

30 YEAR CALCULATOR FOR TAX LEVY BILL IMPACT OF PROJECT BOND DEBT EXCLUSIONS, OPERATING OVERRIDES AND NEW GROWTH -- REVENUE PAGE

Capital and Operating Overrides and Debt Exclusions under middle-ground economic scenario

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Annual Interest Rate on Bonds:	5.50%	All \$ amounts in millions, except for tax bills. Principal shown above interest for each project.												
	Cost(1)	Issue Year (2)	Term/T ype	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	
Senior Center (3)	6.4	2007	19	0.000	0.000	0.000	0.337	0.337	0.337	0.337	0.337	0.337	0.337	
Enter 'T' for level total payments				0.000	0.000	0.000	0.352	0.333	0.315	0.296	0.278	0.259	0.241	
Wellington School (4)	24.0	2008	25	0.000	0.000	0.000	0.000	0.960	0.960	0.960	0.960	0.960	0.960	
Enter 'T' for level total payments				0.000	0.000	0.000	0.000	1.320	1.267	1.214	1.162	1.109	1.056	
High School (continuous construction) (4)	37.4	2011	25	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.496	1.496	1.496	
Enter 'T' for level total payments				0.000	0.000	0.000	0.000	0.000	0.000	0.000	2.057	1.975	1.892	
Library (5)	12.4	2015	20	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Enter 'T' for level total payments				0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Other Known Minor Projects (6)	6.9	2016	20	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Enter 'T' for level total payments				0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Additional Firestation Debt to Be Issued	1.5	2006	20	0.000	0.000	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.075	
Enter 'T' for level total payments				0.000	0.000	0.083	0.078	0.074	0.070	0.066	0.062	0.058	0.054	
SubTotal New Capital and Debt Service				0.000	0.000	0.158	0.842	3.100	3.024	2.949	6.426	6.268	6.111	
Existing Net Debt Service (adjusted from Boccia/Hagg)				3.225	3.204	3.128	3.019	2.915	2.800	2.689	2.379	2.272	1.942	
Adjustment: net under the cap debt service				0.398	0.241	0.263	0.253	0.244	0.229	0.220	0.014	0.014	0.014	
Adjustment: bond premium (applied only through 2009; should add rest)				0.012	0.010	0.009	0.009	0.008						
<b>Major Project Capital Program -- Excluded Debt Service Amounts</b>				2.815	2.953	3.014	3.599	5.763	5.595	5.418	8.791	8.526	8.039	
<b>Capital Budget Increase in Capital Account OR (7)</b>	1.5	2009		0.000	0.000	0.000	0.000	1.500	1.500	1.500	1.500	1.500	1.500	
<b>Operating Override 1 (first year impact)</b>	3.1	2007		0.000	0.000	3.068	3.068	3.068	3.068	3.068	3.068	3.068	3.068	
Operating Override 1 (second year impact)	2.0	2008		0.000	0.000	0.000	1.961	1.961	1.961	1.961	1.961	1.961	1.961	
Operating Override 1 (final impact)	0.3	2009		0.000	0.000	0.000	0.000	0.290	0.290	0.290	0.290	0.290	0.290	
<b>Operating Override 2 (first year impact)</b>	1.2	2010		0.000	0.000	0.000	0.000	0.000	1.199	1.199	1.199	1.199	1.199	
Operating Override 2 (second year impact)	1.4	2011		0.000	0.000	0.000	0.000	0.000	0.000	1.443	1.443	1.443	1.443	
Operating Override 2 (third year impact)	1.6	2012		0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.620	1.620	1.620	
<b>Operating Override 3 (first year impact)</b>	1.8	2013		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.815	1.815	
Operating Override 3 (second year impact)	2.0	2014		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2.031	
Operating Override 3 (third year impact)	2.3	2015		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
<b>Operating Override 4 (first year impact)</b>	2.5	2016		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Operating Override 4 (second year impact)	2.8	2017		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Operating Override 4 third year impact)		2018		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Cumulative Override Amounts				0.000	0.000	3.068	5.029	6.819	8.018	9.461	11.081	12.896	14.927	
Residential New Growth -- Input Growth Rate (%) (8)		0.88%		0.000	0.655	0.449	0.453	0.457	0.461	0.465	0.469	0.473	0.478	
Commercial New Growth -- Input Growth Rate (%) (9)		2.00%		0.000	0.030	0.048	0.049	0.050	0.051	0.052	0.053	0.054	0.055	
Net Growth Item 1 (McLean): Input Total/Years Phased (10)	1.5	2010	2017	0.000	0.000	0.000	0.000	0.000	0.188	0.188	0.188	0.188	0.188	
Net Growth Item 2 (Uplands): Input Total/Years Phased (10)	0	2010	2010	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
<b>New Growth Increments (Shown Annually, not Cumulatively)</b>				0.000	0.685	0.497	0.502	0.507	0.700	0.705	0.710	0.715	0.720	
2.5% Increase Applied to Prior Year Levy					1.263	1.312	1.434	1.531	1.627	1.715	1.812	1.915	2.027	
Tax Levy Limit Before Excluded Debt				50.536	52.484	57.362	61.259	65.087	68.613	72.476	76.617	81.063	85.840	
<b>TOTAL TAX LEVY</b>	1.040			53.310	55.437	60.376	64.858	70.850	74.208	77.894	85.408	89.589	93.880	
AVERAGE SINGLE FAMILY TAX BILL				7686	7894	8526	9088	9857	10227	10638	11567	12036	12516	
<b>ANNUAL % BILL INCREASE (% CHANGE IN LEVY BEFORE NEW GROWTH)</b>					2.7%	8.0%	6.6%	8.5%	3.8%	4.0%	8.7%	4.1%	4.0%	
Total Impact above 2005 on Single Family Bill					208	840	1402	2171	2541	2952	3881	4350	4830	
<b>COMPOUND RATE OF INCREASE FROM 2005</b>					2.7%	5.3%	5.7%	6.4%	5.9%	5.6%	6.0%	5.8%	5.6%	

