | | | 500,000 | 2,000,000 | 1,930,113 |
| **2006** | 0 | 2,101,529 | 2,101,529 | 1,583,983 | | | 500,000 | 1,250,000 | 4,137,833 |
| **2007** | 349,032 | 1,685,900 | 2,034,932 | 593,304 | 222,844 | | 500,000 | 2,000,000 | 4,850,038 |

* *Includes $600,000 from Treatment Plant Lawsuit*
** *Includes $1,688,000 in non-recurring ash revenue from Wheelabrator*
*** *Includes $ 2,384,822.59 In Bond Premiums/Accrued Interest*

**UNDER DEVELOPMENT**
**FOR ILLUSTRATIVE PURPOSES ONLY**

# EXHIBIT 7.1
## Out Year Projection
## Operating Budget

| | Fiscal Year 2001 Expended | Fiscal Year 2002 Expended | Fiscal Year 2003 Expended | Fiscal Year 2004 Expended | Fiscal Year 2005 Expended | Fiscal Year 2006 Expended | Fiscal Year 2007 Expended | Fiscal Year 2008 Budget | Fiscal Year 2009 Projected | Fiscal Year 2010 Projected | Fiscal Year 2011 Projected |
|---|---|---|---|---|---|---|---|---|---|---|---|
| PERSONNEL BOARD | $4,023 | $4,814 | $8,062 | $10,480 | $19,627 | $5.774 | $0 | $275,100 | $283,353 | $291,854 | $300,609 |
| SELECTMEN | $20,303 | $20,776 | $22,004 | $21,930 | $21,046 | $19,981 | $21,877 | $22,463 | $22,533 | $23,209 | $23,906 |
| TOWN MANAGER | $253,606 | $261,985 | $308,230 | $270,781 | $281,047 | $284,235 | $293,308 | $296,137 | $302,107 | $311,170 | $320,506 |
| FINANCE COMMITTEE | $653 | $859 | $942 | $708 | $847 | $1,052 | $958 | $281,345 | $281,345 | $281,345 | $281,345 |
| ACCOUNTANT | $156,070 | $149,124 | $156,978 | $168,678 | $172,078 | $176,661 | $183,275 | $185,101 | $188,773 | $194,436 | $200,270 |
| ASSESSORS | $177,017 | $185,473 | $190,516 | $194,401 | $192,755 | $195,614 | $226,264 | $207,037 | $233,052 | $240,043 | $247,245 |
| TREASURER-COLLECTOR | $291,862 | $299,267 | $311,726 | $307,771 | $316,992 | $316,475 | $353,377 | $362,393 | $363,978 | $374,898 | $386,145 |
| TOWN COUNSEL | $48,084 | $39,449 | $38,113 | $40,297 | $51,540 | $46,060 | $49,882 | $56,400 | $51,378 | $52,920 | $54,507 |
| MIS | $234,715 | $331,062 | $326,698 | $390,361 | $370,919 | $338,370 | $388,392 | $425,039 | $407,812 | $428,202 | $449,612 |
| TOWN CLERK | $155,039 | $139,979 | $149,686 | $155,835 | $148,027 | $148,668 | $164,212 | $168,068 | $169,138 | $174,213 | $179,439 |
| ELECTION AND REGISTRATION | $74,848 | $69,973 | $92,778 | $58,890 | $95,082 | $70,729 | $82,459 | $82,324 | $104,590 | $77,802 | $90,705 |
| CONSERVATION COMMISSION | $3,685 | $3,469 | $2,961 | $5,336 | $4,073 | $45,262 | $7,005 | $6,550 | $7,215 | $7,432 | $7,655 |
| PLANNING BOARD | $2,263 | $2,445 | $2,727 | $1,807 | $1,965 | $1,052 | $1,381 | $3,300 | $1,422 | $1,465 | $1,465 |
| BOARD OF APPEALS | $262 | $420 | $420 | $356 | $355 | $319 | $416 | $670 | $428 | $690 | $441 |
| PUBLIC BUILDINGS | $2,260,156 | $2,242,595 | $2,417,442 | $2,598,553 | $2,894,178 | $3,196,430 | $3,276,635 | $3,583,344 | $3,522,383 | $3,698,502 | $3,883,427 |
| POLICE DEPARTMENT | $2,919,502 | $2,993,312 | $3,029,742 | $3,231,193 | $3,327,204 | $3,533,769 | $3,993,182 | $4,118,894 | $4,292,671 | $4,507,304 | $4,732,669 |
| FIRE DEPARTMENT | $1,926,575 | $1,950,423 | $2,136,184 | $2,228,007 | $2,409,254 | $2,543,707 | $2,607,056 | $2,622,116 | $2,802,585 | $2,942,714 | $3,089,850 |
| BUILDING INSPECTOR | $156,362 | $162,266 | $170,941 | $176,769 | $177,222 | $200,520 | $240,422 | $214,087 | $247,635 | $255,064 | $262,716 |
| WEIGHTS & MEASURES | $2,077 | $2,565 | $2,615 | $2,986 | $2,780 | $2,575 | $2,772 | $3,000 | $2,855 | $2,941 | $3,029 |
| CIVIL DEFENSE | $1,315 | $1,736 | $2,132 | $1,616 | $1,564 | $1,697 | $2,615 | $2,160 | $2,693 | $2,774 | $2,857 |
| FORESTRY | $39,761 | $49,712 | $36,174 | $41,851 | $48,095 | $50,882 | $68,221 | $69,865 | $70,268 | $72,376 | $74,547 |
| PENSIONS | $1,630,742 | $1,240,656 | $1,240,656 | $1,774,518 | $1,321,034 | $1,879,499 | $1,931,719 | $2,538,769 | $2,627,626 | $3,021,770 | $3,142,641 |
| TOWN ENGINEER | $437,384 | $503,542 | $489,738 | $510,819 | $510,179 | $461,721 | $491,484 | $486,977 | $506,229 | $521,415 | $537,058 |
| HIGHWAYS | $1,307,602 | $975,393 | $1,494,939 | $1,243,029 | $1,714,850 | $1,415,297 | $1,408,201 | $1,525,129 | $1,450,447 | $1,493,960 | $1,538,779 |
| STREET LIGHTING | $123,225 | $127,099 | $136,521 | $131,657 | $126,194 | $133,668 | $143,404 | $154,444 | $159,077 | $163,850 | $168,765 |
| CEMETERIES | $174,513 | $144,570 | $138,805 | $151,514 | $164,968 | $148,049 | $131,711 | $120,837 | $135,662 | $139,732 | $143,924 |
| HEALTH | $1,243,843 | $1,319,040 | $1,324,366 | $1,411,285 | $1,663,492 | $1,688,675 | $1,797,226 | $2,013,111 | $2,373,504 | $2,744,709 | $2,827,051 |
| COUNCIL ON AGING | $183,261 | $204,933 | $208,162 | $224,639 | $226,926 | $218,588 | $215,583 | $249,356 | $222,050 | $228,712 | $235,573 |
| VETERAN'S SERVICES | $33,487 | $35,211 | $25,358 | $33,289 | $35,360 | $35,466 | $45,509 | $38,140 | $71,874 | $74,030 | $76,251 |
| COMMISSION ON DISABILITIES | $0 | $282 | $280 | $150 | $0 | $0 | $0 | $500 | $500 | $500 | $500 |
| LIBRARY | $951,482 | $1,002,322 | $1,002,328 | $1,043,634 | $1,022,464 | $1,009,533 | $1,103,556 | $1,195,367 | $1,136,663 | $1,170,763 | $1,205,885 |
| PARKS AND RECREATION | $390,379 | $385,981 | $380,108 | $412,649 | $444,084 | $404,227 | $408,836 | $485,815 | $421,101 | $433,734 | $446,746 |
| SCHOOLS | $27,883,764 | $30,215,699 | $31,882,457 | $33,986,103 | $35,861,744 | $37,662,722 | $39,743,207 | $42,733,949 | $46,152,665 | $49,844,878 | $53,832,468 |
| INTEREST AND MATURING DEBT | $3,092,194 | $4,999,995 | $7,638,020 | $8,961,936 | $8,693,987 | $9,245,336 | $9,527,761 | $8,677,615 | $8,836,605 | $8,571,507 | $8,314,362 |
| | | | | | | | | | | | |
| Unemployment Compensation Insurance | $19,793 | $67,019 | $71,591 | $83,448 | $43,766 | $64,411 | $87,191 | $100,000 | $100,000 | $100,000 | $100,000 |
| Group Health and Life Insurance | $2,573,606 | $2,991,005 | $3,836,906 | $4,483,109 | $5,529,698 | $5,374,673 | $5,684,151 | $6,940,000 | $6,820,981 | $7,844,128 | $9,020,748 |
| Medicare | $325,524 | $363,278 | $407,410 | $454,086 | $512,640 | $534,477 | $545,000 | $610,000 | $561,350 | $578,191 | $595,536 |
| Printing/Postage/Stationary | $100,007 | $86,663 | $94,171 | $98,892 | $87,986 | $90,703 | $94,599 | $120,000 | $118,249 | $206,935 | $362,137 |
| Gasoline and Oil | $160,050 | $131,361 | $149,266 | $177,347 | $230,958 | $268,090 | $323,003 | $360,000 | $396,000 | $435,600 | $479,160 |
| Radio Maintenance | $10,421 | $7,816 | $10,421 | $10,421 | $10,421 | $10,425 | $10,420 | $10,425 | $20,000 | $21,000 | $22,050 |
| WAREP Payment | $3,000 | $4,000 | $4,000 | $0 | $0 | $0 | $1,000 | $5,000 | $6,000 | $6,000 | $6,000 |
| Memorial Day | $393 | $1,706 | $1,764 | $1,288 | $1,800 | $1,293 | $1,767 | $3,195 | $3,500 | $3,500 | $3,500 |
| General Insurance | $168,774 | $182,348 | $446,370 | $519,550 | $483,559 | $477,320 | $571,934 | $680,000 | $686,321 | $720,637 | $756,669 |
| Non-Contributory Pensions | $6,845 | $6,845 | $7,059 | $7,535 | $4,067 | $3,751 | $3,751 | $3,752 | $3,752 | $3,752 | $3,752 |
| Out of State Travel | $13,454 | $12,229 | $5,552 | $9,728 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |

**UNDER DEVELOPMENT**
**FOR ILLUSTRATIVE PURPOSES ONLY**

# EXHIBIT 7.1
## Out Year Projection
## Operating Budget

| | Fiscal Year 2001 Expended | Fiscal Year 2002 Expended | Fiscal Year 2003 Expended | Fiscal Year 2004 Expended | Fiscal Year 2005 Expended | Fiscal Year 2006 Expended | Fiscal Year 2007 Expended | Fiscal Year 2008 Budget | Fiscal Year 2009 Projected | Fiscal Year 2010 Projected | Fiscal Year 2011 Projected |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Employee Assistance Program | $3,500 | $3,500 | $3,500 | $3,980 | $3,980 | $3,980 | $3,980 | $4,000 | $4,000 | $4,000 | $4,000 |
| Telephone System | $32,798 | $30,854 | $37,114 | $30,000 | $3,252 | $143 | $0 | $5,000 | $5,000 | $5,000 | $5,000 |
| Bills of Prior Year | $0 | $2,612 | $254 | $7,006 | $508 | $16,655 | $0 | $0 | $0 | $0 | $0 |
| Ambulance Services | $35,000 | $55,000 | $60,000 | $62,000 | $66,015 | $67,716 | $67,716 | $82,000 | $73,133 | $76,790 | $80,629 |
| UNCLASSIFIED | $3,453,165 | $3,946,236 | $5,135,378 | $5,948,389 | $6,978,649 | $6,913,637 | $7,394,512 | $8,923,372 | $8,798,286 | $10,005,533 | $11,439,181 |
| | $49,633,219 | $54,012,663 | $60,504,187 | $65,742,218 | $69,300,582 | $72,396,248 | $76,306,418 | $83,210,935 | $88,891,401 | $82,350,915 | $87,062,948 |

| | Fiscal Year 2001 Expended | Fiscal Year 2002 Expended | Fiscal Year 2003 Expended | Fiscal Year 2004 Expended | Fiscal Year 2005 Expended | Fiscal Year 2006 Expended | Fiscal Year 2007 Expended | Fiscal Year 2008 Budget | Fiscal Year 2009 Projected | Fiscal Year 2010 Projected | Fiscal Year 2011 Projected |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Municipal Government** | $13,739,129 | $13,783,603 | $14,787,338 | $15,264,587 | $16,615,877 | $16,885,827 | $17,888,701 | $19,479,689 | $20,060,206 | $21,230,986 | $22,251,794 |
| | | $44,474 | $1,003,735 | $477,249 | $1,351,290 | $269,950 | $1,002,874 | $1,590,988 | $580,517 | $1,170,779 | $1,020,808 |
| | | 0.32% | 7.28% | 3.23% | 8.85% | 1.62% | 5.94% | 8.89% | 2.98% | 5.84% | 4.81% |
| **Education** | $27,883,764 | $30,215,699 | $31,882,457 | $33,986,103 | $35,861,744 | $37,662,722 | $39,743,207 | $42,733,949 | $46,152,665 | $49,844,878 | $53,832,468 |
| | | $2,331,935 | $1,666,758 | $2,103,646 | $1,875,641 | $1,800,978 | $2,080,485 | $2,990,742 | $3,418,716 | $3,692,213 | $3,987,590 |
| | | 8.36% | 5.52% | 6.60% | 5.52% | 5.02% | 5.52% | 7.53% | 8.00% | 8.00% | 8.00% |
| **Fixed Costs** | $8,010,326 | $10,013,361 | $13,834,392 | $16,491,529 | $16,822,961 | $17,847,699 | $18,674,510 | $19,915,136 | $20,037,635 | $21,280,584 | $22,417,867 |
| | | $2,003,035 | $3,821,031 | $2,657,137 | $331,432 | $1,024,738 | $826,811 | $1,240,626 | $122,499 | $1,242,949 | $1,137,282 |
| | | 25.01% | 38.16% | 19.21% | 2.01% | 6.09% | 4.63% | 6.64% | 0.62% | 6.20% | 5.34% |
| **Total (Less Sewer & Water)** | $49,633,219 | $54,012,663 | $60,504,187 | $65,742,218 | $69,300,582 | $72,396,248 | $76,306,418 | $82,128,774 | $86,250,506 | $92,356,448 | $98,502,129 |
| | | $4,379,444 | $6,491,524 | $5,238,031 | $3,558,363 | $3,095,667 | $3,910,170 | $5,822,356 | $4,121,732 | $6,105,942 | $6,145,681 |
| | | 8.82% | 12.02% | 8.66% | 5.41% | 4.47% | 5.40% | 7.63% | 5.02% | 7.08% | 6.65% |

**EXHIBIT 8.1**
**School Enrollment Projections**

| | k | 1 | 2 | 3 | 4 | 5 | k- 5 | 6 | 7 | 8 | 6-8 | 9 | 10 | 11 | 12 | 9-12 | TOTAL* | preschool | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 1.155 | 1.033 | 1.004 | 1.024 | 0.995 | | 0.991 | 1.002 | 1.012 | | 0.913 | 1.000 | 0.974 | 1.006 | | | | |
| **1995** | 339 | 366 | 329 | 327 | 324 | 318 | 2003 | 280 | 257 | 275 | 812 | 268 | 256 | 265 | 189 | 978 | 3793 | 87 | 3880 |
| **1996** | 342 | 381 | 375 | 340 | 341 | 323 | 2102 | 321 | 288 | 252 | 861 | 243 | 255 | 254 | 249 | 1001 | 3964 | 76 | 4040 |
| **1997** | 330 | 365 | 400 | 389 | 348 | 359 | 2191 | 330 | 331 | 291 | 952 | 196 | 225 | 264 | 239 | 924 | 4067 | 105 | 4172 |
| **1998** | 403 | 381 | 365 | 408 | 395 | 354 | 2306 | 356 | 328 | 338 | 1022 | 241 | 198 | 226 | 254 | 919 | 4247 | 134 | 4381 |
| **1999** | 359 | 466 | 395 | 391 | 424 | 394 | 2429 | 352 | 356 | 328 | 1036 | 266 | 234 | 202 | 219 | 921 | 4386 | 126 | 4512 |
| **2000** | 393 | 420 | 471 | 402 | 399 | 433 | 2518 | 389 | 361 | 367 | 1117 | 290 | 280 | 245 | 213 | 1028 | 4663 | 135 | 4798 |
| **2001** | 385 | 475 | 444 | 469 | 424 | 419 | 2616 | 427 | 400 | 364 | 1191 | 324 | 296 | 283 | 236 | 1139 | 4946 | 131 | 5077 |
| **2002** | 407 | 442 | 483 | 442 | 488 | 428 | 2690 | 423 | 426 | 395 | 1244 | 343 | 330 | 287 | 274 | 1234 | 5168 | 150 | 5318 |
| **2003** | 398 | 484 | 464 | 480 | 464 | 494 | 2784 | 436 | 438 | 437 | 1311 | 356 | 343 | 324 | 289 | 1312 | 5407 | 157 | 5564 |
| **2004** | 384 | 449 | 489 | 464 | 504 | 463 | 2753 | 492 | 444 | 441 | 1377 | 413 | 360 | 334 | 320 | 1427 | 5557 | 174 | 5731 |
| **2005** | 394 | 452 | 466 | 502 | 466 | 502 | 2782 | 461 | 486 | 443 | 1390 | 425 | 402 | 345 | 344 | 1516 | 5688 | 188 | 5876 |
| **2006** | 378 | 440 | 468 | 452 | 507 | 462 | 2707 | 488 | 449 | 501 | 1438 | 408 | 436 | 388 | 351 | 1583 | 5728 | 173 | 5901 |
| **2007** | 376 | 439 | 454 | 482 | 454 | 496 | 2701 | 450 | 485 | 449 | 1384 | 419 | 404 | 423 | 383 | 1629 | 5714 | 181 | 5895 |
| | | | | | | | | | | | | | | | | | | | |
| **2008** | 362 | 434 | 454 | 456 | 493 | 452 | 2651 | 492 | 451 | 491 | 1433 | 410 | 419 | 393 | 425 | 1648 | 5732 | | |
| **2009** | 383 | 418 | 448 | 455 | 467 | 491 | 2662 | 448 | 493 | 456 | 1397 | 448 | 410 | 408 | 396 | 1663 | 5722 | | |
| **2010** | 348 | 442 | 432 | 450 | 466 | 464 | 2603 | 487 | 449 | 499 | 1434 | 417 | 449 | 399 | 410 | 1675 | 5712 | | |
| **2011** | 317 | 402 | 457 | 433 | 461 | 464 | 2534 | 460 | 488 | 454 | 1402 | 456 | 417 | 437 | 402 | 1711 | 5647 | | |
| **2012** | 353 | 366 | 415 | 459 | 444 | 459 | 2495 | 460 | 461 | 494 | 1415 | 415 | 456 | 406 | 439 | 1716 | 5626 | | |
| **2013** | 353 | 408 | 378 | 417 | 470 | 442 | 2466 | 455 | 461 | 467 | 1382 | 451 | 415 | 444 | 408 | 1718 | 5567 | | |
| **2014** | 353 | 408 | 421 | 380 | 427 | 467 | 2455 | 438 | 456 | 466 | 1360 | 426 | 451 | 404 | 446 | 1728 | 5543 | | |
| **2015** | 353 | 408 | 421 | 423 | 389 | 425 | 2417 | 463 | 439 | 461 | 1363 | 426 | 427 | 439 | 406 | 1698 | 5479 | | |
| **2016** | 353 | 408 | 421 | 423 | 433 | 387 | 2424 | 421 | 464 | 444 | 1329 | 421 | 426 | 415 | 442 | 1704 | 5457 | | |

