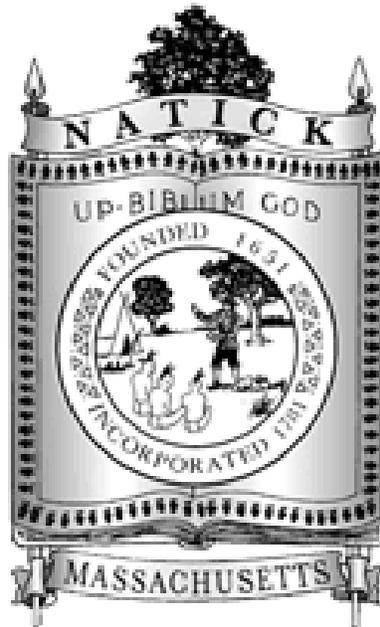


Town of Natick

2013 Fall Town Meeting



Recommendations of the Natick Finance Committee

October 15, 2013* – Natick High School – Natick, MA



Town of Natick

2013 Fall Town Meeting – Town Meeting Information Book

Please bring this book with you to the 2013 Fall Annual Town Meeting

*****PLEASE NOTE*****

In accordance with the Town Charter and By-Laws, the Fall Annual Town Meeting must commence on the 3rd Tuesday of October each year, which in 2013 is October 15. However a state primary election is scheduled for that date. Holding Town Meeting while an election is underway is inconsistent with the Town's practices and interests.

After consultation with Town Counsel, it has been determined that the Town Moderator and a small number of Town Meeting members will assemble on the 15th, and declare a quorum has not been met - effectively adjourning Town Meeting to October 17. ***Town Meeting will not act on Tuesday, October 15, 2013 and members should first attend Town Meeting on Thursday, October 17, 2013.***

For the latest information, please go to www.natickma.gov and click "2013 Fall Annual Town Meeting"



Town of Natick

2013 Fall Annual Town Meeting – Finance Committee Recommendation Book

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Town of Natick

2013 Fall Annual Town Meeting – Finance Committee Recommendation Book

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Town of Natick

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Finance Committee *Town of Natick, Massachusetts*

October 4, 2013

Greetings to all Town Meeting Members and Citizens of Natick,

This report contains the Natick Finance Committee recommendations for all of the articles appearing on the 2013 Fall Annual Town Meeting Warrant. In accordance with the Town of Natick By-Laws Chapter 23 Section 4, this report and recommendations are respectfully submitted for your consideration.

Although smaller than the warrants in recent history, this warrant contains a variety of financial and non-financial articles for consideration:

- On the financial side there are a number of recurring matters, including adjustments to the Fiscal Year 2014 operating budget, appropriation to the Town's stabilization funds, twenty-eight capital equipment and improvements, a request for funding for a feasibility study of the Kennedy Middle School, and requests to appropriate mitigation funds.
- The non-financial include recurring matters such as the Personnel Board Pay Plan, a street acceptance, and committee reports. New matters to consider include a report from the Superintendent of the South Middlesex Regional Vocational Technical School District regarding a roof repair project, proposed amendments to the Charter, By-Laws (including Zoning By-Laws), and proposals from the Natick Retirement Board.

Under the Town's Charter and By-Laws, the Finance Committee is required to "consider all matters of business included within the articles of any warrant for a Town Meeting, and shall, after due consideration, report thereon, in print, its recommendation as to each article." (Natick By-Laws, Chapter 23, Section 4).

To accomplish this, the Finance Committee -- both as a whole and in subcommittee - met eight times throughout the month of September. All of the Finance Committee recommendations were made after conducting duly noticed public hearings and open meetings of the Finance Committee Subcommittees and the Finance Committee as a whole. In reaching its recommendations the Finance Committee has taken into account comments and data gathered from all of the article sponsors,

Town department heads, Town and School Administrations, Town Boards and Commissions, and the public at large.

As in previous years, extensive and constructive discussions were held on many of the articles, and the narratives in this Recommendation Book strive to provide a summary of those discussions so that Town Meeting members can gain insight into the thought and rationale of the Finance Committee in reaching its recommendations.

Town Meeting members are urged to study this information carefully in preparation for Town Meeting.

This Recommendation Book contains a great deal of important information and is the result of a large group effort. Many volunteers, especially the fifteen members of the Finance Committee as well as many members of other committees and boards and Town staff, work diligently to help bring all of this information to Town Meeting. While most of our meetings this Fall did not so much resemble the marathon meetings of last Spring, a number of meetings lasted late into the night and again required a considerable amount of effort and sacrifice on the part of committee members, Town officials, other volunteers, families, and friends that should not go unrecognized.

We would like to express our thanks and appreciation for all of the hard work and dedication contributed by all of the Town officials, members of boards, committees and departments, as well as many concerned citizens, for their cooperation, participation, and openness during our public hearings. Natick is fortunate and well-served to have the high caliber professionals and volunteers acting on her behalf.

In particular, we would like to extend a specific note of gratitude to **Michael Walters Young** for his noteworthy contributions to the Town in his dual roles of Deputy Town Administrator and Finance Director. Michael's contributions over the past five years are simply too numerous to mention, and we would be remiss in not recognizing his positive influence and significant accomplishments that are a material reason for the strong position in which the Town finds itself. We wish him and his family a tremendous amount of happiness and success in the future.

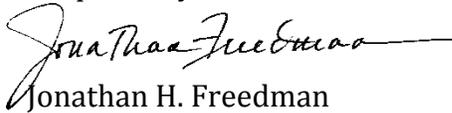
Town Meeting members should also note that the scheduled first night of Town Meeting coincides with the state primary election. In keeping with the Town's practice of not holding public meetings on the same day as an election, a small group of Town Meeting members will assemble on October 15th and declare that a quorum has not been met. Effectively, this will adjourn the session without any business being conducted. Town Meeting members should plan to first attend Town Meeting on Thursday October 17, at the Natick High School auditorium.

As always, we would also like to direct a huge amount of appreciation and respect to Ms. Joyce Towers, our recording secretary, for the consistently high quality of our meeting minutes. Her efforts are instrumental in assisting us to make information about our meetings as transparent and accessible as possible.

Information relating to the Finance Committee may be found on the Town's public website, at http://natickma.gov/Public_Documents/NatickMA_BComm/finance. Any questions or comments about the Finance Committee may also be submitted to us via a link on that web page.

Thank you for your continued support.

Respectfully submitted,



Jonathan H. Freedman
Chairman

Karen Adelman Foster
Mari Barrera
James Brown
John Ciccariello
Cathleen Collins

Catherine Coughlin
Bruce Evans, Vice Chair
Jim Everett, Secretary
Michael Ferrari
Patrick Hayes

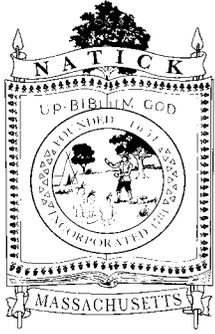
Mark Kelleher
Jerry Pierce
Chris Resmini
Ed Shooshanian



Town of Natick

Fall 2013 Annual Town Meeting

Town Administrator's Budget Message & Update



TOWN OF NATICK

Massachusetts 01760

www.natickma.gov

Martha L. White
Town Administrator

Michael Walters Young
Deputy Town Administrator/
Finance Director

TOWN ADMINISTRATOR'S REPORT TO THE 2013 FALL ANNUAL TOWN MEETING UPDATE REGARDING FISCAL YEAR 2014 BUDGET October 15, 2013

There are a number of appropriations requested at the upcoming 2013 Fall Annual Town Meeting under the so-called Financial Articles, as follows:

Appropriations by Article for 2013 Fall Town Meeting

| | | |
|--|----|-----------|
| Article 9 Feasibility Study of the Kennedy Middle School | \$ | 750,000 |
| Article 10 Rescind Authorized, Unissued Debt | \$ | - |
| Article 11 Appropriation from Receipts Reserved Funds from Bernardi Development to Fund Purchase of Foam Concentrate for the Natick Fire Department | \$ | 9,625 |
| Article 12 Unpaid Bills | \$ | - |
| Article 13 Fiscal Year 2014 Omnibus Budget Article | \$ | 507,648 |
| Article 14 Stabilization Fund | \$ | - |
| Article 15 Stabilization Fund - Operating/Rainy Day | \$ | 856,633 |
| Article 16 Stabilization Fund - Capital | \$ | 3,774,632 |
| Article 17 Collective Bargaining | \$ | - |
| Article 18 Capital Equipment | \$ | 2,140,310 |
| Article 19 Capital Improvement | \$ | 2,610,000 |

Before reviewing these specific proposals, a brief narrative is warranted to explain the Town's overarching current and projected financial position (including our Free Cash Certification as of 7/1/2013), review the changes that have occurred since the 2013 Spring Annual Town Meeting, summarize the

collective impact of these items on our projected capital and operating budgets, and outline the Administration's long term financial perspective.

FY 2013: YEAR IN REVIEW AND RESULTING FREE CASH

The Town of Natick did well in Fiscal Year 2013 – a result of an improving economy, fiscal diligence, and conservative budgeting.

Overall, actual revenue collections in FY 2013 exceeded our beginning-of-year projections. Actual tax collections were slightly lower than projections (although still close to 100%), but this was more than offset by higher than projected local receipts, resulting in overall revenues in excess of projections.

FY 2013 General Fund Revenues

| General Fund Revenue Summary | Budget | | Actual | | Difference | |
|------------------------------|-----------|--------------------|-----------|--------------------|---------------------|----------------|
| | | | | | \$ | % |
| Property Tax Levy | \$ | 89,323,445 | \$ | 89,134,618 | \$ (188,827) | 99.79% |
| State Aid | \$ | 11,657,952 | \$ | 11,440,476 | \$ (217,476) | 98.13% |
| Local Receipts | \$ | 10,012,890 | \$ | 13,888,759 | \$ 3,875,869 | 138.71% |
| Available Funds | \$ | 7,865,589 | \$ | 7,865,589 | \$ - | 100.00% |
| Enterprise Receipts | \$ | 2,535,883 | \$ | 2,535,883 | \$ - | 100.00% |
| Total | \$ | 121,395,759 | \$ | 124,865,325 | \$ 3,469,566 | 102.86% |

The sizeable overage in local receipts deserves closer analysis. The table below highlights the many categories of local receipt, including explanations as to why certain categories exceeded projections.

FY 2013 - Breakdown of Local Receipts

| | Projected | Actual | Amount above | Estimate | Notes |
|---------------------------------------|--------------|--------------|--------------|----------|---|
| Motor Vehicle Excise | \$ 3,795,250 | \$ 4,338,121 | \$ 542,871 | 114.30% | Collections stronger than expected; car buying did not decrease in Natick as a result of the economy |
| Other (Hotel/Motel) Excise | \$ 700,000 | \$ 2,153,684 | \$ 1,453,684 | 307.67% | This "over collection" is intentional - we deliberately do not budget the \$1.3 million we estimate to collect via the local option excise taxes. On an estimate of \$1.3 million, we collected \$1,334,123 in FY 2013. |
| Penalties and Interest | \$ 426,065 | \$ 529,700 | \$ 103,635 | 124.32% | None |
| Payments in lieu of taxes | \$ 24,931 | \$ 35,301 | \$ 10,370 | 141.59% | None |
| Charges for Services - Trash Disposal | \$ 865,603 | \$ 1,019,244 | \$ 153,641 | 117.75% | Delayed billing for FY 2012 PAYT collections was received in FY 2013. |
| Charges for Services - Ambulance | \$ 1,500,000 | \$ 1,492,335 | \$ (7,665) | 99.49% | None |
| Rentals | \$ 40,041 | \$ 49,780 | \$ 9,739 | 124.32% | None |
| Departmental Revenue - Recreation | \$ 176,000 | \$ 184,073 | \$ 8,073 | 104.59% | None |
| Other Departmental Revenue | \$ 670,000 | \$ 751,740 | \$ 81,740 | 112.20% | Higher collections of fees than anticipated |
| Licenses and Permits | \$ 1,350,000 | \$ 1,847,847 | \$ 497,847 | 136.88% | Continued steady growth in building and construction permits (especially Mathworks and Chrysler Road 40B) |

FY 2013 - Breakdown of Local Receipts (con't)

| | Projected | Actual | Amount above Estimate | Notes |
|---------------------|----------------------|----------------------|-----------------------|--|
| Special Assessments | \$ 20,000 | \$ 13,130 | \$ (6,870) | 65.65% None |
| Fines and Forfeits | \$ 195,000 | \$ 193,106 | \$ (1,894) | 99.03% None |
| Investment Income | \$ 150,000 | \$ 89,584 | \$ (60,416) | 59.72% Continued low interest rates |
| Misc. Recurring | \$ 100,000 | \$ 19,551 | \$ (80,449) | 19.55% Anticipated temporary occupancy permits did not materialize; instead they became permanent and have been added to new tax levy growth. |
| Misc. Non-Recurring | \$ - | \$ 1,171,662 | \$ 1,171,662 | 100.00% One time monies include: Tax Title - \$128,504; 2008 Medicare Part D Retiree Drug Subsidy - \$224,217; Bond Premium from FY13 Refunding - \$482,092 and FEMA reimbursements (March 2010 Flooding - \$102,186, Oct. 2011 Snowstorm -\$84,252 and Hurricane Irene (2011) - \$32,723) |
| Total | \$ 10,012,890 | \$ 13,888,858 | \$ 3,875,968 | 138.71% |

Importantly, many of these Local Receipts are one-time, non-recurring revenues. Good financial planning, as well as Natick's Financial Management Principles, stipulate that one-time revenues should not be used for recurring needs, such as operational costs.

To be clear, this Administration acknowledges that we are deliberately conservative in our revenue projections. By way of explanation, revenues play a critical role in ensuring a healthy year-end Free Cash certification, and Free Cash is an essential component in our ongoing ability to balance the operating budget (Natick uses between \$1.5 and \$2.5 Million of Free Cash annually to balance the operating budget). Put simply, Free Cash is comprised of actual revenues in excess of initial projections, plus actual expenditures less than budgeted amounts. Again, a healthy amount of Free Cash is an important component of our financial planning.

However, the Free Cash certifications for the close of FY 2013 and 2012 were unusually high (\$6,827,707 and \$6,791,984 respectively). While these available funds have been used wisely, with significant portions held in reserve accounts, these amounts warrant analysis of our methodology for projecting revenues.

When projecting revenues, we use the best information available, but in many categories such projections are no more than an educated guess. Conservatism is essential in that overly optimistic revenue projections could result in a budget out of balance near the end of the fiscal year.

But in response to the comparatively high Free Cash amounts in recent years, for the current (FY 2014) budget, our revenue projections were increased by nearly \$600,000. We believe that this adjustment in revenue projections will better reflect actual receipts while still ensuring healthy year-end Free Cash.

As mentioned, another major component of Free Cash is the amount of money remaining in the various Town budgets at the end of the fiscal year. The FY 2013 Budget performed as in recent years, producing over \$1.9 million in "turnbacks" at year's end. The detail is shown below.