Model Source: Will Brownsberger, collating/Updating prior work of planning committees and staff. Model version date October 24, 2005

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Analysis of impact on Town Accountant/Warrant Committee Budget Forecast Deficit from October 2005 Rev22

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
"Exp Redux/Operating Override Required" -- directly from Spreadsheet		0.214	-3.066	-5.104	-7.542					
Labor Cost, Upwards Adjustment for 2006-2009 Period (incorporated)		0.000	0.000	0.000	0.000					
Adjusted "Exp Redux/Operating Override Required"		0.214	-3.066	-5.104	-7.542					
Levy in Budget Forecast		55.212	57.198	58.956	60.766					
Less Debt Exclusion Amounts in Forecast		-2.727	-2.902	-2.802	-2.708					
Tax Levy Limit (before Excluded Debt) implied in budget Forecast		52.485	54.296	56.154	58.058					
Increase to Model Tax Levy Limit (b.e.d.) reflecting higher Growth and Overrides		-0.001	3.066	5.105	7.029					
<b>Deficit/Surplus Based on Adjusted WC Forecast Expenses and Model Revenues</b>		<b>0.213</b>	<b>0.000</b>	<b>0.001</b>	<b>-0.513</b>					
<b>2008 Forecast Amounts increased by Model Input percentage rate after 08</b>										
Salaries and Wages adjusted as above (forecast estimates 4.2%)	2.8%			39.101	40.196	41.321	42.478	43.668	44.890	46.147
Health Care (forecast estimates 15%)	12.0%			10.892	12.199	13.663	15.303	17.139	19.196	21.499
Less: percentage savings from health care cost shift in 09	10.0%				-1.220	-1.366	-1.530	-1.714	-1.920	-2.150
All other costs (Forecast estimates blended 5.059% growth rate)	5.1%			25.291	26.571	27.915	29.327	30.811	32.369	34.007
Total Expense Budget excluding Excluded Debt				75.284	77.746	81.533	85.578	89.904	94.536	99.504
Tax Levy less Debt Exclusion				61.259	65.087	68.613	72.476	76.617	81.063	85.840
All Other Funds Sources (Forecast estimates 1.526%)	1.53%			14.026	14.240	14.457	14.678	14.902	15.129	15.360
Total Revenues other than Debt Exclusion				75.285	79.327	83.070	87.154	91.519	96.192	101.201
<b>Deficit/Surplus Based on Model Expenses and Model Revenues</b>				<b>0.000</b>	<b>1.581</b>	<b>1.537</b>	<b>1.576</b>	<b>1.616</b>	<b>1.656</b>	<b>1.697</b>
<b>Model Deficit/Surplus as percent of Expenditures</b>				<b>0%</b>	<b>2%</b>	<b>2%</b>	<b>2%</b>	<b>2%</b>	<b>2%</b>	<b>2%</b>

Note that 2009 deficit/surplus serves as proof when noted forecast cost growth rates are used as input.

NOTES TO REVENUE PAGE

- (1) Construction cost estimates do not reflect inflation, except for Wellington and Senior Center estimates which are inflated to the planned construction years.
  - (2) Issue year may follow construction year by one or two years. BAN interest costs not reflected in model.
  - (3) Possible private contributions and Woodfall road funds not reflected.
  - (4) Assumes state aid contribution of 40%; amount shown is Belmont contribution. Belmont contribution estimates are 24.0 for Wellington and 37.4 for High School (continuous construction option).
  - (5) Library cost estimate probably low of 12.4 -- does not reflect most recent program and design concepts, but neither does it reflect state aid or private contributions
  - (6) Cost estimate of \$6.9 million is code compliance cost from 2000 facilities audit. Largest components are highway yard and police station; also included are skating rink, pool and field house.
  - (7) Override amount dedicated to increase in capital budget from current \$2.2 million level
  - (8) Line compounds the specified percentage growth rate to the Residential component of the tax levy from 2005: 50.592 Except that 2006 new growth fixed to total \$685K
  - (9) Line compounds the specified percentage growth rate to the Commercial component of the tax levy from 2005: 2.352 Except that 2006 new growth fixed to total \$685K
- Note that this and prior line both omit a small interaction term. New growth for levy limit is prior year's tax rate applied to new assessed value growth. So tax rate decline from value inflation in excess of 2.5% will operate to slightly reduce the available new growth under proposition 2.5. This assumes exact offset and gives new growth based on value growth.
- (10) Input here estimated revenues net of costs of development. This method omits excess of cost growth over sum of 2.5% and override revenue growth on new base in out years.

MEMORANDUM ANALYSIS: LEVY COMPUTATION CHECK TO TOWN OF BELMONT BUDGET FORECAST FY06-FY09, as of 12/22/04

	2005	2006	2007	2008	2009
Total Tax Levy Per Forecast	53.284	55.190	56.840	58.530	60.271
Cumulative New Growth Per Model at .87% residential		0.655	1.104	1.557	2.014
Cumulative New Growth Per Forecast	0.000	0.440	0.880	1.320	1.760
Difference in New Growth Assumption		0.215	0.224	0.237	0.254
2.5% applied to Forecast New Growth	0.000	0.000	0.005	0.011	0.017
Forecast Levy adjusted up to new growth increments per model	53.284	55.405	57.070	58.778	60.542
Modeled levy excluding new growth (no votes scenario)	53.310	55.192	56.846	58.544	60.297
Discrepancy -- model proof (should be zero)	n/a	0.213	0.223	0.234	0.246