| **Births** | | k | | **b-k** | | **survivals** | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **1998** | 460 | **2003** | 398 | 0.865 | | | k-1 | 1 - 2 | 2 - 3 | 3 - 4 | 4 - 5 | 5 - 6 | 6 - 7 | 7 - 8 | 8 - 9 | 9 - 10 | 10 - 11 | 11 - 12 |
| **1999** | 458 | **2004** | 385 | 0.841 | | | | | | | | | | | | | | |
| **2000** | 460 | **2005** | 394 | 0.857 | | **2002-03** | 1.189 | 1.050 | 0.994 | 1.050 | 1.012 | 1.019 | 1.035 | 1.026 | 0.901 | 1.000 | 0.982 | 1.007 |
| **2001** | 453 | **2006** | 378 | 0.834 | | **2003-04** | 1.128 | 1.010 | 1.000 | 1.050 | 0.998 | 0.996 | 1.018 | 1.007 | 0.945 | 1.011 | 0.974 | 0.988 |
| **2002** | 474 | **2007** | 376 | 0.793 | | **2004-05** | 1.177 | 1.038 | 1.027 | 1.004 | 0.996 | 0.996 | 0.988 | 0.998 | 0.964 | 0.973 | 0.958 | 1.030 |
| | | | 5 Year Ave | 0.838 | | **2005-06** | 1.117 | 1.035 | 0.970 | 1.010 | 0.991 | 0.972 | 0.974 | 1.031 | 0.921 | 1.026 | 0.965 | 1.017 |
| | | | | | | **2006-07** | 1.161 | 1.032 | 1.030 | 1.004 | 0.978 | 0.974 | 0.994 | 1.000 | 0.836 | 0.990 | 0.990 | 0.987 |
| | | **Projections** | | | | | | | | | | | | | | | | |
| **2003** | 432 | **2008** | 362 | 0.838 | | **ave** | 1.155 | 1.033 | 1.004 | 1.024 | 0.995 | 0.991 | 1.002 | 1.012 | 0.913 | 1.000 | 0.974 | 1.006 |
| **2004** | 457 | **2009** | 383 | 0.838 | | | | | | | | | | | | | | |
| **2005** | 415 | **2010** | 348 | 0.838 | | | | | | | | | | | | | | |
| **2006** | 378 | **2011** | 317 | 0.838 | | | | | | | | | | | | | | |
| | 421 | | | | | | | | | | | | | | | | | |
| **Assumed** | | | | | | | | | | | | | | | | | | |
| **2007** | 421 | **2012** | 353 | 0.838 | | | | | | | | | | | | | | |
| **2008** | 421 | **2013** | 353 | 0.838 | | | | | | | | | | | | | | |
| **2009** | 421 | **2014** | 353 | 0.838 | | | | | | | | | | | | | | |
| **2010** | 421 | **2015** | 353 | 0.838 | | | | | | | | | | | | | | |
| **2011** | 421 | **2016** | 353 | 0.838 | | | | | | | | | | | | | | |

**Notes:**

•1995-2007 are actual enrollments

• Projections were calculated by taking a 5 year average of the birth to kindergarden survival for years 1998-2007 and multiplying the average survival factor by the births recorded in 2003-2006

• Assumed births for 2007-11 were calculated taking the average of the previous four years of recorded births

Shaded areas indicate projections based on assumed births

EXHIBIT 9.1
Impact of Exempted Debt Service Expenses
on
Average Single Family Taxpayer
Fiscal Year 2008

| Project | Total Debt Service Fiscal Year 2008 | SBA Funding & Other Adjustments | Net Debt Service | Tax Rate Impact* | Impact on Average Residential Tax Bill** | Impact on Average Residential Tax Bill FY 2007 | Change FY 07 To 08 | Impact on Average Residential Tax Bill FY 2006 | Impact on Average Residential Tax Bill FY 2005 |
|---|---|---|---|---|---|---|---|---|---|
| Floral Street School*** | $621,139 | $585,681 | $35,458 | $0.007 | $2.83 | $4.41 | ($1.58) | $6.99 | $11.94 |
| Land Acquisition Bond #1 | $239,203 | $0 | $239,203 | $0.048 | $19.07 | $19.82 | ($0.75) | $20.65 | $23.31 |
| Land Acquisition High School | $189,060 | $96,402 | $92,658 | $0.018 | $7.39 | $0.00 | $7.39 | $16.31 | $18.40 |
| Land Acquisition Bond #2 | $178,200 | $0 | $178,200 | $0.036 | $14.21 | $14.72 | ($0.51) | $15.77 | $17.81 |
| High School | $5,288,750 | $3,706,732 | $1,582,018 | $0.315 | $126.11 | $113.24 | $12.87 | $191.76 | $223.46 |
| Oak Middle School | $619,704 | $0 | $619,704 | $0.123 | $49.40 | $50.82 | ($1.42) | $64.12 | $9.64 |
| BAN Costs Oak Middle School | $0 | $0 | $0 | $0.000 | $0.00 | $3.05 | ($3.05) | $23.25 | $33.05 |
| BAN Costs Allen Property Purchase | $243,322 | $21,888 | $221,434 | $0.044 | $17.65 | $16.29 | $1.37 | $14.93 | $10.28 |
| BAN #2 Costs Oak Middle School | $26,621 | $64 | $26,557 | $0.005 | $2.12 | $0.67 | $1.44 | $0.00 | $0.00 |
| Fire Aerial Truck | $0 | $0 | $0 | $0.000 | $0.00 | $64.48 | ($64.48) | $0.00 | $0.00 |
| Fire Facilities Project | $206,000 | $12,942 | $193,058 | $0.038 | $15.39 | $0.00 | $15.39 | $0.00 | $0.00 |
| | $7,611,999 | $4,423,709 | $3,188,290 | $0.635 | $254.15 | $287.49 | ($33.33) | $353.78 | $347.89 |

* Based on FY 2008 total value of $5.018 Billion

** Based on FY 2008 average residential value of $400,008.00

*** Not shown is $69,016 in debt service expenses for 10% of the Floral Street School Project that is not excluded. which is worth an additional $5.50 per average single family tax bill.

# EXHIBIT 10.1
## Summary of Solid Waste Costs and Revenue

| Fiscal Year | Collection Costs | | Disposal Costs | | Landfill Revenue | | Tax Levy "Subsidy" | Notes |
|---|---|---|---|---|---|---|---|---|
| 2000 | $675,938 | | $346,940 | | $453,309 | | $569,569 | |
| 2001 | $692,731 | 2.5% | $380,228 | 9.6% | $592,754 | 30.8% | $480,205 | |
| 2002 | $713,500 | 3.0% | $422,244 | 11.1% | $893,950 | 50.8% | $241,794 | $542,417 was deposited in Coal Ash Reserve |
| 2003 | $737,550 | 3.4% | $415,656 | -1.6% | $1,098,492 | 22.9% | $54,714 | $1,092,000 was deposited in Coal Ash Reserve |
| 2004 | $761,865 | 3.3% | $458,091 | 10.2% | $961,582 | -12.5% | $258,374 | |
| 2005 | $1,037,588 | 36.2% | $437,095 | -4.6% | $570,000 | -40.7% | $654,683 | $250,000 taken from Coal Ash Reserve |
| 2006 | $1,052,101 | 1.4% | $439,061 | 0.4% | $580,000 | 1.8% | $636,162 | $275,000 taken from Coal Ash Reserve |
| 2007 | $1,089,341 | 3.5% | $434,118 | -1.1% | $573,251 | -1.2% | $525,208 | $425,000 taken from Coal Ash Reserve |
| 2008 | $1,124,037 | 3.2% | $618,470 | 42.5% | $600,000 | 4.7% | $612,507 | $530,000 taken from Coal Ash Reserve |
| 2009 | $1,157,758 | 3.0% | $794,420 | 28.4% | $900,000 | 50.0% | $722,178 | $330,000± (balance) to be taken from Coal Ash Reserve |
| 2010 | $1,389,310 | 20.0% | $810,308 | 2.0% | $1,240,000 | 37.8% | $959,618 | |
| 2011 | $1,430,989 | 3.0% | $826,515 | 2.0% | $1,264,800 | 2.0% | $992,703 | |
| 2012 | $1,473,919 | 3.0% | $843,045 | 2.0% | $1,290,096 | 2.0% | $1,026,867 | |

**Shaded Area Indicates Projection** **Loss FY 2008-2012** **$4,313,874**

# Municipal Additional Staffing Needs over Next 5 Years

| Department | Position Title | Annual Salary per Position | Total | Reason Required |
|---|---|---|---|---|
| **TOWN MANAGER / GENERAL GOVERNMENT** | | | | |
| Town Manager's Offic | 1- Assistant to Town Manager PAT-18 | $ 50,000 - $60,000 | 55,000 | Community Growth-Increased Workload |
| Town Hall | 2- PAT-9 FTE's for various offices | $ 31,090-$37,077 | 62,180 | Community Growth-Increased Workload |
| | | **Sub-Total** | **117,180** | |
| **PUBLIC SAFETY** | | | | |
| Fire Department | 4- Promotions to Lieutenant | $ 6,250 | 25,000 | Community Growth |
| Fire Department | 4 -FT Fire Fighters | $ 250,000 | 250,000 | Community Growth |
| Police Department | 5- FT Police Officers | $ 250,000 | 250,000 | Community Growth-Increased Workload |
| Police Department | 1- Detective | $ 50,000 | 50,000 | Community Growth-Increased Workload |
| Police Department | 1- transcription clerk | $ 34,000 | 34,000 | Community Growth-Increased Workload |
| Police Department | 1/2 time dispatcher (combined with 1/2 clerk) | $ 40,000 | 40,000 | Community Growth-Increased Workload |
| Police Department | 1- patrol lieutenant (nights) | $ 72,000 | 72,000 | Community Growth-Increased Workload |
| Police Department | 1- civilian property/evidence person (replaces services sergeant) | $ 45,000 | 45,000 | Community Growth-Increased Workload |
| Police Department | 1- Business Office Manager (if Mrs. Kruczynski retires) | $ 50,000 | 50,000 | Community Growth-Increased Workload |
| | | **Sub-Total** | **816,000** | |
| **PUBLIC BUILDINGS/ HIGHWAY/ ENGINEERING** | | | | |
| Public Buildings | 1-Second Electrician | $ 45,300 | 45,300 | Additional Buildings - Community Growth |
| Public Buildings | 1-HVAC Technician | $ 45,300 | 45,300 | Additional Buildings - Community Growth |
| Public Buildings | 1- General Maintenance Worker | $ 41,000 | 41,000 | Additional Buildings - Community Growth |
| Public Buildings | 1/5 FTE Custodial Positions | $ 54,000 | 54,000 | Additional Buildings - Community Growth |
| Highway Department | 5- FT Heavy Equipment operator | $ 37,793-$42,929 | 188,965 | Community Growth-Increased Workload |
| Engineering Office | 2- FT Staff | $ 80,534 | 161,068 | Community Growth-Increased Workload, State Mandates |
| | | **Sub-Total** | **535,633** | |
| **BUILDING INSPECTOR/ HEALTH** | | | | |
| Building Inspectors | 1- FT Zoning Administration/enforcement officer | $ 50,000-$55,000 | 50,000 | Community Growth-Increased Workload |
| Building Inspectors | 1- FT Plumbing and Gasfitting | $ 60,000-$65,000 | 60,000 | Community Growth-Increased Workload |
| Health Department | 1- Full time staff position | $ 40,634-$48,457 | 40,634 | Community Growth-State Mandates |
| Health Department | 1- Part-time restaurant inspector | $ 20,317-$24,228 | 20,317 | Community Growth-State Mandates |
| | | **Sub-Total** | **170,951** | |
| Library | 11- misc staff to restore full service hours in new building | $ 52,843 | 52,843 | Community Growth-State Certifications |
| Parks & Cemetery | 1- Maintenance Craftsman W4 | $ 34,780-$39,630 | 38,000 | Community Growth-Increased Workload |
| | | Sub Total Salaries | **1,639,764** | |
| | | Fringe Package 35% | 573,917 | |
| | | Total Salary & Benefits | **2,213,681** | |

# Massachusetts Municipal Association

## A Revenue Sharing Partnership Plan to Build a Stronger Massachusetts

### STRONGER COMMUNITIES BUILD A STRONGER COMMONWEALTH

State and local government in Massachusetts have a long and rich history of working together to make the Bay State one of the most prosperous and progressive states in the nation. Our leading rankings in knowledge and wealth are due in no small part to the investments made at both the state and local level in education and vital initiatives and services that support the creativity and ingenuity of all our citizens.

"Increasing the overall fiscal capacity of cities and towns turns out to be central to the future prosperity of the Commonwealth." – Northeastern Economic Report

The partnership between cities and towns and state government must strengthen for us to meet the needs of our residents and businesses in a rapidly changing world. Together, state and local government face many common challenges, ranging from investments in world-class education and public infrastructure to ensuring that we have safe neighborhoods and streets, an adequate safety net for needy citizens and great recreational and cultural facilities.

The task facing local and state leaders is to bring forward and act on the ideas and plans that will keep Massachusetts a vital and exciting place to live and work.

As this report will document, Massachusetts needs a new **Revenue Sharing Partnership** to solidify, renew and revitalize the fiscal health of local government, so that cities and towns can fulfill their crucial role as building blocks for prosperity and progress for our residents, our economy and our future.

### AN AGENDA TO STRENGTHEN OUR ECONOMY AND AVERT A LOOMING MUNICIPAL FISCAL CRISIS

As we look ahead to fiscal 2009, revenue sharing and reinvesting in municipal aid is a top priority for two related and compelling reasons: to solve the fiscal distress that is extending its reach to more and more cities and towns, and to ensure a turnaround in our sagging and underperforming state economy.

The past several years have been very challenging for state and local leaders, as municipal and Commonwealth officials have struggled to deliver essential government services, balance budgets and deal with the fallout from a flagging economy that has seen Massachusetts lose tens of thousands of jobs and thousands of residents and families to our competitor states.

Cities and towns throughout the state are facing severe fiscal distress. Communities have increased their reliance on the regressive property tax to a 25-year high, eliminated or reduced important services, depleted reserves, and are projecting major structural deficits for fiscal 2009 and beyond. Unless communities and the state form a stronger and more robust fiscal partnership anchored by revenue sharing and increased local aid, this distress will grow into a widespread fiscal crisis. In short, we are heading in the wrong direction.

### CITIES AND TOWNS ARE ESSENTIAL TO OUR ECONOMY

The connection between the fiscal health of cities and towns and the success of the state's economy has become increasingly clear in recent years, beginning with the release of *Revenue Sharing and the Future of the Massachusetts Economy,* authored by economists at the Center for Urban and Regional Policy (CURP) at Northeastern University in 2006.

Unless communities and the state form a stronger and more robust fiscal partnership anchored by revenue sharing and increased local aid, this distress will grow into a widespread fiscal crisis.

Based on detailed research and analysis, the findings were unequivocal: "Increasing the overall fiscal capacity of cities and towns turns out to be central to the future prosperity of the Commonwealth... providing communities with the resources to deliver the services and amenities that workers want for their families is critical to the state's future development and prosperity... (and) equally important is


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making sure that local municipalities have the ability to provide the economic and social environment that is attractive to industry."

This economic analysis has been affirmed by powerful voices, including Fannie Mae, The Brookings Institution, George Washington University, the Boston Foundation, and others.