FY 2013 General Fund Expenses

| General Fund Expense Summary | Budget | Actual | Difference | |
|------------------------------------|-----------------------|-----------------------|---------------------|---------------|
| | | | \$ | % |
| Education & Learning | \$ 47,221,896 | \$ 47,192,931 | \$ 28,965 | 99.94% |
| Municipal | \$ 33,618,520 | \$ 32,881,998 | \$ 736,522 | 97.81% |
| Shared | \$ 33,635,223 | \$ 32,516,951 | \$ 1,118,272 | 96.68% |
| Misc. Costs (Assessments, Capital) | \$ 6,830,996 | \$ 6,728,180 | \$ 102,816 | 98.49% |
| Total | \$ 121,306,635 | \$ 119,320,060 | \$ 1,986,575 | 98.36% |

These turnbacks are another essential component making up Free Cash on an annual basis. The \$1,986,575 for FY 2013 is actually slightly lower than turnbacks in previous years. (Average turnbacks 2009-2012: \$2,246,595)

Each year, after the MA Department of Revenue has certified Free Cash, and in advance of the Fall Annual Town Meeting, the Administration develops a Free Cash spending plan. The following chart reflects the use of Free Cash proposed at the upcoming Fall Annual Town Meeting, as well as the preliminary plan for the 2014 Spring Annual Town Meeting.

Free Cash Spending Plan

| Item | Amount | Rationale |
|--|-------------------|---|
| Certified Free Cash as of 7/1/2013 | \$ 6,827,707 | Actual Free Cash Certification |
| .5% of G/F Revenue Set-Aside | \$ (625,500) | As per Financial Policies |
| <u>2013 Fall Town Meeting Proposed Spending Plan</u> | | |
| Article 13: FY 2014 Omnibus Budget | \$ (437,614) | Increased to lower taxpayer cost of projects in FY 14 |
| Article 15: Transfer to Operating/Rainy Day SF | \$ (856,633) | As per Financial Policies |
| Article 16: Transfer of FY 2013 Local Option | \$ (1,334,123) | As per Financial Policies |
| Article 16: Additional Capital SF Contribution | \$ (1,000,000) | To accommodate future Capital Needs/Tax Relief |
| <u>2014 Spring Town Meeting Preliminary Spending Plan</u> | | |
| OPEB Stabilization Fund | \$ (250,000) | Estimated amount from WSHG for 2009 Medicare Part D Reimbursement |
| FY 2015 Operating Budget | \$ (1,500,000) | Standard from Free Cash for next years Operating Budget |
| Remaining Unallocated Balance | \$ 823,837 | |

As previously discussed, and as reflected in this Free Cash Spending Plan, much of the one-time revenues derived from Free Cash are proposed to be dedicated to one-time purposes. We believe that a significant amount of these Free Cash funds would most responsibly be distributed three ways; a) to further build the Operational/Rainy Day Stabilization Fund, b) to further build the Capital Stabilization Fund for future capital needs and c) to reduce the burden on Natick taxpayers for current debt excluded projects.

FY 2014: Where we are today

The major financial requests being presented to the 2014 Fall Annual Town Meeting fall into four categories: Departmental Budget Adjustments, Debt Service Adjustments (due to the May issuance/refinancing), Capital

Appropriations, and Reserve Fund Building. In order to fund these adjustments, there are three major revenue changes of note:

- 1) Higher Tax Levy: New growth in the levy (resulting from new construction in the community) is significantly higher than the 2013 Spring Annual Town Meeting estimate. We estimate that the FY 2014 New Growth will be \$2,303,187, a \$1,457,451 increase over the estimate made in the spring. The reason for this significant increase is the number of building projects completed within the last six months; we believed that these project completions would span over two fiscal years.
- 2) Higher State Aid: The Final FY 2013 State Budget provided the Town with \$59,967 additional dollars of support than we forecast at the 2013 Spring Annual Town Meeting.
- 3) Free Cash: The use of Free Cash has already been detailed within this memo; however to summarize, we propose to use \$3,628,370 for a variety of sources: \$437,614 under Article 13 to lower taxpayer impact of debt excluded project, \$856,633 under Article 15 to double the size of the Operational/Rainy Day Fund and \$2,334,123 into the Capital Stabilization Fund under Article 16 for future capital needs and future mitigation of taxpayer impact for debt excluded projects.

There are a series of budget adjustments proposed at the upcoming 2013 Fall Annual Town Meeting, shown below:

Article 13 - FY 2014 Omnibus Budget Changes

| <u>Line Item Amended/Description</u> | <u>Amount</u> |
|--|---------------|
| Police Expenses | \$ 16,000 |
| Addition of \$16,000 for funding an Assessment Center for Police Sergeant Exam | |
| Selectmen Salaries | \$ 20,000 |
| Addition of \$20,000 for a period of overlap between outgoing and incoming Deputy Town Administrator/Finance Directors | |
| Selectmen Expenses | \$ 85,000 |
| Addition of \$85,000 for department head recruitment and hiring assistance. These funds will be used for advertising in regional/national publications and for the employment of recruitment firms if necessary. Funds will not be spent unless necessary. | |
| Add Debt Service Principal | \$ 224,600 |
| Addition of \$224,600 as a result of issuance of bonds in May 2013. Primary driver is additional money issued for Natick High School and Community-Senior Center. Cost proposed to be covered by Free Cash and will not be borne by taxpayers in FY 2014. | |
| Add Debt Service Interest | \$ 148,912 |
| Addition of \$148,912 as a result of issuance of bonds in May 2013. Primary driver is additional money issued for Natick High School and Community-Senior Center. Cost proposed to be covered by Free Cash and will not be borne by taxpayers in FY 2014. | |
| Add W/S Debt Service Principal | \$ 5,000 |
| Addition of \$5,000 as a result of issuance of bonds in May 2013. | |
| Add W/S Debt Service Interest | \$ 49,773 |
| Addition of \$49,773 as a result of issuance of bonds in May 2013. | |

Article 13 - FY 2014 Omnibus Budget Changes (con't)

| <u>Line Item Amended/Description</u> | <u>Amount</u> |
|---|-------------------|
| Reduce G/C Debt Service Principal | \$ (18,210) |
| Reduction of \$18,210 as a result of refinancing original golf course bonds in May 2013. Refinancing will save on average \$20,000+ annually for the duration of the bonds (2022). | |
| Reduce G/C Debt Service Interest | \$ (23,427) |
| Reduction of \$23,427 as a result of refinancing original golf course bonds in May 2013. Refinancing will save on average \$20,000+ annually for the duration of the bonds (2022). | |
| Total Budget Changes | \$ 507,648 |

Capital Planning: FY 2014-2018 and Beyond

Natick has over the past few years been able to invest significant money in our capital needs. The new Natick High School and the new Community/Senior Center have both come in on-time and either within budget (in the case of the Community-Senior Center) or under budget (in the case of the New Natick High School). We have also created the financial mechanisms – through the creation of a Capital Stabilization Fund and its annual funding with the Town’s Local Option Meals and Hotel/Motel taxes – to ensure the Town’s continued ability to adequately fund its capital needs.

