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Deputy Commissioner

# City and Town

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## Municipal Option to Join the Group Insurance Commission

John Hamill, Chairman, Sovereign Bank and Joel Barrera, Project Director, Metropolitan Area Planning Council

*John Hamill is the chairman of the Municipal Health Insurance Working Group, a group of municipal managers, state legislators, retiree representatives and public employee union leaders who have worked for the past year to find common ground on the critical issue of managing municipal health insurance costs. Joel Barrera is the project director for the group's work. In August, the Working Group went public with a proposal to create a new local option for cities and towns to join the Group Insurance Commission, which provides health insurance to more than 265,000 state employees and their dependents. The Working Group was facilitated by the Metropolitan Area Planning Council, the regional planning agency for 101 Metro Boston communities.*

Spiraling municipal health insurance costs are straining city and town budgets across the Commonwealth.

Every year, cities and towns face double-digit increases in their health costs. Combined with slow revenue growth,

these increases have forced municipal managers to lay off teachers, firefighters or police officers, defer needed maintenance and capital projects, and diminish the level of public services.

A report issued last year by the Massachusetts Taxpayers Foundation (MTF) entitled, "[A Mounting Crisis for Local Budgets: The Crippling Effects of Soaring Municipal Health Costs.](#)" tells the story dramatically:

- Between 2001 and 2005, municipal employee health appropriations increased by 63.2 percent, while total municipal budgets only increased by 14.8 percent and cherry sheet local aid actually declined by 1 percent through the recession.

- Even more dramatically, a survey done by the MTF and the Massachusetts Municipal Association (MMA) found that the single line item for health insurance used *all* of a community's tax growth on existing properties under Proposition 2½ — crowding out other potential uses for new tax revenue.

- Employee health care as a share of total municipal budgets jumped from 7.4 percent in 2001 to 10.6 percent in 2005, according to survey results. If this rate of growth continues, health care's share of municipal budgets will increase to 15 percent within four years.

In short, current trends in municipal health insurance are not sustainable. We have a crisis that is steadily straining municipal budgets and diminishing our ability to provide quality public schools, public safety in our neighborhoods, adequate roads and bridges, and the myriad services on which we depend from local governments.

### Municipal Health Insurance Working Group

As part of our prior work with the Municipal Finance Task Force, we identified health insurance reform as critical to the long term fiscal viability of cities and towns, but our diverse group —

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## A Closer Look: Springfield and the GIC

Alan LeBovidge, Chairman,  
Springfield Finance Control Board

When I became chairman of the Springfield Finance Control Board in mid-2004, the city was facing a \$41 million deficit (9 percent of the operating budget). Among the burdens on the city budget was the extraordinary cost for health insurance for its employees. That line item accounted for about 10 percent of the entire budget and was forecasted to increase between 13 and 15 percent per

year with no end in sight.

Springfield employees, like most municipal employees, had negotiated contracts that included raises averaging between 5 and 6 percent. Additionally, Springfield employees were not required to pay for the extraordinary increases in the cost of health insurance. The taxpayers of Springfield were picking up the lion's share of the cost.

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### From the Deputy Commissioner

In the November/December 2005 edition of *City & Town*, John Hamill wrote the Focus article on the Municipal Finance Task Force

that he chaired. The report generated from this Task Force (for which I was a technical advisor), "Communities At Risk," detailed the growth of municipal budgets and exactly what seemed to be driving this growth. Health care was identified as increasing at double-digit, unsustainable rates.

To address this rising cost, the Municipal Health Insurance Working Group was formed, again chaired by John Hamill. The cover article of this edition of *City & Town* concerns the work that this group has performed.

Health care costs are growing at a tremendous rate, and the option of municipalities to join the GIC is designed to control these costs. However, communities should be examining all areas in the budget that are increasing dramatically, and explore options that would control these costs.

I encourage communities not only to explore the option laid out in the cover article of this *City & Town*, but also to continue to make the best decisions possible for the efficient running of local government in Massachusetts. I am interested in hearing from cities, towns and districts for innovative solutions they have put in place for cost containment. Please contact me at 617-626-2134 with your successful ideas.

**Gerard D. Perry**  
Deputy Commissioner

# Legal

## in Our Opinion

### Adverse Possession Claim Against Government Property

**James Crowley, Esq.**

Can a taxpayer successfully assert a claim of adverse possession against property held by the Boston Redevelopment Authority (BRA) for urban renewal purposes? The Appeals Court rejected the claim in the case of *Aaron v. Boston Redevelopment Authority*, 66 Mass. App. Ct. 804 (2006).

In 1963 the BRA announced a major urban renewal project for the Washington Park area of Roxbury. The plan had an anticipated completion date of February 2003. Due to delays, the 40-year project was extended to 2015. Under the Washington Park Plan, the BRA took many properties by eminent domain. Among them was 100 Ruthven Street in Roxbury that contained a house on a 4,950 square foot lot. The BRA razed the house and the lot remained vacant for almost 40 years. In 2003, the BRA issued a request for proposals for the sale of the vacant lot to a housing developer. The BRA selected a developer in 2004 who planned to build a two-family house on the site.

A neighbor who owned a house adjacent to the planned development filed an adverse possession claim in Land Court. The abutter alleged he acquired a prescriptive driveway easement over the BRA land since he used this vacant parcel in an open, notorious, exclusive and continuous manner for more than 20 years against the interest of the BRA. The Land Court dismissed the case and the plaintiff appealed to the Appeals Court.

In its decision, the Appeals Court declared that this was a case of statutory

interpretation. The governing statute was M.G.L. Ch. 260, Sec. 31, which sets forth the rights of the Commonwealth to recover land that is the subject of an adverse possession claim. This statute also pertains to a political subdivision, which includes the BRA. The Appeals Court recognized, as a general matter, that M.G.L. Ch. 260, Sec. 31 requires the Commonwealth to bring a lawsuit within 20 years after the adverse acts are commenced. Failure to act within the 20-year period would generally bar the Commonwealth from recovering the land or interests in land, unless the land is "held for conservation, open space, parks, recreation, water protection, wildlife protection or other public purpose." At issue, in this case, was whether land held for urban renewal purposes by the Commonwealth comes within the statutory phrase "other public purpose" as found in M.G.L. Ch. 260, Sec. 31 such that the Commonwealth could recover the land even beyond the 20-year period established for adverse possession claims. In the court's view, urban renewal did come within the meaning of the phrase "other public purpose" as evidenced by the legislatively authorized M.G.L. Ch. 121B urban renewal program and judicial decisions interpreting this statutory scheme. In fact, the Appeals Court noted that the U.S. Supreme Court ruled last year that a local government could take private property by eminent domain for the purpose of economic development. This decision was *Kelo v. City of New London, Connecticut*, 545 U.S. 469 (2005).

Consequently, the Appeals Court held that there are no time limitations on the Commonwealth and its subdivisions from filing suit to recover land from an adverse possession claimant where the subject property is being held for urban renewal purposes. ■

# Focus

## on Municipal Finance

### FY07 CPA State Matching Funds Distributed

Lydia R. Hill

On Friday, October 13, 2006, 102 communities around the Commonwealth received a total of \$58,666,783 in Community Preservation Act (CPA) state matching funds.

The goals of the CPA are:

1. The acquisition, creation and preservation of open space.
2. The acquisition, preservation, rehabilitation and restoration of historic resources.

3. The acquisition, creation and preservation of land for recreational use.

4. The creation, preservation and support of community housing.

5. The rehabilitation and restoration of open space, land for recreational use and community housing that is acquired or created using monies from the fund.

