

WARRANT COMMITTEE

Despite difficult financial circumstances, the Warrant Committee proposed a fiscal 2006 budget to the 2005 Town Meeting that included only limited reductions in services in certain departments and selected marginal improvements in other areas. The 2006 budget, which was accepted by Town Meeting as proposed, included a 2.5 percent increase in spending.

The basic dilemma confronting Belmont, and most other local communities, is that year-to-year expenditures are growing at a greater rate than year-to-year revenues. Belmont depends on property taxes for almost 80 percent of its revenues. Proposition 2½ limits annual increases in total property taxes to 2½ percent plus any growth from development.

During most of the 1990s, major increases in state aid allowed the Town to balance its budget without program cuts. However, the state's fiscal crisis led to a \$1.2 million or 17.5 percent reduction in state aid to Belmont in fiscal 2004, a tiny increase in fiscal 2005, and a 3.6 percent increase in fiscal 2006.

Personnel-related costs such as health care for current and retired employees are growing much faster than inflation, which puts enormous strain on the rest of the budget and on basic programs and services. Employee salaries and benefits – for teachers, police, fire and others – account for more than two-thirds of the operating budget.

In recent years the Warrant Committee has mounted an intensive and continuing effort to find savings wherever possible. These initiatives have helped address the fiscal problems, but efficiencies cannot change the fundamental fact that, as a Town of homes, there will always be a close connection between the level of taxes collected from homeowners and the level of services provided in our community.

Several years ago the Warrant Committee, in collaboration with the Board of Selectmen, also began a process of long-term financial planning which we have improved upon each year. These efforts have helped the Warrant Committee and Town leaders gain greater understanding of, and control over, the Town's finances. We have determined that major structural reforms, none of which are easily achievable, may be necessary for the Town to continue providing excellent services without a continuing need for overrides. In our plans for next fiscal year, the Committee intends to focus significant attention on such reforms and on the public discussion that must happen before we as a community decide on the best approach for Belmont.

In addition, the Warrant Committee, in concert with the Selectmen, School Committee and Capital Budget Committee, have made a major effort to educate Town Meeting Members and the public about the Town's fiscal realities and problems, as well as initiatives to address them. The Warrant Committee will continue to reach out to citizens so they better understand the long-term fiscal dilemma confronting the Town.

In September the Warrant Committee elected its officers: Ralph Jones, Chair; Robie White, Vice Chair, and Phil Curtis, Clerk.

One responsibility of the Warrant Committee is to review and approve all requests for transfers from the Reserve Fund. Established by Town Meeting, this fund is intended to be used for emergency expenditures. The transfers during fiscal 2005 are listed below:

Reserve Fund Transfers

<i>Date</i>	<i>Description</i>	<i>Amount</i>	<i>Balance</i>
07/01/2004	Annual Appropriation		\$ 400,000
04/01/2005	STM transfer from Health Insurance		250,000
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<i>Transfers</i>			
10/27/2004	Health - Skin Cancer Grant	1,000	
11/17/2004	Treasurer - Quarterly billing	13,768	
01/19/2005	Human Resources - Advertising	8,000	
03/16/2005	COA - part time salaries	910	
03/16/2005	Planning - consultant (Woodfall)	23,500	
05/03/2005	Building Dept-fuel & bldg repairs	47,500	
06/22/2005	Snow & Ice	393,093	
06/22/2005	Cemetery - postage correction	3,520	
06/22/2005	Fire - Misc	16,000	
	Subtotal of Transfers		<u>507,291</u>
	Current Reserve Fund Balance		\$ 142,709

Please note: The snow & ice overrun after FEMA reimbursement was \$425,093. Difference was covered by salary savings due to open positions.

Respectfully submitted,
Ralph T. Jones, Chair

Elizabeth Allison, M. Patricia Brusch, Margaret M. Callanan, Philip C. Curtis, James Fitzgerald, James C. Heigham, Dianne Hobbs, William F. Hofmann, III, Michael J. Widmer, Linda N. Oates, Mark Paolillo, Geoffrey L. Tillotson, Robie W. White

Ex Officio:

Paul Solomon, Chair, Board of Selectmen
Elizabeth Gibson, Chair, School Committee

Barbara E. Hagg, Management Liaison