To ensure adequate capital investments on an ongoing basis, several years ago we developed a capital spending target as part of our overall financial policies. For within-levy spending (exclusive of debt excluded projects), this target specifies that 6% of General Fund Revenues should be used to support each year’s capital needs, specifically each year’s “cash capital” expenditures plus that year’s debt budget. As shown below, we have done well over the last five years in meeting this 6% target.

| Recommended Capital Spending - Financial Management Principles | Within-levy Dollars ONLY |
|--|--------------------------|
|--|--------------------------|

The numbers shown below reflect ONLY General Fund Revenues & Expenditures.

| | <u>FY 2009</u> | <u>FY 2010</u> | <u>FY 2011</u> | <u>FY 2012</u> | <u>FY 2013</u> |
|----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Total Revenues | \$ 102,021,869 | \$ 103,904,157 | \$ 107,472,425 | \$ 116,594,383 | \$ 122,741,389 |
| <i>less debt exclusion taxes</i> | \$ 937,705 | \$ 918,361 | \$ 921,017 | \$ 5,057,862 | \$ 4,768,302 |
| Net Revenues | \$ 101,084,164 | \$ 102,985,796 | \$ 106,551,408 | \$ 111,536,521 | \$ 117,973,087 |
| Target: | 6% | 6% | 6% | 6% | 6% |
| 6% (minimum) Target = | \$ 6,065,050 | \$ 6,179,148 | \$ 6,393,084 | \$ 6,692,191 | \$ 7,078,385 |
| Actual Capital Spending | | | | | |
| Cash | \$ 293,900 | \$ 300,940 | \$ 543,120 | \$ 1,401,900 | \$ 1,282,777 |
| Debt Service | \$ 5,977,493 | \$ 6,240,397 | \$ 6,096,302 | \$ 5,892,283 | \$ 5,440,219 |
| Total Capital Spending | \$ 6,271,393 | \$ 6,541,337 | \$ 6,639,422 | \$ 7,294,183 | \$ 6,722,996 |
| Total Cap. Spending As % | 6.15% | 6.30% | 6.18% | 6.26% | 5.48% |

Notes:

All columns reflect actual Town Meeting Appropriations and borrowing authorizations; some projects were subsequently deferred.

With respect to this 6% capital spending target, two analyses were warranted. First, we needed to determine if revenue projections indicate that sufficient funds will be available to devote 6% of General Fund revenues toward capital needs on an annual basis. Second, we needed to determine if this 6% spending target will adequately address our annual capital needs.

The following chart projects the dollar value of this 6% target over the next five years.

Recommended Within-Levy Capital Spending Targets

| | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>FY 2016</u> | <u>FY 2017</u> | <u>FY 2018</u> |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Total Revenues | \$ 122,842,518 | \$ 124,555,760 | \$ 125,916,205 | \$ 126,966,961 | \$ 129,506,300 | \$ 132,096,426 |
| <i>less debt exclusion taxes</i> | \$ 5,083,069 | \$ 5,437,950 | \$ 5,352,331 | \$ 5,236,631 | \$ 5,053,781 | \$ 4,936,881 |
| Net Revenues | \$ 117,759,449 | \$ 119,117,810 | \$ 120,563,874 | \$ 121,730,330 | \$ 124,452,519 | \$ 127,159,545 |
| Target: | 6% | 6% | 6% | 6% | 6% | 6% |
| 6% (minimum) Target = | \$ 7,065,567 | \$ 7,147,069 | \$ 7,233,832 | \$ 7,303,820 | \$ 7,467,151 | \$ 7,629,573 |

In evaluating whether or not sufficient funds will be available to meet these spending targets (cash capital plus debt budget), as well as determining whether these targets will be adequate to meet our future capital needs, we have evaluated the:

- Projected within levy debt budget,
- Projected available funds from the Capital Stabilization Fund, and
- Annual funding needs associated with the current five-year Capital Improvement Plan

Our analysis concluded that a 6% capital spending target should be adequate to meet our future capital funding needs and that adequate resources will be available to fund this 6% target. The charts below show the projected debt service obligations and Capital Stabilization Fund balances based on projected funding needs for the current 5-Year Capital Improvement Plan.

Further, our analysis has demonstrated that, if we continue to appropriate the local option meals and hotel/motel excise taxes into the Capital Stabilization Fund, this fund alone should be sufficient to meet our future capital needs. However, this analysis does not include some very important variables:

First, the FY 2014-FY 2018 Capital Improvement Program includes several projects that may not be undertaken; or if they are undertaken, may not be fully funded through the tax levy. These include:

- \$2 Million+ of renovations to the Kennedy Middle School that may instead be incorporated into much larger renovation or replacement

projects put forward under debt exclusion proposals. This would add more money back to the fund, as these projects would then not be undertaken.

- Development of a new Fire Station 4, which we expect would be funded in large part through existing and future mitigation funds.
- Downtown Parking Garage, of which a significant portion may be funded through state grants, subsidies and/or private funds.

Second, although virtually all capital needs are listed in the CIP, there are several major items not fully accounted for:

- Three school buildings are slated for major renovation or replacement over the coming several years, which, given their cost, must be considered for Debt Exclusion
- Roads and Sidewalks - although nearly \$7,000,000 in roadway improvements is already included in the 5-year Capital Improvement Plan and thus included in the above analysis, even more funding is needed.

Third, a modest amount of tax relief for the costs of the High School and the Community-Senior Center is included in this projection, but we will continue to evaluate this on an ongoing basis to determine what amount should be set aside for tax relief. At present, we project that a total of \$1,500,000 will be used for this purpose over the next three fiscal years.

To ensure that we can provide this type of taxpayer relief in future years, meet our capital needs on an ongoing basis, and in anticipation of significant capital projects (such as the Kennedy Middle School), it is the Administration's belief that we should be supplementing the Capital Stabilization Fund at every opportunity.

Accordingly, under Article 16, we propose adding \$3,774,632 into the Capital Stabilization Fund - \$1,334,123 from the meals and hotel/motel local option taxes, \$1,000,000 from Free Cash and \$1,440,509 from the Tax Levy (as a result of new growth). The following chart depicts a revised Capital Stabilization Fund including the proposed addition of \$3,774,632 under Article 16 and dedicating \$1,500,000 of that amount to future tax relief:

Projected Capital Stabilization Fund Balances (post 2013 FATM)

| | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 |
|---------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Starting Balance | \$ 1,478,084 | \$ 3,691,483 | \$ 5,507,461 | \$ 3,915,053 | \$ 3,506,829 | \$ 2,385,609 |
| Add to Fund | \$ 3,275,551 | \$ 4,240,207 | \$ 1,300,000 | \$ 1,300,000 | \$ 1,300,000 | \$ 1,300,000 |
| Less Cash Appropriations | \$ (953,902) | \$ (1,725,150) | \$ (1,901,900) | \$ (608,400) | \$ (750,900) | \$ (425,400) |
| Less Subsidy for HS & CSC | \$ (108,250) | \$ (250,000) | \$ (750,000) | \$ (500,000) | \$ (250,000) | \$ - |
| Less Additional debt | \$ - | \$ (449,079) | \$ (240,508) | \$ (599,824) | \$ (1,420,320) | \$ (1,117,598) |
| Capital Stab. Fund | \$ 3,691,483 | \$ 5,507,461 | \$ 3,915,053 | \$ 3,506,829 | \$ 2,385,609 | \$ 2,142,612 |

Notes:

- Assumes annual collections from local option taxes of \$1.3 million going forward.
- Assumes paying for all projects on CIP under \$75,000 annually with cash from the Capital S.F.
- Assumes continued subsidy of \$1,500,000 for taxpayer impact for new Debt Excluded projects (HS & C-SC) until FY 2017

Note that the total amount of \$4,420,207 shown above includes \$465,575 added at the 2013 Spring Annual Town Meeting.

Closing

This memo details a series of complex analyses, forecasts and proposals. It reflects the Administration's commitment to fiscal conservatism, careful analysis and utilization of long range forecasts aimed at protecting the Town's fiscal future. The Administration strongly urges that we continue to apply these practices as they have positioned this community as one of the more financially sound in the region.

Several key points must be summarized and reiterated:

- Given the anticipated need for substantial investment in school buildings and other facilities and infrastructure within the next several years, the inevitability that all or some of these projects can only be funded through excluded debt, and given our Free Cash position, it is prudent to put monies aside so as to reduce the impact of these projects on the taxpayers.
- Given also the positive nature of our year-end financial standing the last two years, it is also prudent to reserve part of the money collected to give back to taxpayers. This intent must be balanced with the objective of building our reserves and protection of our overall financial stability.
- We have expressed several times the Administration's goal to stabilize the debt budget as much as possible, so as to avoid spikes and dips which would impact other operations. As we look out to future years and the associated capital requests, this may prove to be more difficult than anticipated. It is inevitable that we will utilize the Capital Stabilization Fund to level out this operating cost. That is, in a year when the debt budget is scheduled to spike, we can cover that spike with Capital Stabilization Funds rather than face a commensurate reduction in other budget areas.