After five years of existence, there have been many legislative changes to the CPA (M.G.L. Ch. 44B). All of them, except for the two recent changes, have been summarized in [IGR 00-209](#) (as amended). Chapters 38 and 289 of the Acts of 2006 changed the definition of historic resources to include historic documents and artifacts and clarified

that a municipality can use fund monies to acquire community housing, not just create, preserve and support it.

Communities must adopt the provisions of the CPA through referendum, and then adopt a surcharge of any amount up to 3 percent on real estate tax bills. The state then matches the local contribution with monies from a trust funded by a surcharge imposed at the Registry of Deeds and the Land Court.

The CPA has a revocation clause, M.G.L. Ch. 44B, Sec. 16(b). Communities must wait at least five years after the referendum in order to revoke the CPA. Therefore the 34 communities that adopted the legislation in FY2002

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### Status of Community Preservation Act Adoption

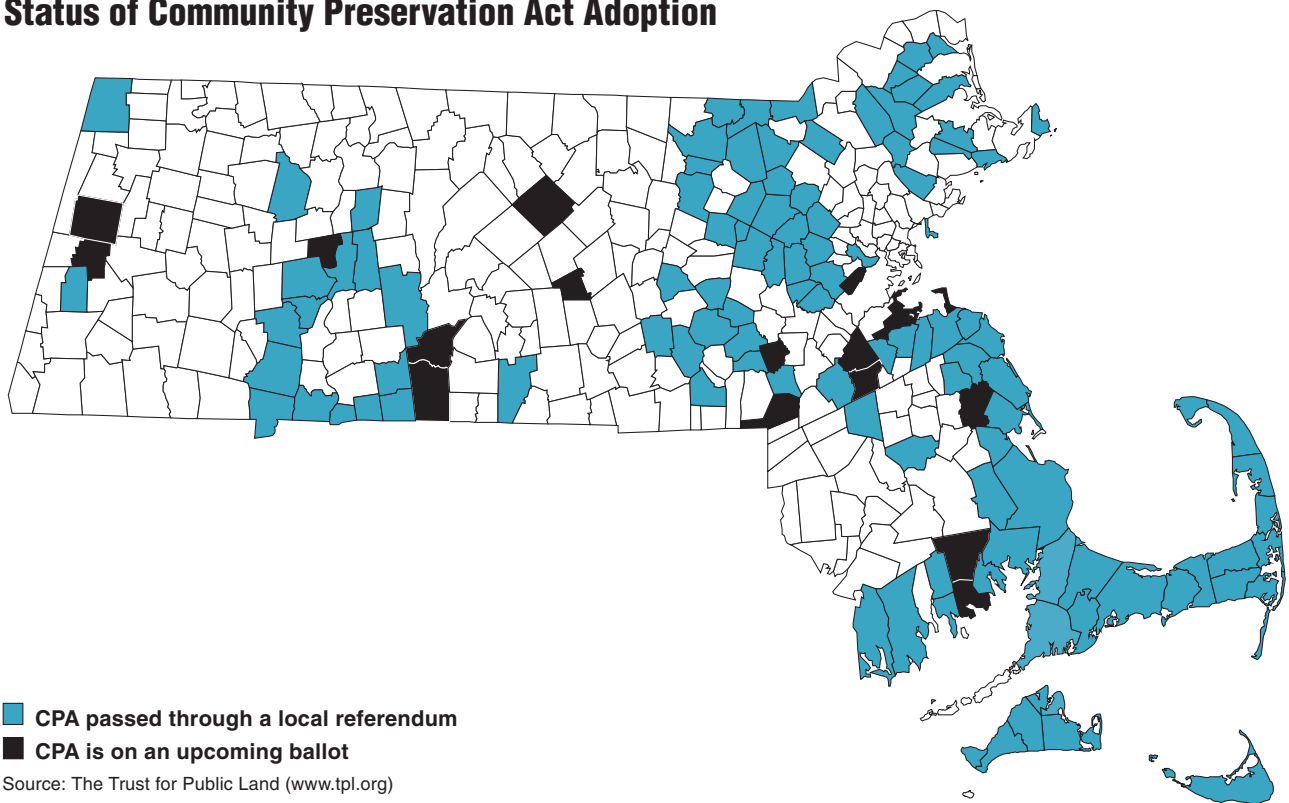


Figure 1

# Community Preservation Act Acceptance

Municipality	Fiscal year adopted	Surcharge pct. adopted (3% max.)	Exemptions*	FY03 payment	FY04 payment	FY05 payment	FY06 payment	FY07 payment	Total matched by state
Abington	—	—	—	0	0	0	0	0	0
Acton	2003	1.5	1.3	0	473,465	534,467	568,164	652,082	2,228,178
Acushnet	2004	1.5	3	0	81,176	93,233	104,766	279,175	614,344
Adams	—	—	—	0	0	0	0	0	0
Agawam	2003	1.0	1	0	299,875	313,190	341,504	357,829	1,312,398
Afford	—	—	—	0	0	0	0	0	0
Amesbury	—	—	—	0	0	0	0	0	0
Amherst	2002	1.0	1.3	125,258	144,081	154,264	183,797	209,271	816,671
Andover	—	—	—	0	0	0	0	0	0
Aquinnah	2002	3.0	3	34,323	34,669	46,034	51,867	53,296	220,189
Arlington	—	—	—	0	0	0	0	0	0
Ashburnham	—	—	—	0	0	0	0	0	0
Ashby	—	—	—	0	0	0	0	0	0
Ashfield	—	—	—	0	0	0	0	0	0
Ashland	2003	3.0	3	0	452,091	499,062	568,794	644,325	2,164,292
Athol	—	—	—	0	0	0	0	0	0
Attleboro	—	—	—	0	0	0	0	0	0
Auburn	—	—	—	0	0	0	0	0	0
Avon	—	—	—	0	0	0	0	0	0
Ayer <sup>1</sup>	2002	1.0	1	218,342	229,445	89,962	93,534	109,333	740,616
Barnstable <sup>2</sup>	2006	3.0	none	0	0	2,278,621	2,359,154	4,637,775	4,637,775
Barre	—	—	—	0	0	0	0	0	0
Becket	—	—	—	0	0	0	0	0	0
Bedford	2002	3.0	1.3	769,218	801,952	870,283	918,041	963,720	4,323,214
Belchertown	2006	1.5	1.3	0	0	0	0	144,216	144,216
Bellingham	—	—	—	0	0	0	0	0	0
Belmont	—	—	—	0	0	0	0	0	0
Berkeley	—	—	—	0	0	0	0	0	0
Berlin	—	—	—	0	0	0	0	0	0
Bernardston	—	—	—	0	0	0	0	0	0
Beverly	—	—	—	0	0	0	0	0	0
Billerica	—	—	—	0	0	0	0	0	0
Blackstone	—	—	—	0	0	0	0	0	0
Blandford	—	—	—	0	0	0	0	0	0
Bolton	—	—	—	0	0	0	0	0	0
Boston	—	—	—	0	0	0	0	0	0
Bourne <sup>2</sup>	2006	3.0	none	0	0	784,861	862,766	1,647,627	1,647,627
Boxborough	—	—	—	0	0	0	0	0	0
Boxford	2002	3.0	1.3	351,294	375,808	403,714	425,503	464,894	2,021,213
Boylston	—	—	—	0	0	0	0	0	0
Braintree	2003	1.0	1.3	0	382,802	406,566	436,040	463,959	1,689,357
Brewster <sup>2</sup>	2006	3.0	none	0	0	571,315	597,364	1,168,679	1,168,679
Bridgewater	2006	2.0	1.3	0	0	0	359,734	359,734	359,734