"States that ignore the economic well-being of their cities (and towns) will pay dearly, because cities are at the heart of real economies of goods and service production and innovation." – GWU & CSU Economic Report

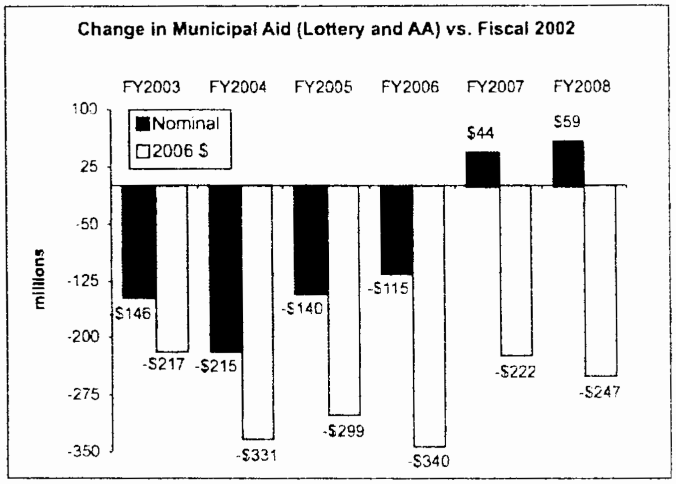
Early this year, George Washington University's Institute of Public Policy and Cleveland State University's Office of Economic Development published *States and Their Cities: Partnerships for the Future*, a major report sponsored by Fannie Mae. Their findings: "State economies exist within a fiercely competitive international environment…in this global economy, cities are an increasingly important determinant of state economic performance… states that ignore the economic well-being of their cities (and towns) will pay dearly, because cities are at the heart of real economies of goods and service production and innovation."

Further, the Brookings Institution's Metropolitan Policy Program's 2007 report, *Restoring Prosperity,* calls for a renewed partnership and state government investment in urban areas and in communities in general, noting that such investments will bring enormous benefits, including reducing unemployment and poverty, increasing income and wealth, improving the quality of life for families, increasing the jobs, amenities and housing choices for urban and suburban residents, enhancing the regional market for business location, increasing property values, and improving the overall competitiveness of metropolitan areas. The report says all of this is in the states' own interests: "Ultimately, this all adds up to stronger, healthier, more productive cities and regions that are a boon to, rather than a drain on, state budgets – evidence, to be sure, of money well spent."

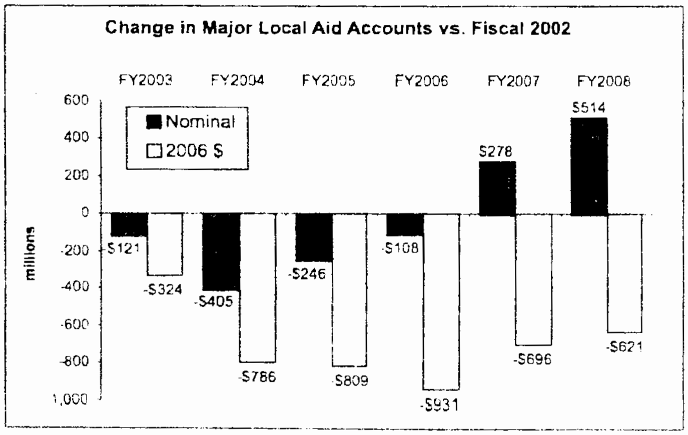
Restoring the fiscal health of communities and the economic health of Massachusetts through revenue sharing will build a stronger future for our state. Unfortunately, without revenue sharing and increases in municipal aid, local budget shortfalls will continue, property tax reliance will be too high, municipal services will be curtailed, and our state economy will fall further behind the rest of the nation.

## MUNICIPALITIES FACE FISCAL DISTRESS

This year, direct municipal aid increased by $15 million, or just about 1%, not enough to keep pace with growing costs. Moreover, when accounting for inflation, this municipal aid (Lottery and Additional Assistance) is $247 million (16%) *below* fiscal 2002 levels, even after the Legislature's extraordinary and deeply appreciated action to fully uncap the Lottery in 2006. This spring, as state leaders gave great attention to education funding, and balancing the state's tight operating budget, municipal aid was confined to Lottery aid and level-funded Additional Assistance.




In the half dozen years since the 2001 recession, there has been some measure of recovery and stability in school aid programs. After cuts in fiscal years 2003 and 2004, Chapter 70 and school transportation aid has rebounded modestly and this year is about $455 million (14 percent) higher than in fiscal 2002, before adjusting for inflation. After accounting for inflation, this school aid is down by $374 million (10%), and combined municipal and school aid in these accounts is down by 11%, or $621 million.



Ever since Proposition 2½ became law in 1980, cities and towns have relied heavily on local aid and revenue sharing, yet municipal finances are heading in the wrong direction. With local aid down, reliance on property taxes increasing, and widespread cuts and reductions in local services over the past several years, more and more communities are facing structural budget deficits that cannot be closed without doing more harm to our economy, and eroding the foundation for the Commonwealth's growth and prosperity.

## Lagging Lottery Performance Unmasks a Deeper Threat to Municipalities

Municipal assistance has grown by about $95 million (almost 7 percent) over the past six years, averaging about 1 percent annually. Almost all of the growth following the $230 million in municipal aid cuts in fiscal years 2003 and 2004 has been in the form of new Lottery distributions. The state's municipal assistance policy since 1990 and since the 2001 recession has been a Lottery-only policy to provide revenues to help pay for municipal services and ease reliance on the property tax.

The steady stream of Lottery dollars that helped pay for municipal services and ease reliance on the over-burdened property tax for the past two decades has started to run dry, leaving the fiscal 2008 Cherry Sheet municipal assistance program in deficit by more than $100 million.

The Cherry Sheet Lottery distribution for fiscal 2008 allocates $935 million to help balance local budgets, yet available Lottery revenues this year and next year are not expected to exceed $800 million. This shortfall will be made up from the state's general fund.

Since 1992, Lottery profits have provided the only source of new general municipal assistance dollars. The appropriation for the other municipal assistance program, Additional Assistance, has been level-funded or reduced over this period. These two mainstays of municipal finance total more than $1.3 billion this year.

The Lottery shortfall in fiscal 2007 and predicted for this year (fiscal 2008) and fiscal 2009 marks the practical end of a Lottery-only municipal assistance policy. If Lottery distributions and total municipal aid are funded next year based on actual proceeds from the Lottery, municipal assistance would go down by an estimated $135 million, and total municipal assistance in fiscal 2009 would be about $40 million less than in fiscal 2002, seven years ago.

The Lottery deficit is not small and it is not going to go away, which means that state policy-makers and municipal officials need to start working together on the next generation of state revenue sharing in time for the fiscal 2009 state budget. The Lottery will always be important, but Massachusetts desperately needs new and expanded funding for municipal aid.

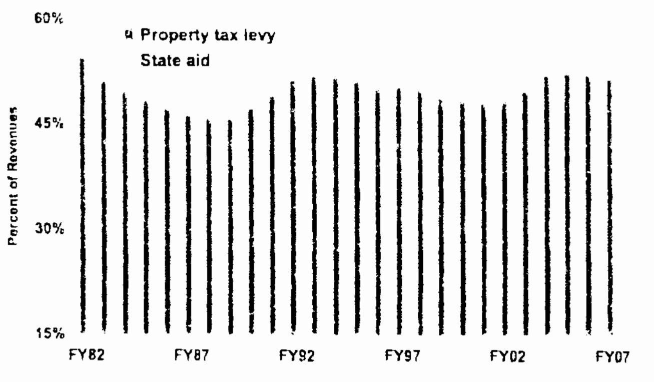
Cities and towns cannot sustain a 10-15 percent cut in general municipal aid next year without significantly higher reliance on the property tax and reduced municipal services. With the Lottery badly missing its revenue benchmarks and struggling with poor performance, this unmasks a glaring shortfall in funding for non-school services, as the major non-property tax source of funds for municipal programs is clearly not enough to maintain current needs, now and into the future.

The MMA and others, including the Massachusetts Taxpayers Foundation, the Center for Urban and Regional Policy at Northeastern, and the Hamill Commission, support a long-range plan to devote 40% of the state's tax revenues to share with cities and towns, funding expanded municipal and school aid. This framework would be phased in over time, in careful consideration of the urgent local need and our concurrent obligation to make the plan affordable and sustainable for the state.

## Over-Reliance on the Regressive Property Tax

Communities now rely on the property tax to fund 52% of their budgets, among the very highest of levels in the past 25 years, and residents are calling out for more balanced solutions, including restoring local aid and broadening the tax base beyond the property tax.

**Main Municipal Revenue Sources**




Municipal leaders have been standing up at home, and taking difficult positions to increase local property taxes and cut local services, not because they want to, but because without revenue sharing and other local revenue powers, these are the only choices. Yet these choices are inadequate. So far this year, 55% of the communities that have attempted overrides were unsuccessful, and only about 28% of the override revenues requested have been approved by voters. The difference has been made up by deep budget cuts, including closing schools, reducing public safety personnel and teachers, cutting library hours, deferring important public works repairs, and imposing fees on residents.

## REVENUE SHARING IS THE SOLUTION

In the new global economy cities and towns mean more to our prosperity and success than ever before. The challenge is for local and state officials to unite and avert the municipal fiscal crisis that looms on the horizon, and invest in communities to foster our economic growth.

### Revenue Sharing: Dedicating a Fixed Share of State Tax Collections to Support Local Government Services and Reduce Reliance on the Property Tax

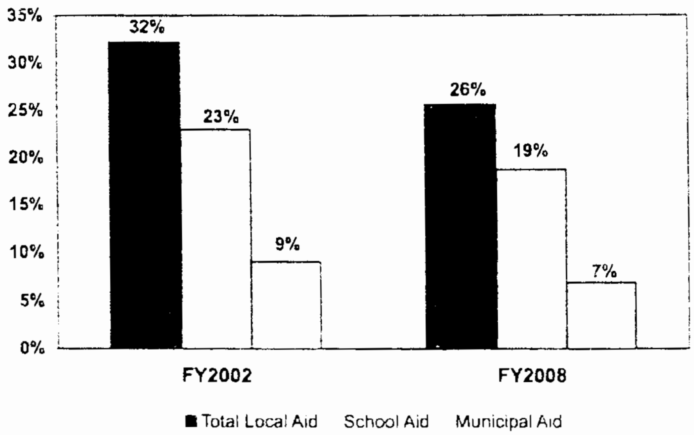
The Massachusetts Municipal Association is calling for a revitalized state tax revenue sharing policy based on a fixed share of state tax collections dedicated to the support of municipal services and public education. The MMA's "40-10 Plan" recommends that 40% of the state's three growth taxes (personal income, corporate excise, and sales) be set aside for direct municipal and school aid payments and that 10% of growth taxes (one-quarter of the 40% amount) be dedicated to a renewed municipal aid program that is currently limited to Additional Assistance and Lottery distributions.

Revenue sharing has received widespread support, including backing by the Massachusetts Taxpayers Foundation, local officials from every corner of the Commonwealth, the Municipal Finance Task Force, and the Center for Urban and Regional Policy at Northeastern University.

"Fixed share" revenue sharing has received widespread support, including backing by the Massachusetts Taxpayers Foundation (November 2005) and local officials from every corner of the Commonwealth, and was included as a key recommendation in the September 2005 report of the Municipal Finance Task Force, *Local Communities at Risk*, and in the January 2006 report by the Center for Urban and Regional Policy at Northeastern University, *Revenue Sharing and the Future of the Massachusetts Economy.*

The MMA 40-10 Plan is based on historical levels of revenue sharing over the past two dozen years since Proposition 2½ took effect. If it was in place during the recent recession, cities and towns would have received local aid cuts that matched the actual drop in state revenues, and eventually local aid levels would have been restored as the state's tax base recovered. For purposes of comparison, the MMA's analysis shows that at the 40% revenue sharing mark, local aid would have been restored to pre-recession levels by fiscal year 2007. As it is, local aid for cities and towns has declined as a percentage of state tax revenues, and our communities have imposed municipal service cutbacks, increased property taxes and still face fiscal distress.

**Local Aid as a Percent of State Tax Revenues**




As this new revenue sharing partnership is put in place, it could be implemented over time in a way that responds to fiscal needs at both the state and local levels. The MMA recommends five years to phase in the proposed municipal aid program.

### Cities and Towns Provide "Building-Block" Services

Cities and towns in Massachusetts are responsible for a great variety of public services that are highly valued by citizens and businesses and play a fundamental role in the state's economic future. These services include the education of nearly one million school children; police, fire and emergency protection for six million residents and for thousands of businesses; the maintenance of 30 thousand miles of roads and bridges; and the vital but less heralded cultural and human services that are provided locally. These local services are crucial to attracting and retaining families, businesses, jobs and investment in Massachusetts.

• Local public schools educate for the workforce and higher education more than 950,000 school children, including 40,000 children in mandated bilingual education programs and 160,000 children who receive special education services required by state and federal law.

• Municipal police and fire departments protect the safety of the state's six million residents and the property and employees of its businesses.

• Local public works departments maintain and plow snow from the almost 30,000 miles of roads under local jurisdiction, maintain safe drinking water supplies and wastewater treatment facilities, and collect and dispose of locally-generated trash.

• Free public libraries in cities and towns across the state make available 30 million books and other resources, including Internet service, for the millions of people who walk through library doors each year.

• Public health departments, code enforcement agencies and human and elder service offices ensure safe homes, work places and neighborhoods, provide services to the homeless and other needy local citizens.

• Local recreation and conservation commissions protect open space and other local environmental resources and provide athletic and other recreational facilities and programs for local youth.

• State and federal spending mandates impose further obligations and expensive requirements at the local level to provide specific services at high standards in areas such as special education, infrastructure construction, landfill capping, safe drinking water delivery, and sewage treatment.

The state's compelling interest in revenue sharing is based on the vital importance to economic growth and prosperity of a first-class system of public education, and safe and vibrant cities and towns.

Local voters and elected officials appropriate more than $21 billion to pay for these services, drawing $11 billion from the tightly capped property tax, the main source of locally controlled revenues. The enormous mismatch between locally controlled revenues and local service obligations has historically and rightly been addressed by state tax revenue sharing through a variety of "local aid" programs. Revenue sharing from the state totals $5.5 billion this year, or about one-quarter of local spending.

The deep local aid cuts in fiscal 2003 and fiscal 2004 following the 2001 recession have led to disarray and uncertainty in state revenue sharing policy and to over-use of the property tax to support municipal and school services. The unfortunate truth is that these local aid cuts have reduced the quality of the municipal services that are so important to our economic prosperity, and communities now rely far too much on the property tax.

### The Concept of Revenue Sharing

The structure of government services we have here in Massachusetts presumes a vigorous revenue sharing program through which state tax collections are used to ensure that city and town services can be adequately funded without undue reliance on the property tax. The state's compelling interest in revenue sharing is based on the vital importance to economic growth and prosperity of a first-class system of public education, and safe and vibrant cities and towns.

Massachusetts citizens depend on government to provide a certain array and level of services so that they may pursue their lives and exercise their rights. The state and its cities and towns provide very different types of public services although in both cases the services are vitally important to the citizens that benefit from them.

Cities and towns generally provide broadly used community services such as public education, police and fire protection, and local road maintenance and snow plowing – just to name a few. The state pays for state services, such as public higher education, the courts and corrections, and state highway maintenance and other state and local capital programs. A significant part of the state budget also provides payments to and provides support for disadvantaged individuals and families, such as public health and public welfare programs.

State and municipal governments budget roughly similar amounts for their direct service responsibilities, approximately $21 billion by local government for Fiscal 2008, including spending from state revenue sharing, and about $24 billion by state government, after deducting local government assistance. Including these distributions, state spending this year is expected to total about $29 billion.

One key piece of this state-local puzzle is the $4 billion in state tax revenues distributed to local government to help pay for more than $10 billion in municipal responsibilities for the operation of schools that is assigned to local government by state law. A second component is the $1.3 billion in additional assistance and lottery distributions made available to support municipal services and to reduce reliance on the property tax.

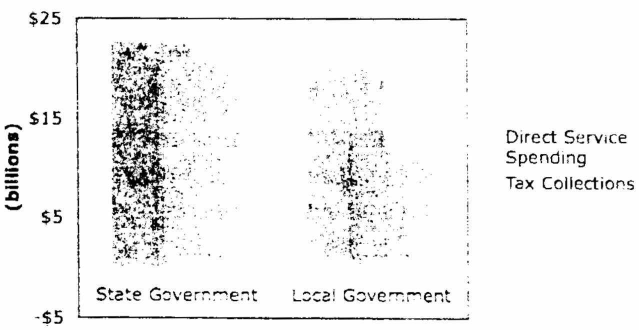
### Paying For Government Services as Partners

While there is a rough level of parity in the scope of state and local government services, measured in dollar terms, there is a significant inequality between the ability of the two levels of government to raise the revenues necessary to support these services. The state retains full control over what taxes may be levied at both the state and local level.

The property tax is the only major tax available to local government. The state levies the personal income tax, the sales and use taxes, the corporate excise and several others. Local government administers the regressive local property tax while the state has available to it a range of less regressive and more progressive tax options.

State and local taxes are paid by businesses and residents of all cities and towns in expectation of adequately funded services at both the state and local level. This mismatch in taxing authority can be balanced if the state shares tax revenues with local government.

**Comparison of Tax Self-Sufficiency for State and Local Government**




A revenue sharing plan for the future should recognize the high value that citizens attach to both locally provided services and to state services and acknowledge that local governments cannot support municipal services with only the property tax, and thus it is imperative that the state share its tax revenues.