This Administration devotes very careful analysis to this community's budget to protect our fiscal future. The conservative approach of this Administration has put this community in an extraordinary position of fiscal strength during a time of economic challenge. This is the foundation which we must build upon and sustain.

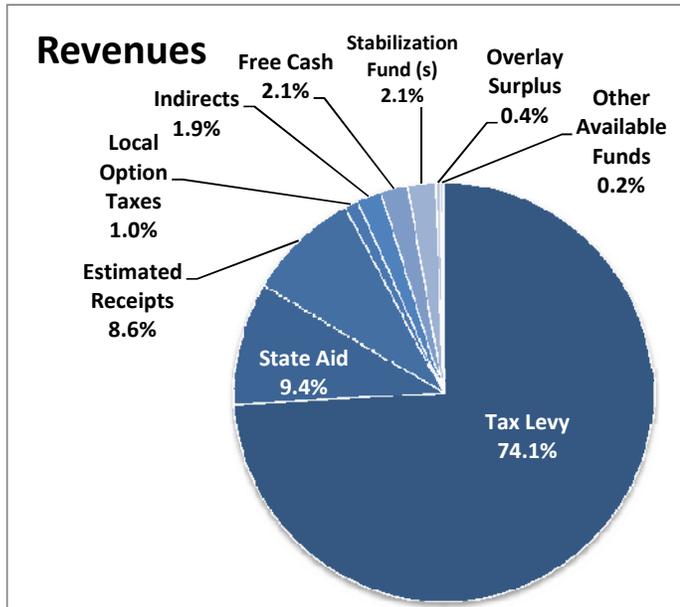
General Fund Revenue/Expenditure Summary

| | 2012 | 2013 | 2014 | 2014 | 2013 vs. 2014 | |
|------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|---------------------|--------------|
| General Fund Revenues | Actual | Appropriated | SATM | FATM | \$ | % |
| Tax Levy | \$ 85,587,087 | \$ 89,323,445 | \$ 91,804,040 | \$ 93,261,492 | 3,938,047 | 4.41% |
| State Aid | \$ 11,449,436 | \$ 11,657,952 | \$ 12,303,773 | \$ 12,363,740 | 705,788 | 6.05% |
| Estimated Receipts | \$ 13,080,747 | \$ 10,012,890 | \$ 10,691,750 | \$ 10,691,750 | 678,860 | 6.78% |
| Local Option Taxes | \$ 1,275,551 | \$ 1,300,000 | \$ 1,300,000 | \$ 1,300,000 | 0 | 0.00% |
| Other Local Receipts | | | | | | |
| Indirects | \$ 2,535,683 | \$ 2,581,514 | \$ 2,355,825 | \$ 2,355,825 | -225,689 | -8.74% |
| Free Cash | \$ 5,466,393 | \$ 6,343,030 | \$ 2,685,581 | \$ 6,313,951 | -29,079 | -0.46% |
| Stabilization Fund (s) | \$ 689,340 | \$ 1,062,152 | \$ 2,633,259 | \$ 2,424,229 | 1,362,077 | 128.24% |
| Overlay Surplus | \$ 1,000,000 | \$ - | \$ 500,000 | \$ 500,000 | 500,000 | #DIV/0! |
| Other Available Funds | \$ 281,532 | \$ 460,407 | \$ 281,532 | \$ 307,234 | -153,173 | -33.27% |
| Total General Fund Revenues | 121,365,769 | 122,741,389 | 124,555,760 | 129,518,221 | 6,776,832 | 5.52% |
| General Fund Expenses | | | | | | |
| Education & Learning | | | | | | |
| Natick Public Schools | \$ 46,622,656 | \$ 46,558,714 | \$ 48,588,672 | \$ 48,588,672 | 2,029,958 | 4.36% |
| Keefe Tech | \$ 1,396,865 | \$ 1,271,613 | \$ 1,270,852 | \$ 1,270,852 | -761 | -0.06% |
| Morse Institute Library | \$ 1,852,078 | \$ 1,884,687 | \$ 1,965,777 | \$ 1,965,777 | 81,090 | 4.30% |
| Bacon Free Library | \$ 118,675 | \$ 130,082 | \$ 139,582 | \$ 139,582 | 9,500 | 7.30% |
| Public Safety | \$ 12,920,185 | \$ 13,723,417 | \$ 14,039,239 | \$ 14,055,239 | 331,822 | 2.42% |
| Public Works | \$ 7,351,758 | \$ 7,394,083 | \$ 7,091,649 | \$ 7,091,649 | -302,434 | -4.09% |
| Health & Human Services | \$ 1,712,263 | \$ 1,856,338 | \$ 1,982,921 | \$ 1,982,921 | 126,583 | 6.82% |
| Administrative Support Services | \$ 4,094,438 | \$ 4,820,673 | \$ 5,037,416 | \$ 5,142,416 | 321,743 | 6.67% |
| Committees | \$ 17,178 | \$ 26,010 | \$ 26,060 | \$ 26,060 | 50 | 0.19% |
| Shared Expenses | | | | | | |
| Fringe Benefits | \$ 14,167,955 | \$ 15,109,016 | \$ 15,361,236 | \$ 15,361,236 | 252,220 | 1.67% |
| Prop & Liab. Insurance | \$ 471,865 | \$ 553,175 | \$ 588,175 | \$ 588,175 | 35,000 | 6.33% |
| Retirement | \$ 5,701,675 | \$ 6,150,200 | \$ 6,610,068 | \$ 6,610,068 | 459,868 | 7.48% |
| Debt Services | \$ 11,055,991 | \$ 10,208,521 | \$ 10,587,531 | \$ 10,961,043 | 752,522 | 7.37% |
| Reserve Fund | \$ - | \$ 400,000 | \$ 300,000 | \$ 300,000 | -100,000 | -25.00% |
| Facilities Management | \$ - | \$ 2,479,630 | \$ 2,590,381 | \$ 2,590,381 | 110,751 | 4.47% |
| General Fund Oper. Expenses | \$ 107,483,582 | \$ 112,566,158 | \$ 116,179,559 | \$ 116,674,071 | \$ 4,107,913 | 3.65% |
| Capital Improvements | \$ 1,401,900 | \$ 1,282,777 | \$ 1,934,180 | \$ 1,725,150 | 442,373 | 34.49% |
| School Bus Transportation | \$ 330,137 | \$ 340,041 | \$ 350,243 | \$ 350,243 | 10,201 | 3.00% |
| State & County Assessments | \$ 1,360,929 | \$ 1,524,561 | \$ 1,520,289 | \$ 1,526,142 | 1,581 | 0.10% |
| Cherry Sheet Offsets | \$ 155,298 | \$ 239,005 | \$ 269,451 | \$ 257,572 | 18,567 | 7.77% |
| Tax Title | \$ 25,000 | \$ 25,000 | \$ - | \$ - | -25,000 | -100.00% |
| Snow Removal Supplement | \$ 765,163 | \$ 102,008 | \$ 800,000 | \$ 712,115 | 610,107 | 598.10% |
| Overlay | \$ 1,133,967 | \$ 1,463,310 | \$ 1,150,000 | \$ 1,300,000 | -163,310 | -11.16% |
| Golf Course Deficit | \$ 320,000 | \$ 310,000 | \$ 332,246 | \$ 312,246 | 2,246 | 0.72% |
| Operational Stabilization Fund | \$ 856,478 | \$ - | \$ - | \$ 856,633 | 856,633 | 100.00% |
| Capital Stabilization Fund | \$ 1,859,511 | \$ 3,275,551 | \$ 465,575 | \$ 4,240,207 | 964,656 | 29.45% |
| FLSA Settlement | \$ 593,032 | \$ - | \$ - | \$ - | 0 | 0.00% |
| Misc. Articles | \$ 100,000 | \$ 312,977 | \$ 254,217 | \$ 263,842 | -49,135 | -15.70% |
| Anticip. Local Opt. Taxes for CSF | \$ - | \$ 1,300,000 | \$ 1,300,000 | \$ 1,300,000 | 0 | 0.00% |
| Total General Fund Expenses | \$ 116,384,997 | \$ 122,741,389 | \$ 124,555,760 | \$ 129,518,221 | 6,776,832 | 5.52% |
| Net Excess / (Deficit) | 4,980,772 | 0 | 0 | 0 | | |