Brimfield	—	—	—	0	0	0	0	0	0
Brockton	—	—	—	0	0	0	0	0	0
Brookfield	—	—	—	0	0	0	0	0	0
Brookline	—	—	—	0	0	0	0	0	0
Buckland	—	—	—	0	0	0	0	0	0
Burlington	—	—	—	0	0	0	0	0	0
Cambridge	2002	3.0	1.3	5,032,128	5,277,518	5,563,415	5,905,823	5,949,783	27,728,667
Canton	—	—	—	0	0	0	0	0	0
Carlisle	2002	2.0	1.3	214,533	238,618	262,655	270,723	282,735	1,269,264
Carver	2007	3.0	1.3	0	0	0	0	0	0
Charlemont	—	—	—	0	0	0	0	0	0
Charlton	—	—	—	0	0	0	0	0	0
Chatham	2003	3.0	1.3	0	441,932	503,006	539,516	563,617	2,048,071
Chelmsford	2002	0.5	3	149,004	168,775	189,483	205,310	220,564	933,136
Chelsea	—	—	—	0	0	0	0	0	0
Cheshire	—	—	—	0	0	0	0	0	0
Chester	—	—	—	0	0	0	0	0	0
Chesterfield	—	—	—	0	0	0	0	0	0
Chicopee	—	—	—	0	0	0	0	0	0
Chilmark	2002	3.0	1.3	101,853	113,572	122,711	135,130	141,078	614,344
Clarksburg	—	—	—	0	0	0	0	0	0
Clinton	—	—	—	0	0	0	0	0	0
Cohasset	2002	1.5	1.3	215,525	233,566	254,690	278,306	303,405	1,285,492
Colrain	—	—	—	0	0	0	0	0	0
Concord	2005	1.5	1.3	0	0	0	652,084	697,795	1,349,879
Conway	2005	1.5	1	0	0	0	43,520	44,080	87,600
Cummington	—	—	—	0	0	0	0	0	0
Dalton	—	—	—	0	0	0	0	0	0
Danvers	—	—	—	0	0	0	0	0	0
Dartmouth	2003	1.5	3	0	277,769	342,981	381,760	415,180	1,417,690
Deerham	—	—	—	0	0	0	0	0	0
Deerfield	—	—	—	0	0	0	0	0	0
Dennis <sup>2</sup>	2006	3.0	none	0	0	0	758,958	785,852	1,544,810
Dighton	—	—	—	0	0	0	0	0	0
Douglas	—	—	—	0	0	0	0	0	0
Dover	—	—	—	0	0	0	0	0	0
Dracut	2002	2.0	1	449,547	478,059	502,489	527,457	564,011	2,521,563
Dudley	—	—	—	0	0	0	0	0	0
Dunstable	2007	3.0	1	0	0	0	0	0	0
Duxbury	2002	3.0	1	845,267	922,706	941,841	967,965	1,023,067	4,700,846
E. Bridgewater	—	—	—	0	0	0	0	0	0
E. Brookfield	—	—	—	0	0	0	0	0	0
E. Longmeadow	2007	1.0	1.3	0	0	0	383,978	398,198	782,176
Eastham <sup>2</sup>	2006	3.0	none	0	0	0	206,753	236,446	734,204
Easthampton	2003	3.0	3	0	116,232	174,773	206,753	236,446	734,204
Easton	2002	3.0	1.3	420,468	484,857	560,666	625,268	683,938	2,785,197
Edgartown	2006	3.0	1.3	0	0	0	0	486,253	486,253
Egremont	—	—	—	0	0	0	0	0	0
Erving	—	—	—	0	0	0	0	0	0
Essex	—	—	—	0	0	0	0	0	0
Everett	—	—	—	0	0	0	0	0	0
Fairhaven	2006	2.0	1.3	0	0	0	0	247,177	247,177
Fall River	—	—	—	0	0	0	0	0	0
Falmouth <sup>2</sup>	2006	3.0	none	0	0	0	1,767,448	1,815,584	3,583,032
Fitchburg	—	—	—	0	0	0	0	0	0
Florida	—	—	—	0	0	0	0	0	0
Foxborough	—	—	—	0	0	0	0	0	0
Frammingham	—	—	—	0	0	0	0	0	0
Franklin	—	—	—	0	0	0	0	0	0
Frederick	—	—	—	0	0	0	0	0	0
Freetown	—	—	—	0	0	0	0	0	0
Gardner	—	—	—	0	0	0	0	0	0
Georgetown	2002	3.0	1.3	164,241	171,074	205,817	223,686	253,345	1,018,163
Gill	—	—	—	0	0	0	0	0	0
Gloucester	—	—	—	0	0	0	0	0	0
Goshen	—	—	—	0	0	0	0	0	0
Gosnold	—	—	—	0	0	0	0	0	0
Grafton	2003	1.5	1.3	0	118,427	173,731	198,449	216,270	706,877
Granby	—	—	—	0	0	0	0	0	0
Granville	—	—	—	0	0	0	0	0	0
Grt.-Barrington	—	—	—	0	0	0	0	0	0
Greenfield	—	—	—	0	0	0	0	0	0
Groton	2006	3.0	1.3	0	0	0	0	472,312	472,312
Groveland	2005	3.0	1.3	0	0	0	0	172,706	190,636
Hadley	2005	3.0	1.3	0	0	0	0	151,427	161,487
Halifax	—	—	—	0	0	0	0	0	0
Hamilton	2006	2.0	1.3	0	0	0	0	287,075	287,075
Hamptden	2002	1.0	3	22,955	29,650	31,117	38,372	44,128	166,222