Revenue sharing has many core benefits, in that it allows communities to plan, ensures stability and predictability, allows for adequate funding of key services, grows with the economy, ensures a level of equity across all cities and towns in the ability to provide certain basic levels of municipal services, and provide protections during an economic downturn. A good revenue sharing plan also recognizes that communities are best able to prioritize and shape the types and levels of local services and the state should not try to micro-manage local services through such devices as earmarking.

In Massachusetts, the state and its local governments provide very different types of high quality services for state residents. At both levels of government, these services are valued and supported by residents and taxpayers as essential to a high quality of life. Because the Legislature has sole authority to enact taxes as well as a disproportionate ability under current tax law to raise revenues in relation to the services it has a direct responsibility to provide, the state must recognize its obligation to share its tax collections with local government to help pay for municipal services and to avoid over-reliance on the local property tax. State revenue sharing policy must acknowledge that the property tax is regressive compared to others taxes available for use by state and local government in Massachusetts.

## AUGMENTING REVENUE SHARING WITH KEY LEGISLATION AND POLICIES

There is no one magic or easy solution to the problems confronting communities. Cities and towns here in Massachusetts need a number of vital tools in addition to revenue sharing and local aid – expanded revenue raising powers in the form of local option taxes, greater control over the local property tax base by closing the telecommunications tax loophole, and greater management authority in the form of parity with state officials in their ability to shape personnel benefits and manage day-to-day affairs. These are all steps on the road to recovery.

Local leaders are willing to take on the added responsibility of implementing other local taxes, such as meals and lodging taxes, if given that power. Similarly, if state officials need to enact additional revenues to balance their budget and fund essential priorities for the good of the state, from infrastructure investment to human services to revenue sharing, local leaders will stand up with them.

### Local Option Taxes to Diversify Local Revenues and Reduce Reliance on the Property Tax

Local government in Massachusetts has strictly limited authority to raise taxes, mainly the property tax and a few much smaller taxes such as the motor vehicle and boat excises and the local option room occupancy and jet fuel excises. Most states authorize their local governments to implement a much broader array of local option taxes, including local option sales taxes, and even local payroll taxes.

At a minimum, the Massachusetts Municipal Association urges the Commonwealth to authorize cities and towns to adopt a local option meals tax of up to 2%, and an increase of up to

2% in the current local option hotel-motel tax, which would immediately allow many communities to diversify their revenues, reduce their overall reliance on the property tax, and fund core services that are essential to the region. Further, the Legislature could work with municipal and state stakeholders to examine other ways to diversify local revenue sources and to provide an alternative to the property tax.

### Closing the Telecommunications Tax Loophole

The state's property tax law is old and outdated, and in too many instances has not kept up with rapidly changing social and business practices. There are loopholes in the law that enable certain taxpayers, most recently telecommunication companies, to avoid local taxation simply by changing businesses practices or company status. This exemption, provided decades ago, no longer serves its original purpose, and allows telephone companies to dodge nearly $80 million in taxes and shift the burden onto the homeowners, businesses and remaining taxpayers in the community. The MMA recommends closing the telecommunications loophole that has allowed telephone companies to avoid paying their fair share of local property taxes.

### Expanding Targeted Property Tax Relief

The property tax burden is a major concern for municipal officials in cities and towns across the state, poor and wealthy, who increasingly find elderly homeowners and other needy taxpayers experiencing real hardship due to normal property tax increases and the impact of override and exclusion votes.

Property taxes are necessary to fund local services, the current system of exemptions and abatements at the local level and the state administered property tax "circuit breaker" in the state income tax isn't providing adequate relief to many taxpayers who qualify and is missing many other burdened taxpayers completely. The most effective means of reducing overall local reliance on the property tax is to enact the permanent 40-10 revenue sharing plan, so that cities and towns can fund vital local services and lower the percentage of local budgets funded through real estate taxes. Beyond revenue sharing, additional measures can be offered to augment, improve and target tax relief, including the state circuit breaker program, which is funded through the state's more progressive tax system.

Further, state and municipal officials can work together to evaluate the system of property tax relief in the so-called "clause exemption" programs to ensure that needy taxpayers are receiving adequate relief across all cities and towns. Reforms or expansions could be drafted to provide effective and targeted tax relief, without eroding the ability of communities to fund services.

### Addressing the Future of Funding Education

The state's partnership with cities and towns and the investment in municipal and school services takes shape in a real way through the great variety of Cherry Sheet and other allocations of state assistance to individual cities and towns. These payments and programs frequently reflect joint commitments to achieve worthy program goals, such as community policing or special education services for disabled students.

The Patrick-Murray Administration's Readiness Project will provide an opportunity to review the Chapter 70 school finance law, particularly the "Foundation Budget" that defines the minimum level of adequate spending for each municipal and regional school district. The MMA, working with the education community, believes that the 15-year old foundation standard does not reflect the current cost of funding first-rate schools and should be updated. Indeed, most analysts agree that cities, towns and school districts generally spend an average of 20% more than the Foundation Budget in order to provide a basic education. Further, to help reduce reliance on the property tax and bring Massachusetts in line with most other states, the MMA recommends that Chapter 70 be based on a fair fifty-fifty state-local sharing of the statewide cost of schools rather than the almost sixty-forty split that is now state policy.

### Fixing the Flaws in Charter School Funding

While charter schools have become a part of public education here in Massachusetts, the flawed funding system creates tremendous animosity and hardship locally, and the system needs to be reformed. Dozens of communities have been forced to cut their own public school services due to losses in Chapter 70 aid caused by the flawed charter school funding system. Even as the Readiness Project takes a fresh look at how charter schools could constructively fit into our education program, it is imperative that the state's fiscal 2009 budget address this major issue by holding local districts harmless from further losses, and ensuring adequate levels of aid, including at least minimum aid for all. This is an immediate and urgent issue that must be resolved.

### Funding Key Municipal-Side Programs

On the municipal side, police, fire and other public safety services are dependent on an adequate and predictable stream of municipal aid that is not earmarked for school budgets or for any other purpose. This year, Additional Assistance and Lottery distributions totaled $1.3 billion in flexible unearmarked revenues for local appropriations, a bare minimum level of discretionary aid.

Flexible (unearmarked) aid distributions must be the guiding policy for the state and dedicated revenues should be used for limited joint programs. Past experiences have clearly shown that it is not possible for state policy makers to develop mandate-based programs and formulas that anticipate needs and preferences across all 351 cities and towns. General discretionary municipal aid is essential to allow cities and towns to fund the full range of vital local services without state interference and the inefficiencies that would result.

There are a number of smaller but very important targeted programs that contribute to joint state-local public safety goals and public policies, including the police incentive pay program, community policing grants, the payment-in-lieu-of-taxes program, and school transportation reimbursements. These are important state investments that dedicate revenue for particular purposes, and state and local leaders should work as partners to ensure that the state's level of funding and reimbursement is appropriate to meet local needs.

## WORKING TOGETHER TO STRENGTHEN OUR ECONOMY AND OUR COMMUNITIES

These are very challenging times for state and local leaders, as municipal and Commonwealth officials have struggled to deliver essential government services, balance budgets and deal with the fallout from a sagging economy that has seen Massachusetts lose tens of thousands of jobs and thousands of residents and families to competitor states.

As we look ahead to fiscal 2009, revenue sharing and reinvesting in municipal aid must be a top priority for two related and compelling reasons: to solve the fiscal distress that is extending its reach to nearly every city and town, and to ensure a turnaround in our sagging and underperforming state economy.

Cities and towns are facing fiscal distress, having increased their reliance on the regressive property tax to a 25-year high, eliminated or reduced important services, depleted reserves, and projecting major structural deficits for fiscal 2009 and beyond. We have the opportunity to establish a stronger and more robust fiscal partnership anchored by revenue sharing and increased local aid, and keep this distress from growing into a widespread fiscal crisis.

The MMA's 40-10 Revenue Sharing Plan calls for 40% of the state's three growth taxes (personal income, corporate excise, and sales) being set aside for direct municipal and school aid payments and that 10% of growth taxes (one-quarter of the 40% amount) be dedicated to a renewed municipal aid program that is currently limited to Additional Assistance and Lottery distributions.

"Fixed share" revenue sharing has received widespread support, including backing by the Massachusetts Taxpayers Foundation (November 2005) and local officials from every corner of the Commonwealth, and was included as a key recommendation in the September 2005 report of the Municipal Finance Task Force, *Local Communities at Risk*, and in the January 2006 report by the Center for Urban and Regional Policy at Northeastern University, *Revenue Sharing and the Future of the Massachusetts Economy*.

The MMA 40-10 plan is based on historical levels of revenue sharing over the past two dozen years since Proposition 2½ took effect. As this new revenue sharing partnership is put in place, it would be implemented over time in a way that responds to fiscal needs and obligations at both the state and local levels. The MMA recommends five years to phase in the proposed municipal aid program.

### Revenue Sharing is a Partnership for the Future

Now, more than ever, municipal and state leaders must stand together as partners to overcome the challenges and obstacles ahead and build a stronger Massachusetts for our residents and businesses. We must be open to change, innovation and shared responsibility. We must recognize that our economic competition is not New England or the rest of the nation – it is global. We must be prepared to listen and act, not just on state or local ideas, but all good ideas. To do this, we must maintain a dynamic dialogue, both formal and informal, to guide and shape this new partnership.

## Municipal meltdown

The view is nearly unanimous: Cities and towns are in big trouble. Agreeing on what to do about it is another matter.

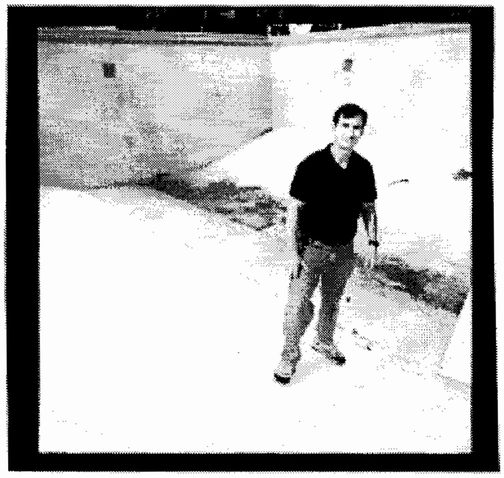
By Gabrielle Gurley
Photographs by Mark Morelli
Fall 2007

*Illustration by Tim Bower*

A MAJESTIC GROVE of evergreen trees overlooks the town swimming pools in West Boylston's Goodale Park. For Dennis Mulryan, it's a sentimental spot. The longtime resident of the Worcester suburb worked there as a lifeguard, met his wife poolside, and saw his son take up his old job of keeping an eye on swimmers. But on a muggy afternoon this past summer, there were no youngsters splashing around in the water; instead there were pine cones and needles covering the floor of the kiddie pool and a heap of concrete chunks sitting at one end of the main swimming area. After more than five years of budget cuts, the parks department doesn't have the $1 million needed to refurbish the 1950s-era facility.

The pool has been closed for two years now. Not that residents didn't knock themselves out trying to keep it open with volunteers and donations, including a $6,000 bequest from a former town moderator. And Mulryan, the chairman of the town's Board of Parks Commissioners, surely went beyond the call of duty. A scuba diving enthusiast, he learned how to plug leaks with putty while underwater, and did his best to keep things patched up. But the discovery of more extensive structural defects sealed the pool's fate.

A volunteer parks commissioner in scuba gear armed with a tube of putty? Is this what it has come to for Massachusetts cities and towns? Increasingly, yes.



*Dennis Mulryan lost his fight to keep open West Boylston's town swimming pools.*

The West Boylston pool story stands out because it was an attempt to hold things together almost literally with chewing gum, but other Massachusetts communities have their own examples of retreat from services that had long been taken for granted as worthy, if not essential, roles of local government. In Saugus, the complete shutdown of the town library made headlines earlier this year. In Stoneham, residents faced a possible elimination of all high school sports. And the town of Randolph stopped providing school bus service to all except special education students and others with extraordinary needs.

Local governments on the ropes aren't exactly new to the Bay State. Chelsea and Springfield have both served as poster children in recent years for fiscal dysfunction. The difference now is that the problems are not just hitting struggling older cities, but are increasingly finding their way to middle-class suburbs. Today's communities on the edge are the West Boylstons, Stonehams, and Sauguses—places where libraries and pools were never regarded as perks, but as time-honored touchstones of community life.

For more and more Massachusetts cities and towns, the financial equation isn't adding up. The costs of local government are simply rising at a rate far faster than the revenues used to pay for services. Though homeowners have been howling over steadily rising bills, overall property tax collections are held in check by Proposition 2 1/2, the state's landmark tax cap measure. State aid to cities and towns, which has become an increasingly important source of funding for local governments because of the property tax cap, has risen only modestly in recent years—after deep cuts during the state budget crisis several years ago. Add soaring health care and pension costs, and you have a recipe for municipal disaster. One result has been a creeping government-by-subscription, with residents now asked to pay out of pocket for everything from trash pick-up to joining the high school football team, while local officials cast about for creative fixes to keep core departments running.

"Communities have been underfunding their libraries, their public works programs, their recreation programs for years," says Geoff Beckwith, executive director of the Massachusetts Municipal Association, the statewide lobbying group for cities and towns. He calls it a "quiet crisis" that has been building over time.

His cry of crisis finds an echo from a most unlikely corner. Barbara Anderson was one of the architects of Proposition 2 1/2, and she remains the state's most prominent anti-tax activist. But even Anderson says municipal government is in a true state of peril. "[It's] not just the usual 'the sky is falling' that you hear all the time," she says. "This time I think the sky really is going to fall."

**Fiscal problems aren't limited to older cities. They are now hitting middle-class suburbs too.**

When the leader of the Massachusetts Municipal Association (a group whose initials are mocked by critics to mean "more money always") and the state's leading anti-tax advocate agree that cities and towns are in trouble, people should pay attention. But what to do about the crisis is where the agreement ends. While Beckwith and other municipal advocates invariably point to the need for more revenue—from an increase in state aid to its former levels, from Proposition 2 1/2 overrides, or from new options for raising revenue—Anderson sees it as a spending problem, with communities unable or unwilling to get a handle on things like public employee salaries and benefits.

Perhaps there is an opening for solutions that draw from both viewpoints. In a *Boston Globe* op-ed this spring, David Luberoff, executive director of Harvard's Rappaport Institute for Greater Boston, called for a "grand bargain" between the state and cities and towns, one that would include new revenue for cash-strapped local government but would also require communities to adopt certain management reforms. The Patrick administration has offered a version of this with a set of proposals put forth earlier this year. It would be nice to believe that this kind of thinking could lead cities and towns out of the hole they are in. But no one expects a major attitude adjustment any time soon.

## TAXING SITUATION

The town common in Stoneham is dominated by a traditional gazebo at one end and perennial flower beds throughout. It is the nexus of municipal life, with the town hall, a post office, and police and fire stations sitting along three sides of the park. But what happens on the green itself may soon be as important to the operation of town government as what takes place in the buildings alongside it.

The defeat of a $3 million Proposition 2 1/2 override in June, the second in three years, led to a high-profile bout of soul-searching. At an August special town meeting, Stoneham voters approved a $200-per-residential-unit trash fee that will bring in $1.3 million. The schools received $750,000, saving the day for the high school sports programs, and other departments divided the remainder. But the fee was a one-time assessment, making for a stopgap measure that solves Stoneham's problems only for this year.

Randy Perillo, a stay-at-home Stoneham dad, envisions the town common as the staging ground for a civic renewal that fills the holes created by the budget crunch. Perillo, who distributes an email newsletter on town affairs to some 400 families, is trying to help residents become better-informed about Stoneham's financial issues. He is also organizing fundraising events on the common that benefit programs from youth sports to the police and fire departments.

Town administrator David Ragucci supports Perillo's efforts for a simple reason: He sees droves of people stepping up to the plate to contribute if they see a clear path for their dollars to go directly to sports programs or other things they care about. But he says those same residents recoil at requests for tax overrides to support general operating costs, including pay raises and employee benefit costs that are more and more rapidly draining many municipal coffers. To John Hamill, chairman of Sovereign Bank New England, who has headed two task forces on municipal finances over the last 18 years, helping local budgets through bake sales is a noble venture, but it's no substitute for a shoring up of local government finances. "It's a good thing," says Hamill, "but it's not going to make the difference."

Ragucci doesn't pretend that it will take care of Stoneham's woes, either. At the edge of the common, in Town Hall, he and the town accountant, Ron Florino, add up the factors that explain why the generous impulses of a few good citizens won't begin to solve the town's big problems. Like most municipalities, the town's quandaries begin with health insurance costs. Health care costs consume $7 million, or 12 percent, of the town's current $58 million budget. Five years ago, health insurance consumed 5 percent to 6 percent of the budget.

Stoneham has also been pretty aggressive in funding its employee pension liabilities. The town participates in the state's public employee pension fund and is on track to be fully funded by 2018, well before the state-mandated deadline. That's hard enough to do, Ragucci says, with money needed elsewhere. But the tab for retiree health care benefits, about $50 million, is also looming. "One million plus per year will bankrupt us right now," he says of the amount needed to begin funding future health care costs for retirees. "Not only Stoneham, but most other communities."

Cleary, municipal officials are going to have to get creative about how they finance local government. For a start, Ragucci has switched health care providers from Blue Cross Blue Shield to Tufts Health Plan, which will translate into $250,000 in savings on premiums. Ragucci also notes that a more lucrative use could be found for 3.5 acres of land that now constitute the town dump. He has even entertained the idea of purchasing life insurance policies on town employees, with the town designated among the beneficiaries, to pay for a portion of its unfunded health care and pension liabilities. "We're not cry-babying about anything that's happening in Stoneham," says Ragucci, who is now staring at a $700,000 deficit for fiscal 2009 (which could increase to $2 million if other unions reach agreements similar to a recently negotiated teachers' pact). "We are looking at innovative ways of spending our money and utilizing our assets in a better way."