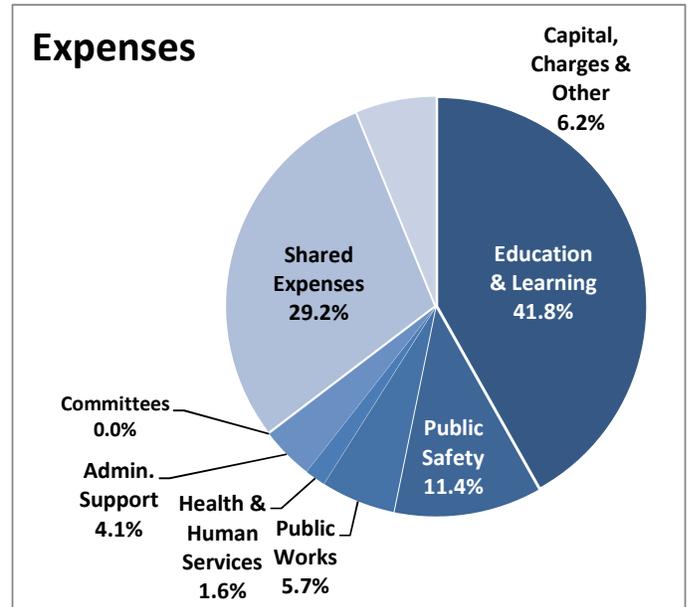
General Fund Revenue/Expenditure Summary

The following charts detail the overall revenues and expenditures for the General Fund for the Town of Natick.