# Community Preservation Act Acceptance

Municipality	Fiscal year adopted	Surcharge pct. adopted (3% max.)	Exemptions*	FY03 payment	FY04 payment	FY05 payment	FY06 payment	FY07 payment	Total matched by state
Hancock	—	—	—	0	0	0	0	0	0
Hanover	2006	3.0	1.3	0	0	0	0	599,138	599,138
Hanson	—	—	—	0	0	0	0	0	0
Hardwick	—	—	—	0	0	0	0	0	0
Harvard	2002	1.1	none	105,154	109,946	119,516	127,763	140,647	603,026
Harwich <sup>2</sup>	2006	3.0	none	0	0	840,098	869,128	1,709,226	1,709,226
Hatfield	—	—	—	0	0	0	0	0	0
Haverhill	—	—	—	0	0	0	0	0	0
Haverly	—	—	—	0	0	0	0	0	0
Heath	—	—	—	0	0	0	0	0	0
Hingham	2002	1.5	1.3	430,979	443,740	483,468	530,396	592,087	2,480,670
Hinsdale	—	—	—	0	0	0	0	0	0
Holbrook	—	—	—	0	0	0	0	0	0
Holden	—	—	—	0	0	0	0	0	0
Holland	—	—	—	0	0	0	0	0	0
Holliston	2002	1.5	1.3	218,494	235,716	269,739	284,723	308,110	1,316,782
Holyoke	—	—	—	0	0	0	0	0	0
Hopedale	—	—	—	0	0	0	0	0	0
Hooksett	2002	2.0	1.3	378,973	420,112	513,429	532,714	584,113	2,429,341
Hubbardston	—	—	—	0	0	0	0	0	0
Hudson	—	—	—	0	0	0	0	0	0
Hull	—	—	—	0	0	0	0	0	0
Huntington	—	—	—	0	0	0	0	0	0
Ipswich	—	—	—	0	0	0	0	0	0
Kingston	2006	3.0	1.3	0	0	0	0	416,612	416,612
Lakeville	—	—	—	0	0	0	0	0	0
Lancaster	—	—	—	0	0	0	0	0	0
Lanesborough	—	—	—	0	0	0	0	0	0
Lawrence	—	—	—	0	0	0	0	0	0
Lee	—	—	—	0	0	0	0	0	0
Leicester	—	—	—	0	0	0	0	0	0
Lenox	—	—	—	0	0	0	0	0	0
Leominster	—	—	—	0	0	0	0	0	0
Leverett	2003	3.0	1.3	0	45,776	47,522	56,315	63,691	213,304
Lexington	2007	3.0	1.3	0	0	0	0	0	0
Leyden	—	—	—	0	0	0	0	0	0
Lincoln <sup>3</sup>	2003	1.5	1.3	0	203,365	220,879	461,436	500,519	1,386,199
Littleton	—	—	—	0	0	0	0	0	0
Longmeadow	2007	1.0	1.3	0	0	0	0	0	0
Lowell	—	—	—	0	0	0	0	0	0
Ludlow	—	—	—	0	0	0	0	0	0
Lunenburg	—	—	—	0	0	0	0	0	0
Lynn	—	—	—	0	0	0	0	0	0
Lynnfield	—	—	—	0	0	0	0	0	0
Malden	—	—	—	0	0	0	0	0	0
Manchester	2006	0.5	none	0	0	0	0	65,575	65,575
Mansfield	—	—	—	0	0	0	0	0	0
Marblehead	—	—	—	0	0	0	0	0	0
Marion	2006	2.0	1.3	0	0	0	0	202,586	202,586
Marborough	—	—	—	0	0	0	0	0	0
Marsfield	2002	3.0	1.3	545,152	621,322	705,842	777,289	832,961	3,482,566
Mashpee <sup>2</sup>	2006	3.0	none	0	0	851,270	886,334	0	1,737,604
Matapoisett	—	—	—	0	0	0	0	0	0
Maynard	2007	1.5	all	0	0	0	0	0	0
Medford	—	—	—	0	0	0	0	0	0
Medway	2002	3.0	1.3	297,557	369,747	389,821	457,682	516,198	2,031,005
Melrose	—	—	—	0	0	0	0	0	0
Mendon	2004	3.0	3	0	0	156,374	163,634	184,764	504,772
Merrimac	—	—	—	0	0	0	0	0	0
Methuen	—	—	—	0	0	0	0	0	0
Middleborough	—	—	—	0	0	0	0	0	0
Middlefield	—	—	—	0	0	0	0	0	0
Middleton	2005	1.0	3	0	0	0	109,686	118,378	228,064
Milford	—	—	—	0	0	0	0	0	0
Millbury	—	—	—	0	0	0	0	0	0
Millis	—	—	—	0	0	0	0	0	0
Millville	—	—	—	0	0	0	0	0	0
Milton	—	—	—	0	0	0	0	0	0
Monroe	—	—	—	0	0	0	0	0	0
Monson	—	—	—	0	0	0	0	0	0
Montague	—	—	—	0	0	0	0	0	0
Monterey	—	—	—	0	0	0	0	0	0
Montgomery	—	—	—	0	0	0	0	0	0
Mt. Washington	—	—	—	0	0	0	0	0	0
Nahant	2005	3.0	1.3	0	0	0	129,606	137,073	266,679
Nantucket	2002	3.0	all	761,975	997,557	1,096,276	1,198,320	1,298,933	5,353,061
Natick	—	—	—	0	0	0	0	0	0
Needham	2006	2.0	1.3	0	0	0	0	1,303,584	1,303,584
New Ashford	—	—	—	0	0	0	0	0	0
New Bedford	—	—	—	0	0	0	0	0	0
New Braintree	—	—	—	0	0	0	0	0	0
New Marlborough	—	—	—	0	0	0	0	0	0
New Salem	—	—	—	0	0	0	0	0	0
Newbury	—	—	—	0	0	0	0	0	0
Newburyport	2004	2.0	1.3	0	0	396,341	480,381	513,222	1,389,944
Newton	2002	1.0	none	1,585,478	1,758,952	1,830,295	1,899,326	1,973,967	9,048,018
Norfolk	2002	3.0	1.3	250,063	279,768	309,790	337,143	404,985	1,581,749
N. Adams	—	—	—	0	0	0	0	0	0
N. Andover	2002	3.0	1.3	802,719	886,192	1,021,824	1,051,237	1,125,960	4,887,992
N. Attleborough	—	—	—	0	0	0	0	0	0
N. Brookfield	—	—	—	0	0	0	0	0	0
N. Reading	—	—	—	0	0	0	0	0	0
Northampton	2007	3.0	1.3	0	0	0	0	0	0
Northborough	2006	1.5	1.3	0	0	0	0	327,561	327,561
Northbridge	—	—	—	0	0	0	0	0	0
Northfield	—	—	—	0	0	0	0	0	0
Norton	—	—	—	0	0	0	0	0	0
Norwell	2003	3.0	1.3	0	504,055	534,732	559,835	634,135	2,232,757
Norwood	—	—	—	0	0	0	0	0	0
Oak Bluffs	2006	3.0	1.3	0	0	0	0	368,308	368,308
Oakham	—	—	—	0	0	0	0	0	0
Orange	—	—	—	0	0	0	0	0	0
Orienteis <sup>3</sup>	2006	3.0	none	0	0	0	434,981	470,249	905,230
Otis	—	—	—	0	0	0	0	0	0
Oxford	—	—	—	0	0	0	0	0	0
Palmer	—	—	—	0	0	0	0	0	0
Paxton	—	—	—	0	0	0	0	0	0
Peabody	2002	1.0	1.3	381,502	442,846	490,281	518,116	550,595	2,383,340
Pelham	—	—	—	0	0	0	0	0	0
Pembroke	—	—	—	0	0	0	0	0	0
Pepperell	—	—	—	0	0	0	0	0	0
Peru	—	—	—	0	0	0	0	0	0
Petersham	—	—	—	0	0	0	0	0	0
Phillipston	—	—	—	0	0	0	0	0	0
Pittsfield	—	—	—	0	0	0	0	0	0
Plainfield	—	—	—	0	0	0	0	0	0
Plainville	—	—	—	0	0	0	0	0	0
Plymouth	2003	1.5	none	0	962,918	1,081,593	1,095,674	1,197,325	4,337,510
Plympton	—	—	—	0	0	0	0	0	0