**Health care consumes 12 percent of Stoneham's budget, up from 5 percent only a few years ago.**

Some municipal managers dream of commercial development as the answer to their problems, but new business doesn't always spell long-term relief. A housing and commercial construction boom a decade ago in West Boylston helped keep the town afloat until investment funds dried up, leading to an unsuccessful $3.1 million override vote in May. In Saugus, the busy

Route 1 business corridor hasn't helped forestall financial stress, since only about 30 percent of the town's revenues come from commercial property. Saugus Chamber of Commerce president Jim Morin explains that most businesses are of the "mom and pop" variety, as opposed to the outlets of deep-pocketed national chains that many communities covet.

*Stoneham town administrator David Ragucci says voters like sports programs but hate paying for general operating costs.*

While anti-tax sentiment seems to be running high across the state, it has had many years to get embedded into the political landscape. Modern-day disillusionment with taxation crystallized under President Ronald Reagan. "Government is not the solution to our problem; it is the problem," Reagan declared in his first inaugural address, setting the tone for an era of harsh views toward taxes and government spending. In Massachusetts, rising anti-tax attitudes translated into passage of Proposition 2 1/2, approved by voters on the same election day in 1980 that swept Reagan into office.

Under that law, cities and towns cannot increase their overall tax levy by more than 2.5 percent a year, and the total tax levy cannot exceed 2.5 percent of the full market value of all taxable property in the community. Passage of the property tax cap measure led to a significant increase in state aid to municipalities, but those payments have not keep pace recently with rising local costs. The Massachusetts Municipal Association projects that 54 percent of municipal revenues statewide will originate with the property tax in fiscal 2008, up from the low point of 46 percent in 1988. (It was 59 percent in fiscal 1981, before Proposition 2 1/2.)

So municipal officials trudge up to Beacon Hill, hat in hand. At a recent Local Government Advisory Council meeting, they called on the Patrick administration to support increased funding for cities and towns, including benchmarking local aid to 40 percent of all state revenues. Lawmakers are sympathetic, but they believe they have done right by municipalities, given demands elsewhere in the state budget. "The state has been more than generous and more than an equal partner with every single city and town in the state," Rep. John Binienda, a Worcester Democrat, told the State House News Service in September. "They should be thanking us."

The latest property tax revolt peaked as a confluence of events reduced the dollars coming into municipal coffers. In contrast to the 1990s, when Massachusetts was comparatively flush with funds, in 2002 the state experienced a 15 percent decline in revenue, thanks to stock market woes and a recession that coincided with an income tax cut. Local aid payments from the state are now nearly 12 percent below the fiscal 2001 level. What's more, most local aid increases since the 1990s have gone to education aid, limiting monies available for other services.

"Even if we were treading water and had local aid at the same levels, there would be a need to invest more," says Mass Municipal's Beckwith. That's partly because rising fuel and construction costs, as well as debt service charges, are eating up the new dollars coming in. But the biggest municipal budget buster in many communities is employee health insurance. A recent joint study by the Boston Municipal Research Bureau and the Massachusetts Taxpayers Foundation reported that from fiscal 2001 to fiscal 2005, health care costs rose 63 percent, even as municipal budgets overall went up by only 15 percent.

"In an era of declining resources, health care and fixed costs to the town are rising at an explosive rate, higher than what we can raise through Proposition 2 1/2 constraints," says Leon Gaumond, the town administrator in West Boylston, where a $3.1 million override request was voted down last spring by a 3-to-1 margin.

As of early September, 66 cities and towns had either taken at least one property tax override vote or were scheduled to for fiscal 2008. While that isn't a historic high, municipal leaders say that it's becoming increasingly frequent for towns to schedule multiple override attempts only a few months apart from each other. Bridgewater, Dartmouth, Norton, and Groton have each voted twice this year on override requests, a trend that shows how tight things are, according to Beckwith.

Indeed, cost pressures have effectively transformed the Proposition 2 1/2 override into the default revenue raising mechanism for local government. "There is no place [else] for us to go," says Andrew Bisignani, the town manager of Saugus, where a $5.2 million property tax hike override failed in April.

## HEALTH CARE PRESCRIPTIONS

The fiscal stresses facing cities and towns got plenty of attention in last year's gubernatorial campaign, with candidate Deval Patrick often zeroing in on the shaky condition of local government. "Unless we are approaching these things with forethought, then we're really not going to break this cycle that it seems we're in, where cities and towns are having to figure out patches year after year—and frequently that patch is a 2 1/2 override, which, for operating [expenses], is just not a sustainable model," Patrick told *CommonWealth* in an August 2006 interview.

Six weeks after taking office, Gov. Patrick proposed a series of measures designed to shore up the financial health of cities and towns. The Municipal Partnership Act combines reforms aimed at cost savings in health insurance and pensions with a new set of tax-raising options to help communities boost revenues.

With exploding health insurance and pension costs at the center of the fiscal storm, it is perhaps not surprising that the two components of Patrick's plan that have been passed by the Legislature and signed into law deal with those issues. Municipalities can now join the Group Insurance Commission, which provides health insurance coverage to 286,000 state employees and retirees. Using its bulk purchasing power and other negotiating clout, the GIC has held down increases in health care premium costs far better in recent years than have cities and towns, making it an attractive option for municipal managers. (Between 2001 and 2006, municipal health care costs grew 84 percent, while Group Insurance Commission costs grew 47 percent, according to the Boston Municipal Research Bureau and Massachusetts Taxpayers Foundation's 2007 report on municipal health reform.) However, the legislation requires that communities secure approval to join the state system from 70 percent of a municipality's public employee committee, a panel made up of union representatives and retired municipal workers.

The Legislature also approved a measure submitted by Patrick that requires the 25 cities and towns with underperforming municipal pension plans to move their assets into the Pension Reserves Investment Trust, the state public employee pension fund.

The Group Insurance Commission provision, which has created the most buzz among municipal officials, has garnered mixed reviews. In contrast to their municipal counterparts, unions covered by the state system have no say in copayment levels, hospitalization charges, and other elements of health plan design. Given that, many municipal leaders say it will be hard to convince local unions to join the GIC system. In their report, the Boston Municipal Research Bureau and the Massachusetts Taxpayers Foundation claimed that, by joining the GIC, cities and towns could save $100 million in fiscal 2009, $750 million in fiscal 2013, and $2.5 billion in fiscal 2018. But the report also labeled the requirement for collective bargaining approval "a stumbling block."

**Towns can join the state's health plan, but only if unions give their approval.**

At his September press conference announcing his plans on casino gambling, the governor conceded that his administration "had to do more work to encourage cities and towns to take advantage of the cost control opportunities presented by the MPA." He did not spell out how his administration might take the pressure off municipalities in the next two fiscal years before those savings can be realized.

Hamill, the Sovereign bank executive and longtime municipal affairs expert, insists critics will be proven wrong as the new GIC opt-in has time to take hold. The idea of bringing cities and towns into the state system "has been out there for a long time," and "no one wanted to take it on," he says.

"It isn't going to be an overnight sensation," says Leslie Kirwan, Patrick's secretary of administration and finance. "But these problems didn't happen overnight, either." As of mid September, three communities had signed onto the state system.

Some supporters of the GIC measure argue that making it more ambitious would have alienated unions and doomed the legislation. They point out that two years ago the Massachusetts Teachers Association helped scuttle a bill that would have allowed municipalities to join the state system without consulting unions. This time around, the teachers' union and AFSCME were on board, though the Professional Fire Fighters of Massachusetts opposed the law.

Kirwan says the towns and cities that join the GIC, as Springfield has, will see savings in a relatively short period of time. That, in turn, will temper growth in property taxes and will allow communities to invest in neglected areas. "Those savings will make the case to other communities and public employee unions that they should do the same," she says.

In Quincy, health insurance costs were a key issue in a contract showdown in June that resulted in illegal four-day strike by the city's 900 teachers. As part of the contract settlement, city leaders got the teachers to agree to reopen the health coverage negotiations should Patrick's proposal, then still pending, become law. But other city unions would still have to agree to join the state system, something the president of the teachers union doubts there will be much interest in. "Getting municipal unions to act in concert," says Paul Phillips, is "a lot like herding cats."

At any rate, "the health insurance and pension reforms are partial solutions, not the structural changes that will make a long lasting difference," says Tim Brennan, executive director of the Pioneer Valley Planning Commission. He sees the local option taxes that Patrick also proposed as one structural fix. Those provisions of the Municipal Partnership Act would allow communities to increase the hotel tax from 4 percent to 5 percent and to levy a local meals tax of up to 2 percent (on top of the state tax). Patrick also proposed eliminating a longstanding property tax exemption on telephone company poles and wires.

**Lawmakers balk at local meals taxes: 'People are afraid of not having uniformity.'**

Of these local-option provisions, the proposed meals tax has met with stiffest resistance in the Legislature. The fact that restaurant-rich communities would seem to benefit far more than other cities and towns would is one factor hurting its prospects. "People are afraid of not having uniformity," says Rep. Paul Casey, a Winchester Democrat.

That means Massachusetts communities, for now at least, won't be able to take advantage of well-established taxation mechanisms that localities rely on elsewhere. Arizona, California, Florida, Michigan, New Jersey, New York, North Carolina, Pennsylvania, and Washington state all permit municipalities to levy an additional sales or income tax in addition to the property tax, according to the 2006 report by Northeastern University's Center for Urban and Regional Policy. A 2007 Boston Foundation study of the taxation powers of Boston and six other cities—Atlanta, Chicago, Denver, New York, San Francisco, and Seattle—found that Boston fared the worst. In 2003, Boston saw 60 percent of its revenues come from property taxes, while the comparable figure in Seattle was 27 percent (the next highest) and in Chicago was 12 percent (the lowest). All but Boston received revenues from sales taxes. Boston had only four taxes overall, including the property tax; the others anywhere from three to seven times that figure.

## ALL TOGETHER NOW

One concept for easing the fiscal crunch facing local government that nearly everyone professes support for is regionalism. Massachusetts certainly is no stranger to joint purchasing, health insurance collaboratives, and other regional initiatives. The challenge is to extend those models to areas where there are significant savings to be gained in municipal services delivery—not through a return to unfondly remembered county government, but not by reinventing the wheel, either, when the state's 13 regional planning councils already coordinate numerous programs among cities and towns.

The future of municipal government in Massachusetts has to be focused on regionalization, says Gaumond, the West Boylston town administrator. "Economies of scale are going to be the thing that gets us through the next several decades," he says. Public safety may be a sector particularly well suited to municipal alliances. Thirteen Essex County communities are currently studying a proposal to consolidate their individual public safety dispatch units into a central location to handle police, fire, and ambulance calls. Under mutual aid pacts, many fire departments are already operating on a de facto regional basis.

Other states have established specific programs to stimulate regional cooperation. Maine's Fund for the Efficient Delivery of Local and Regional Services takes 2 percent, or about $2 million of municipal revenue sharing funds each year, and allows one or more other applicants to apply for grants to develop collaborative arrangements such as municipal service consolidation, regional emergency dispatch, and recycling and waste management projects.

But there are several significant barriers to regionalization in Massachusetts. One is the contradiction between state policy and practice. While state officials encourage municipalities to work together, there are laws on the books that make collaboration difficult. For example, current law requires the approval of town meeting in order for communities to enter into agreements with other towns to jointly contract for services. A bill pending in the Legislature would allow town administrators to strike such deals on their own.

Quite a bit of state policy promotes the importance of regionalization in areas such as smart growth and homeland security planning, but there are no tools available to facilitate the process, says Linda Dunlavy, executive director of the Franklin Regional Council of Governments, an umbrella group comprising the 26 towns of Franklin County. Another obstacle to regional agreements is the lack of groups like Dunlavy's in other parts of the state. "They don't have an organization to say, 'We will work together to form a building inspection program for 17 towns,'" she says.

**The idea of tinkering with Propisition 2 1/2 and its tax cap sets off alarms on Beacon Hill.**

The principal roadblock to more cost-saving regional agreements, however, may be the tradition of home rule itself, which fosters an inviolable sense of local autonomy—a cherished, if quaint, notion even when things are falling apart. Accustomed to running local affairs as they see fit, some municipal officials may simply balk at joining forces with others, especially if voters in any one of the affected towns believe that those alliances could result in inferior programs or services. "One of the real fundamental issues is the way we run our railroad here in Massachusetts, with 351 cities and towns [each] like its own fiefdom. And they do things 351 different ways," says Rep. Rachel Kaprielian, a Watertown Democrat and co-sponsor of the GIC legislation.

In the meantime, the Patrick administration has proposed a commission to study ways for the state to provide incentives for the regionalization of municipal tasks such as budgeting, economic development, and capital planning. No one argues that there aren't efficiencies to be gained from regionalization, says Samuel Tyler, president of the Boston Municipal Research Bureau. "The question is," he says, "is it going to require a fiscal crisis to make that happen?"

## OVERRIDING CONCERNS

Though it has long been a third-rail topic, Ragucci, the Stoneham town administrator, goes there anyway. He suggests that "maybe it's time" to raise the state property tax cap to 3 percent, a move that, he says, would eliminate the need for overrides and program cuts. But it's not hard to imagine communities quickly bumping up against a new, slightly higher tax cap. The idea has long been a nonstarter anyway on Beacon Hill, where the mere suggestion of tinkering with the law sets off alarms. In case there are any doubts, Kirwan stresses that the governor "has not proposed nor is considering any amendments to Proposition 2 1/2."

*Linda Dunlavy, of the Franklin Regional Council of Governments, says the state isn't doing enough to promote regional solutions.*

Indeed, some think that despite a steady stream of stories about cash-strapped communities slashing programs and services, we need to put cities and towns on an even stricter revenue diet. A recently certified initiative petition would lower the annual allowable increase in the property tax levy from 2.5 percent to 1 percent. The ballot question's backer, Greg Hyatt of Citizens for Real Property and Excise Tax Control—a one-time Republican candidate for governor—calls the proposal "a fairly moderate middle step between reducing the tax and getting rid of it altogether."

In addition, a bill pending in the Legislature would require 12 months between one override and the next request and also permit votes on "underrides"—a permanent lowering of the tax limit—by referendum without a recommendation from municipal legislators. State Sen. Scott Brown, a Wrentham Republican who filed the Citizens for Limited Taxation–backed measure, says some communities are abusing overrides by treating them as a first option rather than a last one. "If they are doing an override for operational reasons, there is a basic ledger problem in the community anyway," says Brown.

But agreement on the nature of the ledger problem and on solutions that can carry the day politically is proving elusive. In particular, the Legislature's reluctance to give cities and towns some additional revenue-raising powers is angering those who are convinced of the need for more money to fund local government.

"Somebody has got to ask the question, 'If not this, then what?'" says Nathaniel Karns, executive director of the Berkshire Regional Planning Commission. "Somebody is going to have to show the political courage."

## TURNSTILES ON MAIN STREET

There's no doubt that people enjoy West Boylston's Beaman Memorial Public Library. Circulation has soared from an estimated 24,000 items in fiscal 1984 to nearly 73,000 in fiscal 2007. Borrowing books, however, doesn't pay the library's bills. Every year since 2003, the library budget has been level-funded or cut. To keep some periodicals on the shelves, the library resorted to an "adopt a magazine" drive. Of the 92 subscriptions available for "adoption," residents and businesses have paid for 50. But adopting magazines won't save Beaman, which is already in trouble on two of the four standards needed to maintain state certification. It doesn't spend the state-required percentage of its total budget on materials, and it is failing to meet a requirement of regular increases in the town's library budget.

**Generous benefits for municipal employees aren't playing well in the court of public opinion.**

Library director Louise Howland isn't sure whether Beaman will be able to secure a waiver for fiscal 2008 from those requirements. But if it doesn't, Beaman will lose its certification, state aid, and interlibrary loan privileges. "In some ways, it is very draconian, but there has to be some measurable way of holding communities accountable," says Howland.

But what does it mean to hold communities accountable? There is a strong current of public sentiment that says municipal officials brought this crisis on themselves by doling out overly generous pay raises to municipal employees and maintaining benefit packages that most private sector workers couldn't dream of having. Residents shouldn't have to fork over more of their hard-earned dollars to pay for poor public management, goes this line of thinking. "I really fail to see why the failure of the cities and towns' leadership to deal with their unions, which is partly the fault of the state for not giving them the tools, is the fault of the person stopping by the coffee shop to have lunch," says Barbara Anderson. She points to cases like that of Wrentham's King Philip Regional High School, where the principal retired three years ago, only to take another job as a Rhode Island high school principal. The district still pays 75 percent of his health insurance premium. When he dies, the benefit goes to his wife.

On the other side of the coin, municipal officials see a disconnect between town hall and the average household. Residents want the same level of services that they have become accustomed to, but without paying any more for them than they have in past years. At one extreme are wild ideas about the ramifications of fiscal breakdown. Bisignani, the Saugus town manager, says that a woman who stopped by his office during the spring override campaign announced that she was voting no and encouraging her entire family to do the same. A parent of school-age children, the woman explained she wanted to see Saugus go into receivership, so that the town could get the resources that Chelsea got during its fiscal crisis. "We'll get all new schools if the town goes into bankruptcy," the woman told him.

More common is pure disinterest in the number-crunching. According to Ragucci, the Stoneham administrator, most people, particularly younger ones, don't want to delve into the "very dull and boring" world of municipal finance to better understand how their tax dollars are spent. "You have young families out here who are going out and buying those beautiful, 42-inch flat-screen TVs, and when the time comes for an override, they say, 'My taxes are going to go up 200, 400 bucks a year. I can't afford that.'"