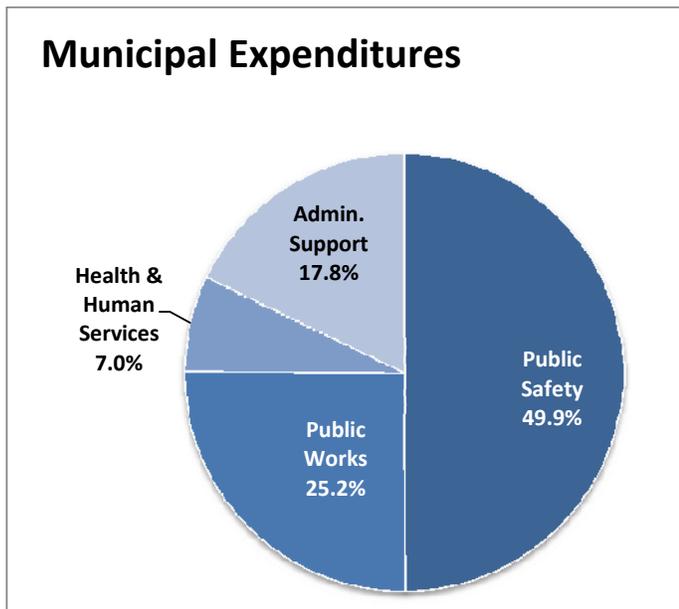
General Fund Revenues - FY 2014



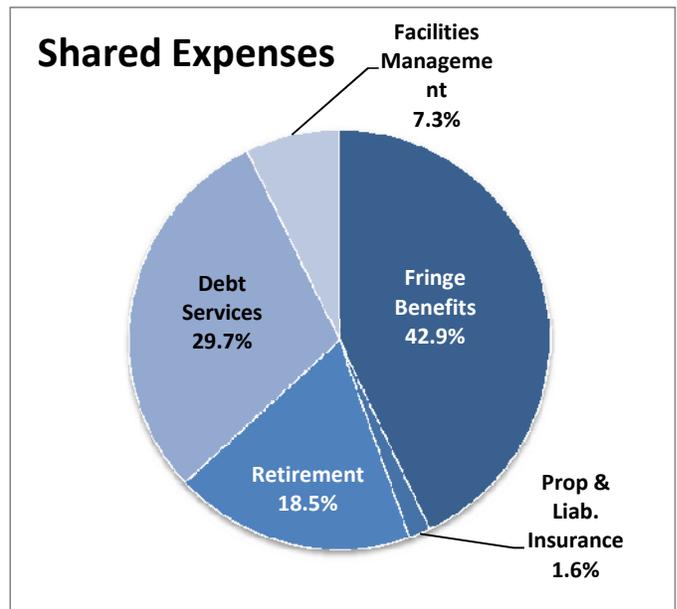
General Fund Expenditures - FY 2014



Municipal Expenditures - FY 2014



Shared Expenditures - FY 2014



FY 2014 Budget - Changes since 2013 SATM

| | <u>SATM</u> | <u>FATM</u> | <u>Difference</u> | <u>Reason</u> |
|------------------------------------|-----------------------|-----------------------|---------------------|--|
| General Fund Revenues | | | | |
| Tax Levy | \$ 91,804,040 | \$ 93,261,492 | \$ 1,457,452 | New growth significantly higher than thought |
| State Aid | \$ 12,303,773 | \$ 12,363,740 | \$ 59,967 | Final State Aid |
| Estimated Receipts | \$ 10,691,750 | \$ 10,691,750 | \$ - | |
| Local Option Taxes | \$ 1,300,000 | \$ 1,300,000 | \$ - | |
| Other Local Receipts | | | | |
| Indirects | \$ 2,355,825 | \$ 2,355,825 | \$ - | |
| Free Cash | \$ 2,685,581 | \$ 6,313,951 | \$ 3,628,370 | Additional Free Cash to fund Articles 13, 15 and 16 |
| Stabilization Fund (s) | \$ 2,633,259 | \$ 2,424,229 | \$ (209,030) | Reduction based on fewer capital projects @ 2013 FATM |
| Overlay Surplus | \$ 500,000 | \$ 500,000 | \$ - | |
| Other Available Funds | \$ 281,532 | \$ 307,234 | \$ 25,702 | Additional Appropriation under Article 11, Debt Service |
| Total General Fund Revenues | \$ 124,555,760 | \$ 129,518,221 | \$ 4,962,461 | |
| General Fund Expenses | | | | |
| Education & Learning | | | | |
| Natick Public Schools | \$ 48,588,672 | \$ 48,588,672 | \$ - | |
| Keefe Tech | \$ 1,270,852 | \$ 1,270,852 | \$ - | |
| Morse Institute Library | \$ 1,965,777 | \$ 1,965,777 | \$ - | |
| Bacon Free Library | \$ 139,582 | \$ 139,582 | \$ - | |
| Public Safety | \$ 14,039,239 | \$ 14,055,239 | \$ 16,000 | Add'l monies for Sgt.s Promotional exam |
| Public Works | \$ 7,091,649 | \$ 7,091,649 | \$ - | |
| Health & Human Services | \$ 1,982,921 | \$ 1,982,921 | \$ - | |
| Administrative Support Services | \$ 5,037,416 | \$ 5,142,416 | \$ 105,000 | Add'l monies for DTA/FD overlap, recruitment & advertising |
| Committees | \$ 26,060 | \$ 26,060 | \$ - | |
| Shared Expenses | | | | |
| Fringe Benefits | \$ 15,361,236 | \$ 15,361,236 | \$ - | |
| Prop & Liab. Insurance | \$ 588,175 | \$ 588,175 | \$ - | |
| Retirement | \$ 6,610,068 | \$ 6,610,068 | \$ - | |
| Debt Services | \$ 10,587,531 | \$ 10,961,043 | \$ 373,512 | Debt Service increases resulting from June bond issuance |
| Reserve Fund | \$ 300,000 | \$ 300,000 | \$ - | |
| Facilities Management | \$ 2,590,381 | \$ 2,590,381 | \$ - | |
| General Fund Oper. Expenses | \$ 116,179,559 | \$ 116,674,071 | \$ 494,512 | |
| Capital Improvements | \$ 1,934,180 | \$ 1,725,150 | \$ (209,030) | Reduction based on fewer capital projects @ 2013 FATM |
| School Bus Transportation | \$ 350,243 | \$ 350,243 | \$ - | |
| State & County Assessments | \$ 1,520,289 | \$ 1,526,142 | \$ 5,853 | Final State Aid |
| Cherry Sheet Offsets | \$ 269,451 | \$ 257,572 | \$ (11,879) | Final State Aid |
| Tax Title | \$ - | \$ - | \$ - | |
| Snow Removal Supplement | \$ 800,000 | \$ 712,115 | \$ (87,885) | Actual Snow & Ice Deficit for FY 2013 |
| Overlay | \$ 1,150,000 | \$ 1,300,000 | \$ 150,000 | Increase necessary as result of increased growth, values |
| Golf Course Deficit | \$ 332,246 | \$ 312,246 | \$ (20,000) | Reduction due to savings from refinancing of golf debt |
| General Stabilization Fund | \$ - | \$ - | \$ - | |
| Operational Stabilization Fund | \$ - | \$ 856,633 | \$ 856,633 | Proposal will double size of rainy day fund (from FC) |
| Capital Stabilization Fund | \$ 465,575 | \$ 4,240,207 | \$ 3,774,632 | Added funds for future projects & tax relief from projects |
| FLSA Settlement | \$ - | \$ - | \$ - | |
| Misc. Articles | \$ 254,217 | \$ 263,842 | \$ 9,625 | Additional Appropriation under Article 11 |
| Collective Barg./Non-Union Adj. | \$ - | \$ - | \$ - | |
| Anticip. Local Opt. Taxes for CSF | \$ 1,300,000 | \$ 1,300,000 | \$ - | |
| Total General Fund Expenses | \$ 124,555,760 | \$ 129,518,221 | \$ 4,962,461 | |
| Net Excess / (Deficit) | \$ 0 | \$ 0 | \$ 0 | |



Town of Natick

Fall 2013 Annual Town Meeting

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Town of Natick

2013 Fall Annual Town Meeting - Finance Committee Recommendation Book

Summary of Finance Committee Recommendations

| Article | Title | Action | Vote | Funding Amount | Funding Source |
|---------|--|----------------------------|--------|--|---|
| 1 | Report from South Middlesex Regional Vocational Technical School District Regarding Roof Replacement Project | Favorable Action | 14-0-0 | - | - |
| 2 | Personnel Board Classification and Pay Plan | Favorable Action | 11-0-0 | - | - |
| 3 | Street Acceptance - Portion of Summer Street | Favorable Action | 10-2-0 | - | - |
| 4 | Committee Article | Favorable Action | 12-2-0 | - | - |
| 5 | Amend Zoning By-Laws: Limited Salesroom for Motor Vehicles | Favorable Action | 8-0-3 | - | - |
| 6 | Amend Section 6-3 of the Charter to Allow Greater Flexibility Re: Comptroller Position | No Recommendation | - | - | - |
| 7 | Senior Tax Work Program (to Specify up to 125 Hours of Work vs Current \$1,000 Dollar Limit) | Favorable Action | 13-0-0 | - | - |
| 8 | Amend Town By-Laws Re: Contracts/Procurement | Favorable Action (Amended) | 9-2-0 | - | - |
| 9 | Feasibility Study of the Kennedy Middle School | Favorable Action | 13-0-0 | \$750,000 | Tax Levy Borrowing |
| 10 | Rescind Authorized, Unissued Debt | No Action | 15-0-0 | - | - |
| 11 | Appropriation from Receipts Reserved Funds from Bernardi Development to Fund Purchase of Foam Concentrate for the Natick Fire Department | Favorable Action | 13-1-0 | \$9,625 | Receipts Reserved |
| 12 | Unpaid Bills | No Action | 14-0-0 | - | - |
| 13 | Fiscal 2014 Omnibus Budget Article | A: Favorable Action | 11-0-0 | (\$41,637) (\$20,000) (\$21,637) | Total Tax Levy Golf User Fees |
| | | B: Favorable Action | 11-0-0 | \$549,285 \$437,614 \$54,773 \$16,077 \$40,821 | Total Free Cash W/S User Fees Premiums Tax Levy |
| 14 | Stabilization Fund | No Action | 11-0-0 | - | - |
| 15 | Stabilization Fund - Operating/Rainy Day | Favorable Action | 11-0-0 | \$856,633 | Free Cash |
| 16 | Stabilization Fund - Capital | Favorable Action | 11-0-0 | \$3,774,632 \$2,334,123 \$1,440,509 | Total Free Cash Tax Levy |
| 17 | Collective Bargaining | No Action | 11-0-0 | - | - |



Town of Natick

2013 Fall Annual Town Meeting - Finance Committee Recommendation Book

Summary of Finance Committee Recommendations

| Article | Title | Action | Vote | Funding Amount | Funding Source |
|---------|--|--------------------------------------|--------|--|--|
| 18 | Capital Equipment | Favorable Action | 15-0-0 | \$2,140,310 \$459,310 \$1,130,000 \$355,000 \$96,000 \$100,000 | Total CSF T/L Borrow W&S Borrow W&S Ret.Ern. Reapprop Fds |
| 19 | Capital Improvement | Favorable Action | 10-2-0 | \$2,610,000 \$340,000 \$1,725,000 \$220,000 \$200,000 \$125,000 | Total CSF T/L Borrow W&S Borrow Recp. Resv. Reapprop Fds |
| 20 | Retirement Board -- Section 101 Increase | No Recommendation | - | - | - |
| 21 | Retirement Board -- COLA Increase | No Action | 10-1-0 | - | - |
| 22 | Retirement Board -- Statutory Minimum Survivor Allowance | No Recommendation | - | - | - |
| 23 | Amend Zoning By-Laws: Modification of the Dimensional Requirements of the RS Zoning Districts to Encourage the Development of Compact, Energy Efficient Dwelling Units | Referral to sponsor, PB, Comm Devel. | 13-0-0 | - | - |

BOARD OF SELECTMEN
FALL ANNUAL TOWN MEETING
October 15, 2013
RECOMMENDATIONS

| | | |
|------------|--|-------|
| Article 2 | Support Favorable Action | 5-0-0 |
| Article 6 | Support Favorable Action | 4-0-0 |
| Article 7 | Support Favorable Action | 4-0-0 |
| Article 8 | Support Favorable Action | 5-0-0 |
| Article 9 | Support Favorable Action | 4-0-0 |
| Article 10 | Support No Action | 5-0-0 |
| Article 11 | Support Favorable Action | 5-0-0 |
| Article 12 | Support No Action | 5-0-0 |
| Article 13 | Support Favorable Action - \$507,648 | 4-0-0 |
| Article 14 | Support No Action | 4-0-0 |
| Article 15 | Support Favorable Action - \$856,633 | 4-0-0 |
| Article 16 | Support Favorable Action - \$3,774,632 | 4-0-0 |
| Article 18 | Support Favorable Action - \$2,140,310 | 5-0-0 |
| Article 19 | Support Favorable Action - \$2,610,000 | 5-0-0 |
| Article 20 | Support Favorable Action | 4-0-0 |
| Article 21 | Support No Action | 4-0-0 |
| Article 22 | Support Favorable Action | 4-0-0 |



BUILDING

PLANNING

ZONING

CONSERVATION

COMMUNITY DEVELOPMENT

MEMO

To: Finance Committee

From: Natick Planning Board

Date: September 30, 2013

Re: 2013 Fall Town Meeting Articles 5, 11, 23, and 3

September 11, 2013

In accordance with Article 40, Section 6 of the By-Laws of the Town of Natick, the Planning Board provides herein its report on warrant article recommendations, as specified in Section 3-11(b) of the Charter, so that they may be provided to each Town Meeting Member in tandem with the recommendations of the Town Finance Committee.