# Community Preservation Act Acceptance

Municipality	Fiscal year adopted	Surcharge pct. adopted (3% max.)	Exemptions*	FY03 payment	FY04 payment	FY05 payment	FY06 payment	FY07 payment	Total matched by state
Princeton	2005	3.0	1.3	0	0	0	281,309	312,061	593,390
Provincetown	2006	2.0	1.3	0	0	0	486,043	0	486,043
Quincy	2006	2.0	1.3	0	0	0	0	0	0
Randolph	2006	2.0	1.3	0	0	0	0	0	0
Raynham	2006	2.0	1.3	0	0	0	0	0	0
Reading	2006	2.0	1.3	0	0	0	0	0	0
Rehoboth	2006	2.0	1.3	0	0	0	0	0	0
Revere	2006	2.0	1.3	0	0	0	0	0	0
Richmond	2006	2.0	1.3	0	0	0	0	0	0
Richmond	2006	2.0	1.3	0	0	0	0	0	0
Rochester	2006	2.0	1.3	0	0	0	0	0	0
Rockland	2006	2.0	1.3	0	0	0	0	0	0
Rockport	2006	2.0	1.3	0	0	0	0	0	0
Rowe	2006	2.0	1.3	0	0	0	0	0	0
Royalton	2006	2.0	1.3	0	0	0	0	0	0
Royalton	2006	2.0	1.3	0	0	0	0	0	0
Russell	2006	2.0	1.3	0	0	0	0	0	0
Rutland	2006	2.0	1.3	0	0	0	0	0	0
Salem	2006	2.0	1.3	0	0	0	0	0	0
Salisbury	2006	2.0	1.3	0	0	0	0	0	0
Sandwich	2006	2.0	1.3	0	0	0	0	0	0
Sandwich	2006	2.0	1.3	0	0	0	0	0	0
Saugus	2006	2.0	1.3	0	0	0	0	0	0
Saugus	2006	2.0	1.3	0	0	0	0	0	0
Savoy	2006	2.0	1.3	0	0	0	0	0	0
Scituate	2006	2.0	1.3	0	0	0	0	0	0
Seekonk	2006	2.0	1.3	0	0	0	0	0	0
Sharon	2006	2.0	1.3	0	0	0	0	0	0
Shelfield	2006	2.0	1.3	0	0	0	0	0	0
Shelburne	2006	2.0	1.3	0	0	0	0	0	0
Sherborn	2006	2.0	1.3	0	0	0	0	0	0
Shirley	2006	2.0	1.3	0	0	0	0	0	0
Shrewsbury	2006	2.0	1.3	0	0	0	0	0	0
Shutesbury	2006	2.0	1.3	0	0	0	0	0	0
Somerset	2006	2.0	1.3	0	0	0	0	0	0
Somerville	2006	2.0	1.3	0	0	0	0	0	0
S. Hadley	2006	2.0	1.3	0	0	0	0	0	0
Southampton	2006	2.0	1.3	0	0	0	0	0	0
Southborough	2006	2.0	1.3	0	0	0	0	0	0
Southbridge	2006	2.0	1.3	0	0	0	0	0	0
Southwick	2006	2.0	1.3	0	0	0	0	0	0
Spencer	2006	2.0	1.3	0	0	0	0	0	0
Springfield	2006	2.0	1.3	0	0	0	0	0	0
Sterling	2006	2.0	1.3	0	0	0	0	0	0
Stockbridge	2006	2.0	1.3	0	0	0	0	0	0
Stonham	2006	2.0	1.3	0	0	0	0	0	0
Stoughton	2006	2.0	1.3	0	0	0	0	0	0
Stow	2006	2.0	1.3	0	0	0	0	0	0
Sturbridge	2006	2.0	1.3	0	0	0	0	0	0
Sudbury	2006	2.0	1.3	0	0	0	0	0	0
Sunderland	2006	2.0	1.3	0	0	0	0	0	0
Sutton	2006	2.0	1.3	0	0	0	0	0	0
Swampscott	2006	2.0	1.3	0	0	0	0	0	0
Swampscott	2006	2.0	1.3	0	0	0	0	0	0
Taunton	2006	2.0	1.3	0	0	0	0	0	0
Templeton	2006	2.0	1.3	0	0	0	0	0	0
Tewksbury	2006	2.0	1.3	0	0	0	0	0	0
Tisbury	2006	2.0	1.3	0	0	0	0	0	0
Tolland	2006	2.0	1.3	0	0	0	0	0	0
Topsfield	2006	2.0	1.3	0	0	0	0	0	0
Townsend	2006	2.0	1.3	0	0	0	0	0	0
Truro	2006	2.0	1.3	0	0	0	0	0	0
Tyngsborough	2002	3.0	1.3	225,019	260,994	310,487	328,691	367,681	1,482,872
Tyngsborough	2004	3.0	1.3	0	0	0	0	0	0
Upton	2004	3.0	1.3	0	0	177,832	223,744	241,693	643,269
Uxbridge	2004	3.0	1.3	0	0	0	0	0	0
Wakefield	2004	3.0	1.3	0	0	0	0	0	0
Wales	2004	3.0	1.3	0	0	0	0	0	0
Walpole	2004	3.0	1.3	0	0	0	0	0	0
Walpole	2006	2.0	1.3	0	0	0	0	1,813,306	1,813,306
Waltham	2006	2.0	1.3	0	0	0	0	0	0
Ware	2006	2.0	1.3	0	0	0	0	0	0
Wareham	2006	2.0	1.3	0	0	0	0	0	0
Wareham	2003	3.0	3	0	322,305	349,938	436,112	519,385	1,627,740
Warren	2003	3.0	3	0	0	0	0	0	0
Warwick	2003	3.0	3	0	0	0	0	0	0
Washington	2003	3.0	3	0	0	0	0	0	0
Watertown	2003	3.0	3	0	0	0	0	0	0
Wayland	2002	1.5	1.3	339,570	432,175	447,456	465,413	526,703	2,211,317
Webster	2002	1.5	1.3	0	0	0	0	0	0
Wellesley	2003	1.0	1.3	0	511,283	559,717	586,852	640,420	2,298,272
Wellesley	2006	3.0	none	0	0	0	290,133	308,324	598,457
Wellfleet	2006	3.0	none	0	0	0	0	0	0
Wendell	2006	3.0	1.3	0	0	0	0	0	0
Wenham	2006	3.0	1.3	0	0	0	0	223,738	223,738
Wenham	2006	3.0	1.3	0	0	0	0	0	0
W. Boylston	2006	3.0	1.3	0	0	0	0	0	0
W. Bridgewater	2006	3.0	1.3	0	0	0	0	0	0
W. Brookfield	2006	3.0	1.3	0	0	0	0	0	0
W. Newbury	2007	3.0	1.3	0	0	0	0	0	0
W. Springfield	2007	3.0	1.3	0	0	0	0	0	0
W. Stockbridge	2007	3.0	1.3	0	0	0	0	0	0
W. Tisbury	2006	3.0	1.3	0	0	0	0	282,544	282,544
Westborough	2004	1.0	3	0	0	224,236	241,365	276,378	741,979
Westfield	2002	3.0	1.3	815,485	924,436	1,005,454	1,078,627	1,137,231	4,961,233
Westford	2002	3.0	1.3	0	0	0	0	0	0
Westhampton	2002	3.0	1.3	0	0	0	0	0	0
Westminster	2002	3.0	1.3	935,343	1,051,629	1,122,336	1,189,090	1,315,380	5,613,778
Weston	2003	2.0	none	0	285,139	296,150	310,535	324,421	1,216,245
Westport	2003	2.0	none	0	0	0	0	0	0
Westwood	2003	2.0	none	0	0	0	0	0	0
Weymouth	2006	1.0	1.3	0	0	0	0	470,101	470,101
Whately	2006	1.0	1.3	0	0	0	0	0	0
Whitman	2006	1.0	1.3	0	0	0	0	0	0
Whitman	2006	1.0	1.3	0	0	0	0	0	0
Wilbraham	2005	1.5	1.3	0	0	0	192,240	220,556	412,796
Williamsburg	2005	1.5	1.3	0	0	0	0	0	0
Williamstown	2003	2.0	3	0	118,946	125,877	140,391	159,932	545,146
Wilmington	2003	2.0	3	0	0	0	0	0	0
Winchendon	2003	2.0	3	0	0	0	0	0	0
Winchester	2003	2.0	3	0	0	0	0	0	0
Windsor	2003	2.0	3	0	0	0	0	0	0
Winthrop	2003	2.0	3	0	0	0	0	0	0
Woburn	2003	2.0	3	0	0	0	0	0	0
Worcester	2003	2.0	3	0	0	0	0	0	0
Worcester	2003	2.0	3	0	0	0	0	0	0
Worthington	2003	2.0	3	0	0	0	0	0	0
Worthington	2003	2.0	3	0	0	0	0	0	0
Wrentham	2003	2.0	3	0	0	0	0	0	0
Wrentham	2003	2.0	3	0	0	0	0	0	0
Yarmouth	2006	3.0	none	0	0	0	1,076,698	1,099,144	2,175,842
<b>Total payments</b>				<b>17,854,420</b>	<b>27,161,342</b>	<b>30,822,218</b>	<b>46,337,391</b>	<b>58,666,783</b>	<b>180,842,154</b>

\* Surcharge exemptions: See Table 2.