Some view the disenchantment with local government simply as an expression of the powerlessness citizens feel with state and federal government decision-making. "They come down to town meeting, they're frustrated, they are angry, and they can vote 'no' here, and their voice is heard," says Howland.

Other municipal officials believe that, under present conditions, a fiscal meltdown involving multiple communities is inevitable. "Chelsea's stress at the time was considered to be an isolated incident," says Jay Ash, the city manager there. When middle-class communities like Saugus and Stoneham start to experience problems, Ash says, "that's a signal that we are getting to the point that the stress is such that the state is going to have to react." Amesbury Mayor Thatcher Kezer III agrees. "You are going to have a line of local government officials, figuratively speaking, dropping off the keys at the desk of the state saying, "Here, you own it, we're done," says Kezer.

Beyond the local quality of life, the fiscal dilemma of many cities and towns signals bigger issues for the state. Much fanfare accompanies any expansion announcement from a local company or any news from state economic officials that they have wooed a firm to Massachusetts. But as a 2006 report from Northeastern's Center for Urban and Regional Policy pointed out, municipalities stand at the frontlines of any drive for economic growth. If Massachusetts towns and cities offer only minimal services, companies considering expansion or relocation here may well think twice. Who would blame them for concluding that skilled workers and managers will be unenthused about landing in a high-cost state where local communities nonetheless struggle to keep libraries or pools open from year to year?

**Voters may not want to delve into the 'very dull and boring' world of municipal finance.**

In West Boylston, Mulryan, the parks commissioner, has more or less resigned himself to the new reality. By defeating the proposed override earlier this year, the voters have spoken, he says. Possible state grant monies may yet bring the pool back. But, in a nod to the government-by-subscription trend, he says with only the faintest trace of humor, the town seems to be somewhere between keeping parks free and putting up turnstiles and charging to walk on the grass. "Who knows what is going to happen?" he says. "I don't think the 'pay-as-you-go' and the à la carte mentality is going to go away for a long time."

Newsweek

# A Fiscal 'Tsunami'



**The government's top watchdog warns of a coming catastrophe.**

By Jeffrey Bartholet
NEWSWEEK WEB EXCLUSIVE
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David Walker can sound like a modern-day prophet of doom, warning about the gross irresponsibility of his countrymen and the disaster that awaits them if nothing is done. Put a scraggly beard on him, replace the neatly pressed suit with a tattered frock, and you could drop a coin in his cup and walk on by. But Walker is frighteningly sane. A former partner at Arthur Anderson LLP, he has been the comptroller general of the United States and head of the Government Accountability Office since he was appointed to a 15-year term in 1998. The GAO is a nonpartisan agency that investigates, on behalf of Congress, how the government is performing. It then issues thoroughly researched and often critical reviews. If the federal government is not spending taxpayers' money effectively, it's Walker's job to holler. He's hollering now—mainly about a severe fiscal crisis that will strike the United States as baby boomers reach retirement age. His fears are supported by economists from the left-leaning Brookings Institution and the conservative Heritage Foundation. NEWSWEEK's Jeffrey Bartholet spoke to Walker at his office in downtown Washington. Excerpts:

**NEWSWEEK: You have likened the situation here in the United States to the fall of the Roman Republic. Do you foresee the decline and fall of the United States?**
**David Walker:** I don't believe that the United States will decline and fall, but I think it's important that we wake up and recognize that we are seeing some of the same warning signs that existed with the Roman Republic. There are many people who think the United States is the longest-standing republic in the history of mankind, and that's not true. Rome lasted over double the period of time that we have existed so far, and it is important that we make tough choices to make sure that we are the first republic to stand the test of time.

**So what are the changes [that are needed], in a nutshell?**
To a great extent, we have a situation where people are too focused on today and not taking enough steps to prepare for a better tomorrow. In the fiscal realm, people have a false sense of security, because our deficits have come down for three years in a row, and they think we are on the right path, when in reality the structural imbalance between our long-range commitments and our projected revenues has continued to grow every year. As a result, we don't have the sense of urgency that is needed in order to make prudent changes, sooner rather than later, and that is one of the reasons that I have been speaking out.

**Let me ask you specifically about Social Security. Tax-paying Americans receive statements from the government telling them how much they should expect to receive in Social Security when they retire. Are those statements a fiction?**
No, they're not a fiction, but there is also a footnote in those statements that says that starting in about 2041, absent reform, Social Security only has enough revenues to pay about 73 cents of every dollar of promised benefits. So, no, they are not a fiction, but footnotes are an integral part of statements, and one needs to read the footnotes. The ultimate irony is that Social Security is the easiest problem that we have to fix.

**Sum up for me the fiscal situation with Medicare and Medicaid. How long will those**

**programs be sustainable?**
Well, they're not sustainable right now. Let me just give you some statistics to put it in perspective. Social Security is underfunded [meaning there's a gap between dedicated funding and benefits] by $6 trillion in current-dollar terms. Medicare is underfunded by over $32 trillion in current-dollar terms, of which the Medicare prescription-drug benefit is underfunded by $8 trillion.

**When people see these statistics, eyes tend to glaze over. There is not a sense of urgency out there in the land. So why should people feel a sense of urgency? Politicians aren't expressing a sense of urgency. No one feels that the crunch is coming tomorrow.**
We have a failure of leadership in America, and it is a bipartisan problem.

**When does this become a crisis?**
First, Medicare is already in a negative cash-flow position. The Social Security surplus will start to decline in 2009. It is estimated to have negative cash flow in 2017. So those are some interim dates, but the most likely fiscal crisis that we would see is a reluctance on behalf of foreign investors to continue to buy our debt at the rates that they have in the past, for the interest rates that we are providing.

**That is happening already. The Chinese are talking about moving [more] of their money into euros.**
And OPEC nations are doing the same. The OPEC nations started before the Chinese did ... It is really frustrating when the numbers are clear and compelling and when you know that you have a tsunami of spending that is heading for your shores, and yet you still have people partying on the beach. That is analogous to the situation that we face. At the same time, elected officials don't like to have to make tough choices, unless and until it is necessary, because they are afraid they might lose their job. My view is there are only two ways that you can achieve dramatic and fundamental reforms, one of which is if you have a crisis. The second is if you have committed, inspired, and determined leadership, and I personally think the second is preferable to the first.

**Does the current social contract, whereby Americans at a certain age are entitled to Social Security payments and medical coverage, need to be scrapped or rewritten?**
I think there is no question that we are going to have to review the current social contract. There will have to be modifications to both Social Security and Medicare; much greater modifications to Medicare than Social Security because the financing gap is multiple times greater. And I think we also have to recognize that our Medicare challenge is really a subset of the broader health-care challenge. Ultimately, we are going to have to reform our entire health-care system in installments over a number of years because if there is one thing that could bankrupt America, it is health-care costs.

**To your mind, are any of the candidates out there in the '08 campaign offering sensible ideas to address these issues?**
Once the nominees have effectively been determined, which I think will be in February or March of 2008, then I plan to focus more attention on what their specific proposals are, and I also propose to offer them a briefing on fiscal and other issues based upon GAO's good work. I have already had several candidates ask me to provide them a briefing, and I have done that.

**Which candidates?**
Well, I would rather not say which ones. I will tell you that it has been on both sides of the aisle, and I am only doing it right now on a request basis because there are so many candidates.

**Fred Thompson declared last week that he aimed to reform Social Security by reducing benefits and also by creating voluntary investment accounts. Without commenting on the specifics of his plan, do you support some form of privatization for Social Security?**
You have to keep in mind that Social Security is one of several elements of our retirement-income security system. Only 50 percent of workers in this country have a private pension plan. [And] we have the lowest personal savings rate of any industrialized nation. So, when you look at those two facts, you recognize that Social Security is very, very important, and that is why I think serious consideration has to be given to maintaining the basic Social Security program as a defined-benefit program that provides a strong safety net for people at or near the poverty level and encourages people to work longer because we need that for economic growth and other reasons. Now, I also think that in addition to [that], we need to consider a mandatory supplementary personal savings account that would be achieved through payroll deduction, that would go into a

real trust fund, that could serve to provide an enhanced retirement benefit, and also would be transferable to one's heirs if you passed away before those funds were exhausted.

**On the other side of the aisle, Barack Obama and John Edwards have proposed to raise the ceiling on payroll taxes as a way of getting more money into Social Security. And they've accused Hillary Clinton of ducking the issue. How much would raising the ceiling help?**
Well, it depends how much you raise the ceiling. If additional revenues are going to be part of a Social Security reform package, then the most likely form that will take is an increase in the taxable wage base in order to have that burden be borne by those who are better off.

**Elderly people represented by the AARP vote in larger numbers than young people and that has made it politically difficult for anybody in office to make these tough choices that you're talking about. How do you get around that?**
I think most seniors care about their kids and their grandkids. And I think that once they are told the truth--that the federal government is spending more money than it makes, that it is charging the national credit card, and it is expecting their kids and grandkids to pay it off with compound interest--[they will see that] that is fiscally irresponsible and morally wrong.

**What about the notion that we can grow our way out of this, that if you lower taxes and get more growth and more taxable revenue, that somehow we will find a way out?**
There is no way we can grow our way out of these problems. We would have to grow at double-digit, real GDP growth for decades in order to close the gap that we currently face, absent reforms. We haven't grown at that rate in modern times, and we are not going to grow at that rate.

**There are a couple of proposals out there now to establish a bipartisan commission that would suggest changes, very specific changes, which the Congress would then have to vote on as a package without amendments. This would sort of end-run the political process, and give people a bit of political cover. Do you think that is a good idea?**
I do believe it is a good idea to form some type of capable, credible and bipartisan commission or task force. And in my view, at a minimum, any such commission or task force would have to address the need to reimpose tough budget controls, to engage in comprehensive Social Security reform, to engage in round one of comprehensive tax reform, and to engage in round one of comprehensive health-care reform. If Congress were able to act and the president was willing to sign a package that included those four elements, it would likely result in a significant down payment in our large growing fiscal imbalance.

**It seems like an awful lot to take on all at once.**
In some ways, you are better off to have more to deal with than less because you have more of an opportunity for tradeoffs.

**But health-care reform, for instance?**
Well, round one. You know, in my view, one of the things we are going to have to do in this country is something we have never done before. We have never had a national discussion and debate over what type of health care is in our broad-based national and societal interest to [provide for] every American. We actually have very perverse incentives in our system right now.

**What are the perverse incentives right now?**
Well, right now, no matter how much you smoke, no matter how much you drink, no matter how much you eat, you get the same taxpayer subsidy.

**Right. So what would be the alternative?**
There could be a risk-based premium. See, one of the things we have to debate ... there is a difference between whether or not you ought to be eligible for a program and how much the taxpayers ought to subsidize you. Those are fundamentally different things.

**How would you know, for instance, how much somebody drinks?**
Well, there are lab tests you could take.

**But does the government want to get into the business of conducting blood tests on people to see what kind of lifestyle they are leading?**

You know, we are kind of drilling down into the weeds here. My view is there are certain types of services that I think we are going to need to make sure that everybody has. Let me give you possible examples: inoculations against infectious diseases; certain wellness and preventative-care services that are clearly cost-beneficial; protection against financial ruin due to unexpected catastrophic illness or accident (while avoiding heroic measures), and guaranteed ability to purchase additional insurance at group rates should you desire to do so. That is the basic and essential package. Then you have to say, "Well, how are you going to price it?" That gets to a whole range of other issues. Does it make sense for everybody to be subsidized to the same extent, irrespective of his or her means?

**As I understand it, you regard the prescription-drug benefit as grossly irresponsible.**
The most fiscally irresponsible act in decades.

**Are there other measures under consideration now that you would regard as equally irresponsible?**
There are always some out there, but there are very few that come with $8 trillion price tags, which the Medicare prescription-drug bill did.

**There has been talk in the campaigns about comparing the system here with systems in Europe, Canada and elsewhere. Some of the campaign rhetoric is very negative, and it's sort of an easy shot: "We don't want to become like those Europeans who have terrible health care." How would you compare the American system to, say, a particular European system?**
Well, first, I think there is a lot of misinformation and disinformation that is being provided to the American people. Even in countries that have national health-insurance systems, like the United Kingdom, there are private supplementary-insurance systems that exist in parallel to that. Most major employers of the U.K. have private insurance policies that cover their key employees and many other employees, as well. So this idea that it is one type of system under all circumstances just is not true. Secondly, if you look at other countries that do have national health-insurance systems, they have budgets on how much money they will spend, and that is one of the reasons they won't go bankrupt on health care. We don't have a budget on what we spend. We write blank checks. Nobody with a brain writes a blank check, especially on something that is 16 percent of the economy and growing much faster than the economy.

**Just for perspective, can you compare the size of this fiscal "tsunami" [to the size of particular spending programs]?**
Well, you could decide not to renew the Bush tax cuts, you could eliminate all foreign aid, eliminate all earmarks, eliminate NASA, eliminate the National Endowment for Humanities and eliminate the entire Defense Department tomorrow, and you still wouldn't solve the problem.

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BOSTON MUNICIPAL RESEARCH BUREAU

Massachusetts Taxpayers Foundation

# Municipal Health Reform: Seizing the Moment

A joint report by the

Boston Municipal Research Bureau

and

Massachusetts Taxpayers Foundation

August 2007

## Introduction

Beginning in fiscal 2009, Massachusetts cities and towns will have the option to join the health insurance system that has been in place for Commonwealth employees since 1955. On July 25, 2007, the Governor signed a new law (Chapter 67 of the Acts of 2007) which is designed to provide communities with some relief from the pressures of rapidly rising health insurance costs. If municipalities take advantage of this new legislation, they stand to save substantially due to the bargaining power and flexibility in management practices of the Group Insurance Commission (GIC), which oversees the state employee health insurance program. The Boston Municipal Research Bureau (BMRB) and the Massachusetts Taxpayers Foundation (MTF) have worked together to prepare this report which estimates statewide savings if all cities and towns were to join the GIC. Such figures have been absent from the policy debate to date.

This study has found that municipalities across the state stand to save as much as $100 million in fiscal 2009, $750 million in fiscal 2013, and $2.5 billion in fiscal 2018. To capture these potential savings each city and town would need to begin immediately to negotiate the conditions for acceptance with a public employee committee comprised of union and retiree representatives. A municipality would have to reach agreement with the public employee committee and notify the GIC by October 1, 2007 of its intention to join on July 1, 2008 (fiscal 2009). This coalition bargaining process may prove to be a stumbling block for many municipalities, making it difficult for them to take advantage of this legislation in the near future. However, since the potential savings from municipalities joining the GIC dwarf the other components of the Governor's Municipal Partnership Act, Massachusetts policymakers should monitor the results of this legislation and be prepared to take stronger action to ensure that it achieves its potential.

## Impact of Escalating Municipal Health Insurance Costs

Cities and towns across the Commonwealth are facing budgetary strains resulting, in large part, from dramatic increases in health insurance costs coupled with limited revenue growth. Health insurance costs are absorbing a growing percentage of total municipal spending, leaving fewer resources for basic municipal services and leading to higher property taxes. The findings of both a 2005 MTF report[1] and a 2006 BMRB report[2] underscored the urgency of addressing exploding health insurance costs:

- From fiscal 2001 to 2004, the annual growth in health insurance costs of municipal employees *exceeded* the allowable 2.5 percent growth in local taxes in the existing property base by 8 percent a year on average. The health care increases also comprised 54 percent of the overall growth in local property taxes, including revenue received from new construction and overrides. In Boston, the health care cost increases from fiscal 2001 to 2007 comprised 68 percent of allowable growth in the existing base and 31 percent of overall growth in local property taxes.

- Health care costs for municipal employees jumped 63 percent from fiscal 2001 to 2005, while municipal budgets increased 15 percent. Boston's employee health care costs increased 92 percent from fiscal 2001 to 2007 compared to an 18 percent increase in all other operational spending.

- Local employee health care costs increased from 7.4 percent to 10.6 percent of municipal budgets from fiscal 2001 to 2005, putting more pressure on other important areas such as schools, police, fire, and public works. In Boston, from fiscal 2001 to 2007, health care costs as a proportion of the budget increased from 7 percent to 11 percent.

[1] "A Mounting Crisis For Local Budgets: The Crippling Effects of Soaring Municipal Health Costs," July 2005.
[2] "Soaring Health Insurance Costs Threaten Boston's Competitive Edge," November 2006.

- In comparison to the health care cost increases of 84 percent for municipal employees and 72 percent for Boston employees from fiscal 2001 to 2006, the state's employee health care costs, as managed by the GIC, increased only 47 percent.

- The Governmental Accounting Standards Board (GASB) has established a new standard that requires each municipality to report its full and unfunded liability for retiree health benefits (OPEB). This new requirement increases the need for effective measures that address future health care costs.

## The Group Insurance Commission

The GIC enjoys two principal advantages that allow it to continuously outperform cities and towns—size and flexibility. With 286,000 state workers and retirees,[3] the GIC enrollees far outnumber enrollees in any city or town, and in most cases, the GIC is among a health insurance provider's biggest customers. The GIC's size allows it to benefit from a stronger negotiating position with health insurance providers.

The GIC also benefits from greater managerial flexibility than Massachusetts law permits for cities and towns. The GIC is able to use this flexibility to be creative and innovative in controlling its costs, while cities and towns are severely limited by the requirement that all aspects of employee health insurance—including plan offerings, deductibles, co-payments, and the percentage of the premium share paid by the employee—must be negotiated with each individual union. This requirement prevents cities and towns from responding quickly to changing market conditions. In contrast, the Commonwealth does not negotiate its employee and retiree health insurance benefits with its unions; the GIC selects health insurance plans and adjusts plan design, including deductibles and co-payments, outside of the collective bargaining process.

The GIC has been able to implement cost saving techniques not available to cities and towns. Efforts such as the Clinical Performance Improvement Initiative, the prescription step therapy program, and the Generics Preferred Program help the GIC to steer its subscribers toward more cost-effective options. The GIC has also assembled a health claims database that allows it to track spending and analyze health trends in order to identify opportunities to further control costs. In addition, the state requires all eligible retirees to enroll in Medicare, transferring much of the cost of their health insurance to the federal government.

## GIC Legislation

The Legislature and Governor recently enacted a law to help cities and towns control their health insurance expenses by joining the GIC through local option. The legislation requires that municipal officials employ a process known as coalition bargaining to negotiate with union and retiree representatives to determine the conditions for entering the GIC. Rather than bargaining with each union individually, the municipality would negotiate with them collectively through a public employee committee. The committee would be comprised of union and retiree representatives, with the retirees having 10 percent of the vote. Each collective bargaining unit would receive a weighted vote according to the proportion of employees represented in the municipality's health plans. Agreement to enter into the GIC would require approval of 70 percent of the public employee committee. Municipal officials would be required to negotiate with the employee committee to develop a written agreement that would specify the conditions for acceptance into the GIC, the procedures for resolving an impasse in negotiations for a

[3] Source: Group Insurance Commission. This figure includes Springfield employees, who joined the GIC due to Springfield's financial crisis.

successor agreement, and the process for withdrawing from the GIC.

Upon entering the GIC, municipalities must accept the GIC's health insurance offerings and remain in the GIC for a minimum of three years. Eligible municipal retirees would be required to enroll in Medicare. Decisions regarding the percentage of the premium paid by the municipality would continue to be made through negotiations with the unions in the coalition bargaining process. The GIC plans, which may vary in design and coverage from municipal health insurance plans, typically have lower total premiums and higher co-payments than comparable plans currently offered by municipalities. However, the GIC offers nine regular health insurance plans and six Medicare supplemental plans, which would give municipal employees a wide variety of options from which to choose. They would also benefit from the GIC's excellent customer service.

The legislation is a significant step forward in giving municipalities the potential to join the GIC. However, the coalition bargaining process and the required 70 percent approval may pose a significant obstacle for many cities and towns to achieve timely relief. Reaching an agreement over contract language changes or other benefits besides health insurance while obtaining 70 percent approval from the public employee committee will be difficult for many municipalities to accomplish. The GIC requires municipalities to inform them by October 1, 2007 of their intent to join the GIC starting in fiscal 2009. Communities that fail to meet this deadline will be unable to gain entry until fiscal 2010 or later. To realize the greatest savings, municipalities must join the GIC as soon as possible, but the coalition bargaining provision may impede many from doing so.

## Estimated Savings

This study finds that if all municipalities were to join the GIC they could save between $436 million and $764 million in fiscal 2013 and between $1.4 billion and $2.5 billion in fiscal 2018 (see Table 1).

The estimated savings are based on an analysis of the comparative rates of growth of municipal and GIC costs between 2001 and 2006. During this period, municipal health care costs grew

**Table 1**

**Estimated Savings for Municipalities by Joining the GIC**

**Based on a Comparison of Municipal and GIC Rates of Growth**

**(Figures in Millions)**

| Fiscal Year | A<br>Municipalities do not join the GIC - 13% annual increase | B<br>Municipalities join the GIC - 8.1% annual increase | C<br>Annual Savings | D<br>Percentage Savings | E<br>Municipalities do not join the GIC - 11% annual increase | F<br>Municipalities join the GIC - 8.1% annual increase | G<br>Annual Savings | H<br>Percentage Savings |
|---|---|---|---|---|---|---|---|---|
| 2008 | $2,086.8 | $2,086.8 | - | - | $2,086.8 | $2,086.8 | - | - |
| 2009 | 2,358.1 | 2,255.8 | $102.3 | 4.3% | 2,316.4 | 2,255.8 | $60.5 | 2.6% |
| 2010 | 2,664.6 | 2,438.6 | 226.1 | 8.5% | 2,571.2 | 2,438.6 | 132.6 | 5.2% |
| 2011 | 3,011.0 | 2,636.1 | 375.0 | 12.5% | 2,854.0 | 2,636.1 | 217.9 | 7.6% |
| 2012 | 3,402.5 | 2,849.6 | 552.9 | 16.2% | 3,167.9 | 2,849.6 | 318.3 | 10.0% |
| 2013 | 3,844.8 | 3,080.4 | 764.4 | 19.9% | 3,516.4 | 3,080.4 | 436.0 | 12.4% |
| 2014 | 4,344.6 | 3,329.9 | 1,014.7 | 23.4% | 3,903.2 | 3,329.9 | 573.3 | 14.7% |
| 2015 | 4,909.4 | 3,599.7 | 1,309.8 | 26.7% | 4,332.5 | 3,599.7 | 732.9 | 16.9% |
| 2016 | 5,547.7 | 3,891.2 | 1,656.4 | 29.9% | 4,809.1 | 3,891.2 | 917.9 | 19.1% |
| 2017 | 6,268.9 | 4,206.4 | 2,062.4 | 32.9% | 5,338.1 | 4,206.4 | 1,131.7 | 21.2% |
| 2018 | 7,083.8 | 4,547.1 | 2,536.7 | 35.8% | 5,925.3 | 4,547.1 | 1,378.2 | 23.3% |

84.4 percent (13.0 percent annually) while GIC costs grew 47 percent (8.1 percent annually).[4] The estimated annual savings based on this difference of 4.9 percentage points are $764 million in fiscal 2013 and $2.5 billion in fiscal 2018 (Column C).

Recognizing that municipal health care costs could grow more slowly in future years, we have also calculated the savings based on an annual differential of 2.9 percentage points (11 percent annual growth for municipalities and 8.1 percent for the GIC). This more conservative estimate shows savings of $436 million in fiscal 2013 and $1.4 billion in fiscal 2018 (Column G).

What is striking about this analysis is how quickly and dramatically the savings grow. Under the first scenario, the savings jump from 4 percent in fiscal 2009 to 20 percent in fiscal 2013 and 36 percent in fiscal 2018 (Column D). For the more conservative scenario, savings grow from 3 percent in 2009 to 12 percent in fiscal 2013 and 23 percent in fiscal 2018 (Column H).[5]

The above estimates are aggregate figures based on the assumption that all of the Commonwealth's cities and towns join the GIC. Impacts on individual cities and towns would vary widely, and not every city and town would save money by entering the GIC.

The immensity of the savings can also be seen by considering health care costs as a share of municipal budgets and property tax revenues. If health care costs increase 11 to 13 percent annually, they will consume an estimated 19 to 23 percent of municipal budgets in fiscal 2018, compared to 10 percent today. However, when using the GIC's 8.1 percent annual rate of increase, health care costs will consume only an estimated 15 percent of municipal budgets in fiscal 2018.[6] Similarly, we

**Table 2**

**Estimated Health Care Costs Compared to Total Municipal Budgets and Property Tax Revenue**

| | Health care costs as % of municipal budgets | Health care costs as % of property tax revenue |
|---|---|---|
| Fiscal 2006 | 10% | 19% |
| 8.1% annual increase until fiscal 2018 | 15% | 23% |
| 11% annual increase until fiscal 2018 | 19% | 30% |
| 13% annual increase until fiscal 2018 | 23% | 36% |

estimate that 11 to 13 percent annual increases will cause health care expenditures to consume 30 to 36 percent of property tax revenues in fiscal 2018, a much greater proportion than today's 19 percent. If cities and towns join the GIC, we estimate that health care costs will consume 23 percent of property tax revenues in fiscal 2018.[7]

As significant as these savings are, it must be noted that even under the GIC's lower estimated rate of increase (8.1 percent), health care expenditures would continue to consume an even larger share of municipal budgets and property tax revenues. Therefore, as important as it is for municipalities to join the GIC, other steps will need to be taken to bring health care costs under control and provide ongoing property tax relief.

Nevertheless, the potential savings in joining the GIC dwarf the estimated impact of the other components of the Municipal Partnership Act. For example, two proposed revenue options—the inclusion of telecommunications equipment on the property tax rolls and a 2 percent local options meal tax—would combine

[4] See Appendix A for 2001-2006 health cost data.
[5] Percentage savings are calculated by comparing annual savings through joining the GIC (Columns C and G) with what costs would be without joining the GIC (Columns A and E).
[6] See Appendix B for projections of health costs relative to municipal budgets.
[7] See Appendix C for projections of health costs relative to property tax revenues.

to generate an estimated $400 million in 2013 and $500 million in 2018.[8] Cost savings from joining the GIC would be three to five times greater than revenues from these two options in 2018. While cities and towns will have to take several actions to address the budget crisis presented by rising health care costs, the magnitude of savings by joining the GIC should establish this as the top priority.

## Conclusion and Recommendation

The legislation signed by the Governor is an important step towards addressing the problem of skyrocketing health insurance costs for the Commonwealth's cities and towns. However, as we have discussed above, there is an urgency in joining the GIC so that cities and towns can realize the greatest savings, and we are concerned that this legislation may not go far enough to address this reality.

Accordingly, we recommend that the Secretary of Administration and Finance and the respective Chairs of the House and Senate Ways and Means Committees evaluate the participation rate of municipalities joining the GIC immediately following the October 1, 2007 deadline. Specifically, the leadership should determine whether the legislation needs to be modified to allow more municipalities to benefit from participation in the GIC. If the evaluation shows that too few communities have been able to negotiate entry into the GIC and health insurance costs continue their rapid ascent, then the coalition bargaining requirement should be removed from the process of joining the GIC. For example, by giving the power to join the GIC to the mayor and city council in a city and the board of selectmen in a town, more municipalities would likely enter the GIC and achieve the potential savings.

Estimates of likely savings to municipalities in joining the GIC have been absent from discussions centered on how best to assist cities and towns in controlling their health insurance costs. Given the new findings of this report, sustained efforts must be made to ensure that municipalities actually join the GIC. If few communities receive the promised benefit, bolder action should be taken to benefit a larger share of the Commonwealth's cities and towns.

Chapter 67 of the Acts 2007 should not be seen as a panacea for all cities and towns burdened by municipal health insurance. Allowing entry into the GIC to help control local health insurance cost increases is just the first step. A more difficult problem facing the state and municipalities is the funding of the growing retiree health insurance liability (OPEB). In time, this problem will require a total restructuring of the state and local health insurance system in Massachusetts with far tougher policy choices. With OPEB on the horizon, municipal health insurance relief is all the more important for communities to achieve now.

[8] Governor Patrick's administration estimates that a 2 percent meals tax would raise $240 million statewide annually and the change in the telecommunications property tax would raise $78 million annually (source: http://devalpatrick.com/mpa.php?about=1). The fiscal 2013 and 2018 estimates of $400 and $500 million assume that meals tax revenue will grow by 5 percent annually and that the telecommunications property tax revenue will remain at $78 million per year.

## Appendix A

As indicated in the table below, over the 2001-2006 period, statewide municipal expenditures on employee health care increased by 84.4 percent. Over the same period, the Commonwealth's expenditures on employee health care under the GIC increased by a far more modest 47 percent.

**Municipal vs. State Health Insurance Costs**
**Fiscal 2001 - 2006**

| Fiscal Year | Total MA Municipal Health Insurance Costs | Percentage Change from Previous Year | GIC Health Insurance Costs | Percentage Change from Previous Year |
|---|---|---|---|---|
| 2001 | $886,462,351 | - | $605,596,955 | - |
| 2002 | 1,028,585,452 | 16.0% | 676,102,421 | 11.6% |
| 2003 | 1,185,928,190 | 15.3% | 694,982,613 | 2.8% |
| 2004 | 1,313,050,960 | 10.7% | 737,289,523 | 6.1% |
| 2005 | 1,439,142,951 | 9.6% | 785,103,811 | 6.5% |
| 2006 | 1,634,274,679 | 13.6% | 890,484,724 | 13.4% |
| 2001-2006 Change | $747,812,328 | 84.4% | $284,887,769 | 47.0% |
| Average Annual Increase | | 13.0% | | 8.1% |

Source: Massachusetts Department of Revenue, Division of Local Services

## Appendix B

The first table below (Municipal Budget Projections) estimates total municipal budgets for fiscal 2007-2018 using the 2001-2006 average annual increase of 4.2 percent. The second table (Projection of Health Insurance Costs as a Percentage of Municipal Budgets) uses those estimates to project health insurance as a percent of municipal budgets.

### Municipal Budget Projections

| Fiscal Year | Total Municipal Budgets (actual) | Percentage Change from Previous Year |
|---|---|---|
| 2001 | $15,334,730,000 | |
| 2002 | 16,206,740,000 | 5.7% |
| 2003 | 16,607,574,000 | 2.5% |
| 2004 | 17,054,544,000 | 2.7% |
| 2005 | 17,885,866,000 | 4.9% |
| 2006 | 18,826,543,000 | 5.3% |
| 2001-2006 annual average | | 4.2% |

Source: Massachusetts Department of Revenue, Division of Local Services

| Fiscal Year | Total Municipal Budgets (estimated at 4.2% annual growth) |
|---|---|
| 2007 | $19,617,257,806 |
| 2008 | 20,441,182,634 |
| 2009 | 21,299,712,304 |
| 2010 | 22,194,300,221 |
| 2011 | 23,126,460,831 |
| 2012 | 24,097,772,185 |
| 2013 | 25,109,878,617 |
| 2014 | 26,164,493,519 |
| 2015 | 27,263,402,247 |
| 2016 | 28,408,465,141 |
| 2017 | 29,601,620,677 |
| 2018 | 30,844,888,746 |

### Projection of Health Insurance Costs as a Percentage of Municipal Budgets

| Fiscal Year | Total Municipal Budgets (estimated) | Health Care Costs, 8.1% Annual Increase | % of Municipal Budgets | Health Care Costs, 11% Annual Increase | % of Municipal Budgets | Health Care Costs, 13% Annual Increase | % of Municipal Budgets |
|---|---|---|---|---|---|---|---|
| 2008 | $20,441,182,634 | $2,086,805,338 | 10.2% | $2,086,805,338 | 10.2% | $2,086,805,338 | 10.2% |
| 2009 | 21,299,712,304 | 2,255,836,570 | 10.6% | 2,316,353,925 | 10.9% | 2,358,090,032 | 11.1% |
| 2010 | 22,194,300,221 | 2,438,559,332 | 11.0% | 2,571,152,857 | 11.6% | 2,664,641,736 | 12.0% |
| 2011 | 23,126,460,831 | 2,636,082,638 | 11.4% | 2,853,979,671 | 12.3% | 3,011,045,161 | 13.0% |
| 2012 | 24,097,772,185 | 2,849,605,332 | 11.8% | 3,167,917,435 | 13.1% | 3,402,481,032 | 14.1% |
| 2013 | 25,109,878,617 | 3,080,423,364 | 12.3% | 3,516,388,353 | 14.0% | 3,844,803,566 | 15.3% |
| 2014 | 26,164,493,519 | 3,329,937,656 | 12.7% | 3,903,191,072 | 14.9% | 4,344,628,030 | 16.6% |
| 2015 | 27,263,402,247 | 3,599,662,606 | 13.2% | 4,332,542,090 | 15.9% | 4,909,429,674 | 18.0% |
| 2016 | 28,408,465,141 | 3,891,235,277 | 13.7% | 4,809,121,719 | 16.9% | 5,547,655,532 | 19.5% |
| 2017 | 29,601,620,677 | 4,206,425,335 | 14.2% | 5,338,125,109 | 18.0% | 6,268,850,751 | 21.2% |
| 2018 | 30,844,888,746 | 4,547,145,787 | 14.7% | 5,925,318,871 | 19.2% | 7,083,801,348 | 23.0% |

## Appendix C

The first table below (Property Tax Projections) estimates total property tax revenues for fiscal 2007-2018 using the 2001-2006 average annual increase of 5.8 percent. The second table (Projection of Health Insurance Costs as a Percentage of Property Tax Revenues) uses those estimates to project health insurance as a percentage of property tax revenues.