Footnotes:

1. Auer decreased surcharge to 1% from 3% in FY03.
2. These Cape Cod communities accepted the modified CPA and thus received matching funds in FY06.
3. Lincoln increased surcharge to 3% from 1.5% in FY05.

Source: www.communitypreservation.org and www.mass.gov/dls. Current as of 10/13/2006.

Table 1

FY07 CPA State Matching Funds Distributed

continued from page three

### Upcoming Community Preservation Act Votes

(Votes scheduled for November 7, 2006)

Municipality	Surcharge pct. (3% max)	Exemptions*
Brookline	3.0	1,3
Canton	1.0	1,3
Hatfield	3.0	1,3
Hubbardston	1.5	1,3
Hull	3.0	1,3
Lenox	3.0	1,3
Mattapoissett	1.0	1,3
Millis	1.0	1
Monson	3.0	1,3
Palmer	3.0	3
Paxton	3.0	1,3
Pembroke	1.0	1,3
Pittsfield	1.0	1,3
Quincy	1.0	1,3
Rochester	1.0	1,3
Stoughton	2.0	1,3
Wrentham	2.0	1,3

\*Surcharge exemptions:

1. An exemption for property owned and occupied as a domicile by a person who would qualify for low income housing or low or moderate income senior housing in the community.
2. An exemption for Class 3, Commercial, and Class 4, Industrial property if the community annually adopts a higher tax rate for those classes.
3. An exemption for \$100,000 of the assessed valuation of Class 1, Residential parcels.

Source: Community Preservation Coalition

Table 2

now have the option to put the revocation question before the voting population. The surcharge, however, continues to be assessed until all obligations incurred and funded by the city or town from Community Preservation Fund revenues are paid. For more information on the adoption and revocation of the legislation, please see [IGR 00-209](#) (as amended).

Thirty-four communities joined in the first year, fiscal year 2002, and received matching funds totaling just under \$18 million in October of fiscal year 2003. The following year, 54 communities received \$27 million. In fiscal 2005, 61 communities received \$30.8 million, and last year, 82 communities received \$46.3 million. In November, 17 communities will be voting on whether or not to accept the CPA. If those communities adopt the legislation, then they will receive their first matching funds in Octo-

ber of 2009. To date, the state has distributed a total of \$180.8 million in matching funds for the CPA (see *Figure 1 and Tables 1 & 2*).

Last October was the first time that the Department of Revenue distributed more funds to the communities than the Commonwealth had collected into the CPA Trust Fund. This was an indication to DOR that the time of 100 percent matches was coming to an end. The Division of Local Services Municipal Data Bank can safely predict that the 100 percent match will happen again in October 2008, however October 2009 could be the first year of less than 100 percent matches. However, the match is difficult to predict, for it depends on how much money is collected through the Registry of Deeds and the Land Court as well as how many communities adopt or revoke the CPA.

Please see the [Data Bank CPA website](#) for more data and detail on the communities, the trust fund and how communities have been budgeting CPA funds.

If your community has adopted the CPA, please remember to have the accounting office complete and submit the form CP-2, due to the Bureau of Accounts and the Executive Office of Environmental Affairs by October 31. ■

### At Press Time...

The Division of Local Services is very busy this time of year working with communities on certification of property values, approving tax rates, reviewing Schedule A's, and certifying Free Cash and Excess & Deficiency Funds. As of press time, DLS has:

... certified 24 of 136 triennial revaluation communities (must be completed before tax rate is submitted).

... certified 70 of 215 interim adjustment communities (must be completed before tax rate is submitted).

... approved 40 of 133 Semi-Annual Tax Rates (due before October 1 for timely billing).

... approved 1 of 218 Quarterly Tax Rates (due before December 31 for timely billing).

... received 75 of 351 Schedule A forms (due October 31).

... certified Free Cash totaling \$277,728,014 in 147 communities.\*

...certified Excess & Deficiency funds totaling \$4,390,676 in 6 regional school and other taxing districts.\*

\*This amount must be certified by DOR before the community or district can spend the money. ■

# DLS Notices

## Community Firsts

The Division of Local Services congratulates the following communities for being first in the following categories:

- Free Cash (Balance Sheet): Hampden, July 18
- Schedule A: Essex, August 24
- Tax Rate: Lenox & Eastham, September 8

Schedule A's are due to the Bureau of Accounts by October 31 of every year. Late submission of this document can result in withheld state aid payments. Balance Sheets, and the certification of free cash, are required before a community appropriates free cash in the budget process. Accurate Balance Sheets should be submitted to the Bureau of Accounts within three months of the close of the fiscal year. The Tax Rate Recapitulation Sheet is due to the Bureau of Accounts before October 1, for timely billing in the semi-annual communities, and before December 31 for timely billing in the quarterly communities. Deputy Commissioner Perry has requested that the communities budget appropriate time in the tax rate process. To see his [letter](#), please go to the DLS website at [www.mass.gov/dls](http://www.mass.gov/dls).

## Amendments to Local Tax Exemptions for Veterans

Outside sections of a recent state supplemental budget amends provisions of the Edward G. Connolly Massachusetts Military Enhanced Relief Individual Tax

(MERIT) Plan, which generally expanded property tax and motor vehicle excise exemptions available to veterans with service-connected disabilities. St. 2006, c. 260, as amended by St. 2006, c. 310, secs. 8, 33 and 34. *Bulletin 2006-15B supercedes Bulletin 2006-14B*, which explained the MERIT Plan.

The supplemental budget:

- Makes the increased and expanded property tax exemptions effective beginning in fiscal year 2007 and appropriates the additional funds needed to reimburse communities for the increased exemptions this year.
- Makes the expanded motor vehicle excise exemption effective beginning in calendar year 2007 and appropriates monies to reimburse communities for any expanded exemptions granted during fiscal year 2007.
- Amends the expanded Clause 22D exemption for surviving spouses of soldiers, sailors or guardsmen who died in combat, or were presumed dead as a result of combat, so that all surviving spouses will receive a full exemption for the first five fiscal years they apply and qualify.

[Bulletin 2006-15B](#) can be found online at [www.mass.gov/dls](http://www.mass.gov/dls).

## Opportunities for Training

### Revenue and Expenditure Forecasting Tool

The Division of Local Services will be on hand at the Annual Meeting for the As-

sociation of Town Finance Committees to continue to demonstrate the new Revenue and Expenditure Forecasting Tool to local officials. The meeting will be held on Saturday, October 28 from 9 a.m.–3:15 p.m. at the Westford Regency Inn & Conference Center in Westford, MA. Please see [www.mma.org](http://www.mma.org) for more details.

There will also be an opportunity to try out the new tool at the MMA Annual Meeting in Boston, January 12 and 13, 2007. More details will be released closer to the event.

To try out the tool on your own, please go to [www.mass.gov/dls](http://www.mass.gov/dls) and click on the link to the DLS Financial Forecasting Tool.

### Course 101

The Department of Revenue's basic course for assessors, Course 101, "Assessment Administration: Law, Procedures, Valuation," is offered three times per year: spring, summer, and fall. The spring and fall courses are administered by DOR, and the Massachusetts Association of Assessing Officers offers the summer course at the annual school in Amherst.

The fall Course 101 is currently running and closed for admission. The spring Course 101 has been scheduled. It will be held at the New Bedford Free Public Library, located at 613 Pleasant Street, from 9:00 a.m. to 4:30 p.m., Monday, March 26 through Wednesday, March 28, 2007. A registration bulletin will be released in January 2007. ■



**Municipal Option to Join the Group Insurance Commission**

*continued from page one*

made up of business representatives, union leaders, academic experts, and mayors — did not lay out specific recommendations.

When we met with labor leaders prior to the release of our report, we were glad to see that labor and retiree representatives had a clear sense that municipal health insurance was reaching a crisis stage and were willing to work together to explore whether we could find common ground for reform.

Moreover, skyrocketing municipal health insurance premiums affect employees. First, employees have to pay a portion of these increases, and the majority of cities and towns require employees to pay between 25 percent and 50 per-

cent of these costs. In addition, soaring costs mean that there are often few resources available for wage increases.

We decided to create a Municipal Health Insurance Working Group that included leaders from the Metro Mayors Coalition, Massachusetts Municipal Association, the Massachusetts Teachers Association, the AFT–Massachusetts, the Professional Fire Fighters of Massachusetts, AFSCME Council 93, the State, County & Municipal Retiree Association of Massachusetts, the National Association of Governmental Employees, the Boston Police Patrolman’s Association, SEIU, the Essex Regional Retirement Board, and other stakeholder organizations.

Leaders from these organizations care very deeply about the future of our municipalities, and the dialogue was open and honest, if sometimes difficult.

**Group Insurance Commission**

Once the group was established, we sought the advice and counsel of Dolores Mitchell, the executive director of the Group Insurance Commission (GIC) and her top staff members, because of the GIC’s expertise on health insurance, cost containment, and leadership on cutting edge insurance issues.

- The MTF report highlighted that the GIC had managed insurance programs whose costs had grown at an average of 6.6 percent between 2001 and 2005, compared to a 13 percent rate of inflation for municipal health insurance.

- The GIC already provides quality health insurance options to more than 265,000 state employees and their dependents, and our analysis showed that the GIC usually provides more diverse insurance options at significantly lower costs than municipalities can offer (see *Chart 1*).

It became clear that the most promising strategy to contain or even lower costs for municipal health insurance was to give cities, towns and regional districts the option of joining the GIC. At least a few states, including California, provide this option to their cities and towns.

**An Emerging Consensus**

In August, most of the stakeholder organizations that participated in the Municipal Health Insurance Working Group — including both teachers unions, AFSCME Council 93, the State, County & Municipal Retirees of Massachusetts, the Essex Regional Retirement Board, the Metro Mayors Coalition, and the Massachusetts Municipal Association — signed a public letter calling for municipal health insurance reform by creating a local option to join the GIC.

*continued on page ten*

<b>Plan Comparison: Northampton and Chelsea, FY2007</b>					
	<b>GIC</b>	<b>GIC</b>	<b>Northampton</b>	<b>Northampton</b>	<b>Chelsea</b>
Plan type	<b>HMO</b>	<b>PPO</b>	<b>HMO</b>	<b>PPO</b>	<b>HMO</b>
Provider/plan	Fallon Community Health Plan	Navigator by Tufts	HMO Blue Value Plus	Blue Care Elect Value Plus	Harvard Pilgrim
Monthly individual premium (pct. relative to comparable GIC plan type)	<b>\$413.75</b>	<b>\$456.85</b>	<b>\$401.50 (-3%)</b>	<b>\$608.40 (+33.1%)</b>	<b>\$451.09 (+9%)</b>
Monthly family premium (pct. relative to comparable GIC plan type)	<b>\$972.25</b>	<b>\$1,098.95</b>	<b>\$1,079.86 (+11.1%)</b>	<b>\$1,642.64 (+49.5%)</b>	<b>\$1,213.39 (+24.8%)</b>
Inpatient admission (hospital)	100% (after deductible)	100% (after deductible)	100% (after deductible)	100% (after deductible)	100%
Inpatient hospital deductible	\$250–\$300 per admission (max. 4 annually)	\$150–\$500 (max. 4 annually)	\$250 per admission*	\$250 per admission*	None
Emergency room care	100% (\$75 co-pay waived if admitted)	100% (\$50 co-pay waived if admitted)	100% (\$50 co-pay waived if admitted)	100% (\$50 co-pay waived if admitted)	100% (\$30 co-pay waived if admitted)
Outpatient surgery	100% (after deductible)	100% (after deductible)	100%	100%	100%
Outpatient surgery deductible	\$100–\$125 per occurrence (max. 4 annually)	\$75 per occurrence (max. 4 annually)	\$150 per admission*	\$150 per admission*	None
Diagnostic lab tests	100%	100%	100%	100%	100%
X-rays	100%	100%	100%	100%	100%
Physician office visit (except mental health)	100% (\$15 or \$20 co-pay)	100% (\$15 co-pay)	100% (\$15 co-pay)	100% (\$15 co-pay)	100% (\$10 co-pay)
Prescription drug co-pays	\$5, \$20, \$60 (tiered)	\$10, \$20, \$40 (tiered)	\$10, \$25, \$45 (tiered)	\$10, \$25, \$45 (tiered)	\$5, \$10, \$25 (tiered)

\*Maximum yearly out-of-pocket for inpatient, outpatient and ER co-pays is \$500 per individual, \$1,000 per family. Figures provided by individual municipalities.

**Chart 1**

**Municipal Option to Join the Group Insurance Commission**

continued from page nine

Reaction has been enormously positive. New support has been bi-partisan, with public support both from Lt. Governor Kerry Healey and leading legislators like Senator Richard Moore, Senator Stanley Rosenberg, and Representative Rachel Kaprielian. Newspapers across the Commonwealth have recognized that the reform is just plain common sense.

**Key Elements of Proposal**

- Joining the GIC would be a local option and no community in the state would be required to take any action. However, the option would be a new powerful tool that could be considered by managers and unions.
- A decision to join the GIC would be made collectively among municipal leaders, public employee representatives, and a retiree representative. The proposal uses the existing framework of “coalition bargaining” (*see inset*) to bring stakeholders together to make health care decisions.
- All decisions about contribution ratios — i.e., the percentage of health insurance costs that are borne by employees or retirees — would continue to be made at the local level. Cities and towns would not have to tie their contribution ratios to the state.
- Municipalities would be billed for all costs associated with purchasing health insurance through the GIC, including a small administrative fee to the commission. The proposal is structured to be self-financing and start-up costs for the Commonwealth would be nominal.
- Once communities join the GIC, both management and labor would accept the health care options and plan design offerings of the GIC.

- The commitment to join the GIC would be for a minimum of three years.

- The proposal calls for municipal and labor representatives to be added to the GIC’s governing body, which has ultimate control over health care options and plan design.

**Next Steps for the Proposal**

The broad coalition of endorsing organizations has asked the Legislature to consider and pass this important reform during informal sessions this fall, because (1) we must have time to educate municipal leaders, public employees, retirees, and other stakeholders about the option; (2) it will take time to adopt coalition bargaining and reach agreement to join the GIC; and (3) the GIC must have adequate notice from municipalities to prepare appropriately for these new subscribers.

This common sense reform will not be appropriate for every community, but municipal leaders are intrigued with the proposal because it offers the potential for an extremely powerful new tool to lower the costs of health insurance and slow the rate of growth. Moreover, the proposal has the potential to lower the costs of health insurance while providing high-quality, diverse options for employees and retirees. ■

*For more information, contact Joel Barrera, project director for the Municipal Health Insurance Working Group, at [jbarrera@mapc.org](mailto:jbarrera@mapc.org) or 617-451-2770 x 2019. All of the relevant documents can be found at [www.mapc.org](http://www.mapc.org).*

**Editor’s Note: This article represents the opinions and conclusions of the author and not those of the Department of Revenue.**

**Coalition Bargaining**

Coalition bargaining is a form of bargaining authorized by Ch. 32B, Section 19 that allows a city or town to bargain all aspects of health insurance with a public employee committee (PEC). The PEC consists of a representative from each collective bargaining unit and the city or town’s retirees. Each representative holds a weighted vote according to the number of healthcare eligible employees that unit represents in the community, with the retirees’ representative holding a fixed ten percent of the vote.