### Property Tax Projections

| Fiscal Year | Total Municipal Property Tax Revenues (actual) | Percentage Change from Previous Year |
|---|---|---|
| 2001 | $7,520,052,000 | |
| 2002 | 8,003,918,000 | 6.4% |
| 2003 | 8,494,021,000 | 6.1% |
| 2004 | 9,016,234,000 | 6.1% |
| 2005 | 9,483,455,000 | 5.2% |
| 2006 | 9,983,131,000 | 5.3% |
| 2001-2006 annual average | | 5.8% |

Source: Massachusetts Department of Revenue, Division of Local Services

| Fiscal Year | Total Municipal Property Tax Revenues (estimated at 5.8% annual growth) |
|---|---|
| 2007 | $10,562,152,598 |
| 2008 | 11,174,757,449 |
| 2009 | 11,822,893,381 |
| 2010 | 12,508,621,197 |
| 2011 | 13,234,121,226 |
| 2012 | 14,001,700,257 |
| 2013 | 14,813,798,872 |
| 2014 | 15,672,999,207 |
| 2015 | 16,582,033,161 |
| 2016 | 17,543,791,084 |
| 2017 | 18,561,330,967 |
| 2018 | 19,637,888,163 |

### Projection of Health Insurance Costs as a Percentage of Property Tax Revenues

| Fiscal Year | Total Property Tax Revenues (estimated) | Health Care Costs, 8.1% Annual Increase | % of Property Tax Revenue | Health Care Costs, 11% Annual Increase | % of Property Tax Revenue | Health Care Costs, 13% Annual Increase | % of Property Tax Revenue |
|---|---|---|---|---|---|---|---|
| 2008 | $11,174,757,449 | $2,086,805,338 | 18.7% | $2,086,805,338 | 18.7% | $2,086,805,338 | 18.7% |
| 2009 | 11,822,893,381 | 2,255,836,570 | 19.1% | 2,316,353,925 | 19.6% | 2,358,090,032 | 19.9% |
| 2010 | 12,508,621,197 | 2,438,559,332 | 19.5% | 2,571,152,857 | 20.6% | 2,664,641,736 | 21.3% |
| 2011 | 13,234,121,226 | 2,636,082,638 | 19.9% | 2,853,979,671 | 21.6% | 3,011,045,161 | 22.8% |
| 2012 | 14,001,700,257 | 2,849,605,332 | 20.4% | 3,167,917,435 | 22.6% | 3,402,481,032 | 24.3% |
| 2013 | 14,813,798,872 | 3,080,423,364 | 20.8% | 3,516,388,353 | 23.7% | 3,844,803,566 | 26.0% |
| 2014 | 15,672,999,207 | 3,329,937,656 | 21.2% | 3,903,191,072 | 24.9% | 4,344,628,030 | 27.7% |
| 2015 | 16,582,033,161 | 3,599,662,606 | 21.7% | 4,332,542,090 | 26.1% | 4,909,429,674 | 29.6% |
| 2016 | 17,543,791,084 | 3,891,235,277 | 22.2% | 4,809,121,719 | 27.4% | 5,547,655,532 | 31.6% |
| 2017 | 18,561,330,967 | 4,206,425,335 | 22.7% | 5,338,125,109 | 28.8% | 6,268,850,751 | 33.8% |
| 2018 | 19,637,888,163 | 4,547,145,787 | 23.2% | 5,925,318,871 | 30.2% | 7,083,801,348 | 36.1% |

# Blue Cross gave chairman $16.4m in retirement pay

## Van Faasen still on salary at insurer

By Jeffrey Krasner
GLOBE STAFF

William C. Van Faasen, the longtime chairman and chief executive of Blue Cross and Blue Shield of Massachusetts, was paid $16.4 million in retirement benefits in January 2006, even though he didn't leave the company.

The payment was triggered when Van Faasen, 58, stepped down as chief executive, retaining his position as chairman of the state's largest health insurer with 3 million members. In addition to the retirement payout, he also earned nearly $3 million last year in salary and bonus as chairman.

Van Faasen is credited with engineering much of the insurer's success over the last 15 years. But the size of his retirement benefit at a nonprofit, and the conditions under which it was awarded, raised questions and concerns yesterday.

"When you're spending down the coffers by paying $19 million to reward a CEO for changing jobs, premiums are going to have to increase," said Jerry Flanagan, healthcare policy director for the Foundation for Taxpayer and Consumer Rights, a nonprofit, nonpartisan consumer group in Los Angeles. "Double-digit premium increases that are fueled by insurance company excesses like this are uninsuring the insured."

State Senator Mark C. Montigny, Democrat of New Bedford, said, "Bill Van Faasen is a good guy and he's done a great job, but if he wants that kind of money, he should run a hedge fund."

Van Faasen was recruited from Michigan Blue Cross in 1990, and was named chief executive in 1992. He was named chairman in 2002. In mid-2005, Cleve L. Killingsworth Jr. succeeded him as chief executive. Since then, Van Faasen has served only as chairman. In September, Blue Cross said he would retire and leave the company at year-end.

Blue Cross's 2006 executive pay was disclosed yesterday in filings to the attorney general. Van Faasen earned a sal-

VAN FAASEN, Page D4

# Current Blue Cross chairman got retirement pay

▶ **VAN FAASEN**
*Continued from Page D1*

ary of $500,000 and a performance-based bonus of $2.46 million. Killingsworth earned a salary of $903,000 and bonus of $1.36 million. Chris Murphy, a spokesman for Blue Cross Blue Shield of Massachusetts, said Van Faasen's salary and retirement contributions were evaluated by external compensation consultants, who assured the company the payments "met industry standards."

"The board meets annually and discusses CEO compensation," said Murphy. "This is a large amount of compensation, and it reflects his extraordinary performance as chief executive of Blue Cross Blue Shield of Massachusetts."

Senior executives of large companies often put aside some of their pay into a separate account, where it can grow before it is paid out. But none of the money paid to Van Faasen consisted of so-called deferred compensation.

"The $16.4 million is based on his tenure here and the performance of the company," said Murphy.

Only $5.5 million of the retirement payment was previously reported in filings with the state. The balance wasn't previously reported, Murphy said, because the money didn't technically belong to Van Faasen until he received it, and state rules did not require that portion of the payment to be disclosed in annual reports. In addition, he said, the actual amount could not be determined until his retirement date was set.

Linda Crompton, chief executive of BoardSource, a Washington organization that advises nonprofits about board and corporate oversight issues, questioned the size of Van Faasen's payment because Blue Cross is a nonprofit exempt from paying income taxes.

"Would this payment meet the standards of reasonable behavior?" she asked. "I don't know. It seems like a large sum of money."

In addition, Crompton criticized Blue Cross's succession planning, in which Van Faasen gave up the chief executive position, but retained his seat as chairman.

"That's definitely a poor practice," she said. "If someone is officially retired, good practice is they leave the organization. They shouldn't move into another role where they continue to take money from the company. The positions are supposed to be independent."

In May 2005, Van Faasen told the Globe he was stepping down as chief executive because he had achieved his goals. He said he came to the insurer to "turn around a company and restore its confidence and connection to the community."

Other health insurers also disclosed executive compensation yesterday. In 2006, Harvard Pilgrim Health Care, the state's second-largest health insurer, paid chief executive Charles D. Baker $1.5 million in salary and bonus. James Roosevelt Jr., chief executive of Tufts Health Plan, earned nearly $1.3 million including contributions to benefit plans.

The health plans also reported financial results for the third quarter of 2007. Blue Cross Blue Shield of Massachusetts earned $110 million, with strong increases in operating income and investment income compared to the same period a year ago. Harvard Pilgrim reported net income of $20.4 million, down slightly from $21.4 million in last year's third quarter. Revenue was also down slightly, from $640 million to $631.9 million.

Tufts Health Plan reported net income of $41 million. Results were boosted by nearly $17.3 million in investment income. Membership reached 654,000 in September, an increase of about 50,000 since January.

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*Jeffrey Krasner can be reached at krasner@globe.com.*

Nov 21, 2007

# Tax rate climbs to $14.70 for fiscal 2008

## Average single-family home bill to rise $500

**By Priyanka Dayal TELEGRAM & GAZETTE STAFF**

**WESTBORO—** The housing market may be weak, but it won't seem that way when homeowners in Westboro get their tax bills next year.

The average single-family home owner will have to fork out about $500 more this fiscal year, because of a sharp drop in taxes paid by pharmaceutical company AstraZeneca.

The drop in AstraZeneca's taxable personal property has dragged down the value of the town by $77 million.

"That's not what we were expecting," said Susan F. Abladian, chairman of the Board of Selectmen. "This is the first year in 14 years that the value of the town has gone down. Nobody else can remember it going down."

For fiscal 2008, town assessors valued an average single-family home in Westboro at $455,045. With the new tax rate of $14.70 per $1,000 of valuation, the average homeowner would pay just over $6,689.

An average single-family home in fiscal 2007 was valued at $453,700. Under the old rate, that translated to a tax bill of about $6,198.

According to the assessors' report, taxable personal property owned by AstraZeneca decreased $150 million from fiscal 2007, which ended June 30.

The British pharmaceutical company, which has a campus at 50 Otis St., is Westboro's biggest taxpayer. The company recently moved some of its inventory out of town, according to Selectman Lydia L. Goldblatt.

Ms. Goldblatt said she wasn't shocked to see AstraZeneca's taxable personal property fall. "It's just the reverse of what happened a couple years ago," she said, when the company paid the town an unexpected $2.2 million in additional property taxes, because of an increased production of an asthma drug.

Selectmen unanimously approved the town's new single tax rate at a Nov. 13 meeting. While some towns try to offer relief to homeowners by setting a higher tax rate for businesses, Westboro has maintained a single rate for residential, commercial and industrial property.

From 2000 to 2005, the average home assessment in Westboro increased 83 percent, and tax bills rose 68 percent.

The tax rate of $14.70 for fiscal 2008 is up from $13.66 per $1,000 of valuation in fiscal 2007, and $13.86 in fiscal 2006.

"I think people are resigned to the fact that they will never pay fewer dollars, but they had relied on the fact that Astra would retain its level," Ms. Abladian said.

Ms. Goldblatt, meanwhile, said the higher tax rate should come as no surprise.

"I think we knew it was coming," she said. "I think Westboro residents expect a certain level of services in town, and we have to pay for that.

Town Assessor Linda Swadel, the chief author of a report explaining the town's tax classification, could not be reached for comment.

Contact Priyanka Dayal by e-mail at pdayal@telegram.com.

HOME / NEWS / LOCAL

# Suburban developers thinking bigger

The Boston Globe

## Plans mean new revenue, amenities, and concerns

By James Vaznis
Globe Staff / November 23, 2007

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The suburbs of Boston are experiencing a burst of development not seen in years, driven by towns desperate for new tax sources, retailers looking to draw the area's well-off consumers, and builders tapping into unusually huge swaths of land for new housing or corporate offices.

In Westwood alone, a proposed 4.5 million-square-foot office, retail, and condominium development called Westwood Station would be nearly four times the size of Boston's landmark Prudential Tower and promises to dramatically transform the once sleepy dairy community of 12,600 residents, which doesn't even have a downtown.

And that may not be the biggest proposal. In Weymouth and two neighboring towns, a former naval air station is slated to become a veritable city unto itself, with roughly 5 million square feet of residential, retail, and commercial space.

Around the region, at least four dozen medium- and large-size developments are on the drawing boards, under construction, or have recently opened, according to regional planning groups and state environmental review filings. Burlington, Waltham, and other suburbs with reputations as development-friendly are courting projects, as are struggling cities such as Lawrence and Lowell and even towns such as Sharon that often have been averse to major developments.

The new wave of development differs from previous growth periods because of the sheer size of many projects, some billed as "villages" or "lifestyle centers" that combine housing, retail, and offices, and may include a unique draw, such as a luxury movie theater. In the past, development typically came in single steps - a housing project, an office park, or a retail establishment - but developers say today's suburbanites, tired of stop-and-go traffic and office park isolation, want all those features within walking distance.

These new developments come with a delicate trade-off. Some communities are making permitting far easier, occasionally cutting years off the process. In return, developers are providing roads, athletic fields, and other amenities to help offset the strain on local budgets, in addition to the new property tax dollars.

Some homeowners, environmentalists, and a few regional planners warn that the new developments will alter the suburban towns' quality of life, bringing more traffic, higher school costs, and environmental damage. In several cases, projects are being pitched near highway interchanges, next to or on top of crucial aquifers that supply drinking water, or close to a similar project in another town.

"People move to a Westwood because they don't want to be near a downtown Boston, and Westwood will have an urban feel to it. I don't think it will be the same town at all," said John Harding, president of the town's Everett Forbes Neighborhood Association

Pointing to other developments under consideration south of Boston, he said, "How many Talbots do you need?" Continued...

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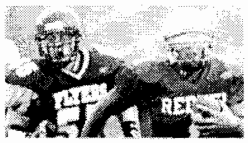

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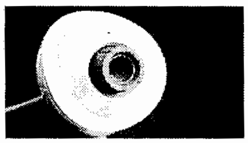

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HOME / NEWS / LOCAL

# Suburban developers thinking bigger

The Boston Globe

## Plans mean new revenue, amenities, and concerns

By James Vaznis
Globe Staff / November 23, 2007

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**Page 2 of 3** -- In Westwood, the Planning Board approved a special zoning permit Tuesday night to allow for Westwood Station, one of the state's largest suburban developments ever, over the objections of critics who say it would forever alter the character of the town by attracting about 55,000 vehicles a day and some 1,700 new residents. To be built next to the Route 128 commuter rail stop, it would have shops, restaurants, offices, and 1,000 condominiums, as well as hotels and parking garages.

The development would produce an estimated $12.6 million annually in net property tax revenue for Westwood, more than 20 percent of the town's operating budget.

"Communities are desperate for cash these days, and commercial development, in particular, generates strong revenues," said Marc Draisen, executive director of the Metropolitan Area Planning Council. "You find some communities eager - some may say too eager - to encourage large-scale commercial developments."

Westwood Station developers Cabot, Cabot & Forbes, Commonfund Realty Inc., and New England Development will spend $60 million on off-site improvements, including new athletic fields at Westwood High School, a second public safety building, and a new MBTA platform. Developers of other Greater Boston projects have promised fire engines, conservation land, and, in at least one case on the South Shore, a school.

In Wayland, a developer has proposed a $140 million shopping, residential, and office project - including a municipal building - on formerRaytheon Co. property. In Burlington, meanwhile, Nordblom Co. is planning to recast Northwest Park, a 1950s-era office center, into a bustling, tree-lined center of shops, offices, and housing, while a New York firm intends a similar but smaller redevelopment of the 119-acre Polaroid Corp. site in Waltham.

"Given how tight municipal budgets are, many more communities in 2007 are actively looking to expand their commercial tax bases, more than any time in the last 20 years," said Greg Bialecki, the state's undersecretary of business development.

But business leaders say the uptick is not enough to prop up the state's economy, especially as analysts predict slower-than-anticipated growth through 2011. Completion of the projects could take a decade or longer.

"Compared to other regions of the country, I wouldn't call it a land rush," said David Begelfer, chief executive officer of the Massachusetts chapter of the National Association of Industrial & Office Properties. He later added, "We are a long way from seeing anything from a growth cycle or a building boom."

Developers and towns have targeted aging office and manufacturing complexes along congested Route 128, as well as on pristine land in far-flung suburbs. But some residents are objecting to the changes.

In Waltham, where sleek glass office buildings along Route 128 serve as an icon to suburban commercial success, some residents have been campaigning against overdevelopment, blocking construction of an approximately eight-story building across from the common. Continued...

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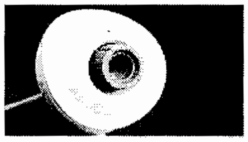

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# Suburban developers thinking bigger

The Boston Globe

## Plans mean new revenue, amenities, and concerns

By James Vaznis
Globe Staff / November 23, 2007

Text size – +

**Page 3 of 3** -- And along the rolling landscape of Sharon, a former lakeside summer resort town where 5,000 acres are in conservation, many residents are outraged that cranberry bogs and a habitat of the endangered Eastern box turtle could be replaced by a 500,000-square-foot shopping and office complex that could draw 19,300 vehicles a day.

Critics also fought six eight-story senior housing buildings, containing 624 units, going up on Rattlesnake Hill, a spot where the endangered black rat snake slithers.

Earlier this month, Neighbors Against Destructive Development lobbied a Special Town Meeting to curtail the growth, but failed to convince voters in Sharon, a bedroom community of 18,000.

"I feel like that guy in Tiananmen Square standing in front of the army tank. I can't fight this," said Paul Lauenstein, a Sharon Planning Board member and self-described environmentalist.

But Walter "Joe" Roach, Board of Selectmen chairman, said homeowners need relief from taxes.

"It won't lower taxes, but it will stabilize taxes so we don't go for overrides as often as we have. If development is done with balance, it's not that bad," said Roach, a retired high school custodian.

Near the proposed Westwood Station, selectmen in neighboring Canton created a website last summer critical of the project, hired a public relations firm, and turned down $1.3 million from the developers for road improvements. Canton officials say a proposed exit for Westwood Station on Interstate 95 at Dedham Street in their town will flood residential streets with traffic, while other vehicles will add to major traffic backups at the decades-old junction of Interstates 95 and 93, also located in Canton.

This month, the selectmen notified Governor Deval Patrick about plans to sue the state, on grounds that Massachusetts officials' recent approval of Westwood Station lacked adequate highway traffic remedies. On Tuesday, the town took the first formal step, filing a notice with state environmental regulators that it intends to appeal.

Adding to the anxiety for Canton and other Westwood Station critics, including some Westwood residents, is a spate of other retail-based projects clustered nearby. New developments have been proposed or recently opened in Dedham, Sharon, Foxborough, and Mansfield, while the traditional enclosed malls, Walpole Mall and South Shore Plaza, are both planning major expansions to compete.

Farther south, an Indian casino could go up in Middleborough.

Many critics question whether small towns like Westwood, where development is overseen by a volunteer planning board and one town planner, has the expertise to review a project equivalent to nearly four Prudential Towers. The boards, the critics say, typically approve aStarbucks, Dunkin' Donuts, or a small subdivision.

Towns, though, insist projects are being thoroughly reviewed.

"I understand the concern that Westwood Station might be a mini-city and could distract from the character of the town, but we have worked hard to make it a place where Westwood residents will want to come to and be proud to say it's part of Westwood," said Steve Rafsky, chairman of the town's economic development advisory board.

Roughly half the project - including all the retail - would open in two years. The remaining construction would hinge on market demand, an approach developers of some larger projects are taking.

The developers remain bullish.



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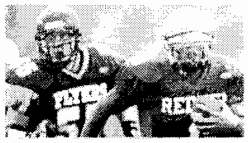

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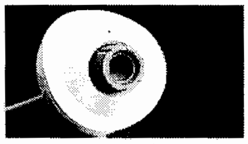

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