Accepting coalition bargaining is a local option. The board of selectmen, city council and mayor, or district committee vote to accept Section 19 then negotiate a written agreement with the PEC. If no agreement is reached, then Section 19 is never officially adopted.

The initial agreement and any subsequent agreements require a 70 percent weighted vote of the representatives on the PEC. Once approved, the agreement binds and protects all employees and retirees.

Under the GIC proposal, a municipality that leaves the Group Insurance Commission would also automatically leave coalition bargaining, unless it chose to accept different terms in a written agreement with the PEC. ■

**A Closer Look: Springfield and the GIC**

continued from page one

We set out to find a way to control the cost of health insurance while still providing comprehensive medical insurance to our 20,000 insured employees, retirees and their dependents.

It was interesting to learn that cities and towns across the Commonwealth operate under circumstances that make cost efficiencies difficult when providing health insurance to employees. All communities compete with each other for the best small plans available. Because the municipalities insure a relatively small group of people, their purchasing power is not as effective as it otherwise could be. Also over time, employees have won at both the bargaining table and in the Legislature significant control over plan design and premium contributions.

After reviewing the situation, the Control Board saw an opportunity with the Group Insurance Commission (GIC). The GIC buys health insurance for more than 265,000 Massachusetts employees and retirees, and has much more purchasing power because of that large pool of subscribers. The GIC has successfully negotiated health care contracts that rise between 9 and 10 percent per year, versus the usual 13 to 15 percent for municipalities. The GIC also has greater control over plan design, which gives it the flexibility to keep costs low. The end result is that state employees pay less on a yearly basis for health insurance than do their counterparts in the cities and towns. As important, state employees have a choice of first class health providers.

Under existing law (M.G.L. Ch. 32B, Sec. 19), the GIC is already able to offer health insurance to municipalities. However, the initial negotiating process is cumbersome. Also, once a municipality opted for the GIC, health benefits would be taken off the bargaining table.

Springfield's fiscal crisis forced both management and labor to take a serious look at health care. The GIC emerged as the best solution for the city, its employees and retirees. The Control Board and the city unions, working together, developed an approach that allowed for the city's entrance into the GIC. Included in the terms are retiree subsidies.

The advantages to all parties are tremendous. The City will save approximately \$2 million in annual reduced growth, and the 20,000 subscribers will save approximately \$1.25 million annually. Springfield subscribers will have more and better choices when it comes to choosing their plan and health insurance provider. The increasing cost of providing health insurance will slow from 15 percent per year to less than 10 percent per year, saving money for the city and its taxpayers. Finally, health insurance plan design has been removed from collective bargaining, easing a tremendous point of contention from the bargaining table and improving management/labor relations.

I am delighted to announce that through the hard work of many, Springfield's 20,000 employees, retirees and their dependents are in the process of enrolling in the GIC for health insurance effective in January 2007.

In order to join the GIC, the City of Springfield and its 28 separate and distinct unions had to agree to many terms, of which a few are highlighted below:

- The city had to adopt M.G.L. Ch. 32B, Sec. 18, which requires all subscribers who are eligible to enroll in Medicare Parts A and B, a local option that the Division of Local Services recommends that all cities and towns adopt.
- The premium contribution is determined by Springfield through the collective bargaining process. All aspects of plan design is under the control of the GIC. Seventy percent of the unions had to agree to this stipulation through the coalition bargaining process.
- In order for Springfield to join the GIC, all subscribers must enroll in the GIC. There is an option to withdraw after three years, which would remove all Springfield subscribers from the GIC pool.

Springfield has now crossed one of the many hurdles to consistently achieving a balanced budget. Based upon my experience as chairman of the Springfield Finance Control Board, I would urge all municipal leaders to consider this option and work with your state senators and representatives to pass legislation that would allow municipalities to opt into the state's GIC. This can be an opportunity for cost efficiencies that are needed for our cities and towns to meet their ever-growing fiscal demands. ■

**Editor's note: The Division of Local Services has written a [Best Practices on M.G.L. Ch. 32B, Sec. 18](#), which is available on the [DLS website](#).**

***DLS Profile***

**Kirsten Shirer, Deputy Director of Information Technology**

Information Technology (IT), overseen by Director David Davies and Deputy Director **Kirsten Shirer**, is responsible for providing technical consulting services to the Division's bureaus and to local governments. It also develops and maintains the Division's Internet site. This section's primary goal is to enhance the flow of information between the Division of Local Services and the cities and towns of the Commonwealth. It also provides training, support and consulting services to communities using the DOR Computer Assisted Mass Appraisal (CAMA) and the Community Software Consortium's Personal Property and Tax Administration Systems.

Kirsten joined the Division in September 1988 as a member of the Bureau of Local Assessment in our Springfield office. When the CAMA system was created, and the IT section took responsibility for its technical support, Kirsten moved into the position of CAMA advisor. Until recently, Kirsten was responsible for assisting 42 communities throughout the central and western part of the state with CAMA concerns and a host of other technical issues. In September, Kirsten was promoted to her current position of Deputy Director, and now supervises all IT staff in Boston, Worcester and Springfield.

The Division is proud to announce that Governor Mitt Romney has awarded a "Pride in Performance" award to Kirsten. The award recognizes state employees for their dedication to public service. "Kirsten forcefully advocates the realities of part-time, under-trained, newly-elected, and often volunteer small town officials dealing with the complexities of local tax administration and finance as regulated under Massachusetts' demanding laws and DOR's guidelines," wrote Deputy Commissioner Gerard Perry to the nominating committee.

In addition to her advocacy work for the smaller towns of the state, Kirsten also has enormous technical expertise, exemplified in her work to implement the new tax collection software, released last year by the Community Software Consortium and DLS. "Throughout this monumental effort, the concern uppermost in Kirsten's mind and most strongly voiced to supervisors was her personal commitment to quality, accuracy, and timeliness that she had made to her customers. Making good on this commitment required her to crisscross half the Commonwealth weekly, to install patches, correct databases, brief collectors, perform on-site troubleshooting and collect specifications in order to research permanent solutions. Back in the office, Kirsten enforced design objectives in technically demanding negotiations with programmers while using her highly developed technical writing skills to make new systems comprehensible and usable for the non-technical end users: small-town assessors and collectors," wrote Perry.

Kirsten is, as always, humble in light of the praise. "I was extremely surprised and honored for receiving an award for simply doing my job."

Kirsten's time at home, in Agawam, is spent creating music with her husband of 15 years, Allan. She also sings for the Hampshire Choral Society and the Westfield Choral Society. To stay physically engaged, she participates actively in bicycle charity rides for the Leukemia and Lymphoma Society. ■



**Kirsten Shirer**

**Mark Your Calendars**

**Municipal Fiscal Calendar**

**November 1**

**Taxpayer:** Semi-Annual Tax Bills — Deadline for First Payment (M.G.L. Ch. 59, Sec. 57)

**Taxpayer:** Semi-Annual Tax Bills — Application Deadline for Property Tax Abatement (M.G.L. Ch. 59, Sec. 59)

**Taxpayer:** Quarterly Tax Bills — Deadline for Paying 2nd Quarterly Tax Bill Without Interest

**Treasurer:** Deadline for Payment of First Half of County Tax

**November 15**

**Treasurer:** First Quarter Reconciliation of Cash

**DOE:** Notify Communities/Districts of Any Prior Year School Spending Deficiencies

**November 30**

**Selectmen:** Review Budgets Submitted by Department Heads for FY08

More information is available in the [Municipal Calendar](#) found on the DLS website. ■

**City & Town**

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**Lydia Hill, Editor**

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