Article 5—Amend Zoning By-Laws: Limited Salesroom for Motor Vehicles

At its meeting of September 11, 2013, the Planning Board voted favorable action on Article 5.

Vote: 5-0-0

Article 11 – Appropriation from Receipts Reserved Funds from Bernardi Development to Fund Purchase of Foam Concentrate for the Natick Fire Department

At its meeting of September 11, 2013, the Planning Board voted favorable action on Article 11.

Vote: 5-0-0

Article 23— Modification of the Dimensional Requirements of the RS Zoning Districts to Encourage the Development of Compact, Energy Efficient Dwelling Units

At its meeting of September 11, 2013, the Planning Board voted to recommend the topic matter of Article 23 be referred back to the Planning Board. Vote: 5-0-0

September 25, 2013

In accordance with Article 40, Section 6 of the By-Laws of the Town of Natick, the Planning Board provides herein its report on warrant article recommendations, as specified in Section 3-11(b) of the Charter, so that they may be provided to each Town Meeting Member in tandem with the recommendations of the Town Finance Committee.

Article 3 – Street Acceptance – Portion of Summer Street

At its meeting of September 25, 2013, the Planning Board voted favorable action on Article 3.
Vote 6-0-0



Town of Natick

Fall 2013 Annual Town Meeting

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ARTICLE 1
**Report from South Middlesex Regional Vocational Technical School District
Regarding Roof Replacement Project
(Town Administrator)**

To see if the Town will vote to receive a report from the South Middlesex Regional Vocational Technical School District regarding the Massachusetts School Building Authority's invitation for said School to participate in the Accelerated Repair Program in conducting a feasibility study for a roof replacement project, or otherwise act thereon.

PURPOSE OF ARTICLE:

The purpose of this Article is to hear a report from the Administration of the South Middlesex Regional Vocational Technical School District (i.e., Keefe Tech) regarding the District's participation in the Massachusetts School Building Authority's Accelerated Repair Program for the District's roof repair project.

FINANCE COMMITTEE RECOMMENDATION AND DISCUSSION:

*By a vote of 14-0-0 on September 3, 2013, the Finance Committee recommends **Favorable Action** with regard to the subject of Article 1.*

During the Finance Committee public hearing, the following information was noted:

- The Town Administrator advised Finance Committee members that this Article was comparable to the recurring "Committee Article" for which the committee recommends whether Town Meeting should or should not hear a report from various Town committees or boards. However, since the South Middlesex Regional Vocational Technical School District (the "District") is not a Town committee or board, the District's report could not be considered under that Article.
- The District's report pertains to its participation in the Massachusetts School Building Authority's Accelerated Repair Program for a roof repair project.
- The District's objective is to provide Town Meeting Members with information regarding the repair of the aging roof at the South Middlesex Regional Vocational Technical School. The District expects to come back to the 2014 Spring Annual Town Meeting with additional information, including more specific dates, project costs, and other relevant information.

MOTION (requires majority vote):

Move that the Town vote to receive a report from the South Middlesex Regional Vocational Technical School District regarding the Massachusetts School Building Authority's invitation for said School to participate in the Accelerated Repair Program in conducting a feasibility study for a roof replacement project.

ARTICLE 2
Personnel Board Classification and Pay Plan
(Town Administrator)

To see if the Town, pursuant to the authority contained in Section 108A of Chapter 41 of the General Laws, will vote to amend the By-Laws by amending the Classification and Pay Plan as referenced in Article 24, Section 3, by deleting certain position titles, adding new position titles and effecting changes in the salary ranges as presently established, or otherwise act thereon.

PURPOSE OF ARTICLE:

The purpose of this Article is to approve the Town's Personnel Board Classification and Pay Plan, which pertains only to non-union Town employees.

FINANCE COMMITTEE RECOMMENDATION AND DISCUSSION:

*By a vote of 11-0-0 on September 12, 2013, the Finance Committee recommends **Favorable Action** with regard to the subject of Article 2.*

During the Finance Committee public hearing, the following information was noted:

- The Town's Classification and Pay Plan was voted and accepted at the previous 2013 Spring Annual Town Meeting. As a result, the only action item under this Article is to accept a revised Classification and Pay Plan for full-time employees.
- The proposed revisions to the Classification and Pay Plan are:
 - Positions within each grade have been alphabetized.
 - The position listed on the earlier version as Special Assistant to the Director of Facility Maintenance has been corrected to Special Assistant to the Director of Facility Management.
 - The minimum of grade 1 has been lowered to \$32,000 from the \$37,500 approved in the spring, as a result of adding positions from the golf course and student officers to the Plan.
 - Deputy Town Administrator and Finance Director have been added as separate positions to grade 5 of the Plan to allow the Town Administrator flexibility in recruiting and hiring a replacement for the Deputy Town Administrator/Finance Director.
 - A position titled Facilities Management Data Analyst in grade 2 has been removed.
 - Two new positions have been added to grade 2 of the Plan:
 1. Special Assistant to the Director of Community Services – a repurposing of an existing, funded position (to address the changing needs of the Community Services department; and
 2. Special Needs Coordinator – results from the decertification of a union and transition of the position from union to non-union classification.
- The long-term intent of the Personnel Board is to have only those positions which are currently filled, in process of being filled, or budgeted to be filled, on the Plan.

This occasionally requires that positions be added or removed from the Plan. An example of this type of administrative “housekeeping” is the positions of a combined Deputy Town Administrator/Finance Director, a separate Deputy Town Administrator, and a separate Finance Director, for which recruiting is currently underway.

- Although the Pay Plan is intended to provide a structure to guide position classification and pay ranges, the continuously changing nature of Town government and operations necessitate ongoing review and update to maintain an accurate reflection of reality.
- A summary of the proposed updates to the Classification and Pay Plan, provided by the Personnel Board, appears on the following pages. The motion for this Article follows that summary.

TO: Town Meeting
Board of Selectmen
Finance Committee
Town Administrator

cc: Personnel Board
Richard Tranfaglia, Director of Personnel

FROM: Steve Levinsky - Chair, Personnel Board

DATE: September 30, 2013

Re: FY 2014 Full-Time Classification and Pay Plan Proposed Changes

The Personnel Board is charged with maintaining the Classification and Pay Plans throughout the year. Attached you will find the proposed full-time plan for fiscal year 2014.

These plans cover the general government, non-union employees of the town - roughly 60 full-time employees. The pay plans create the structure for compensation for town employees. Actual funding for town departments and employees are handled in other warrant articles. Establishing individual employee salaries is the responsibility of the Town Administrator.

Last spring, the town's Director of Personnel surveyed 17 municipalities in the commonwealth and requested salary structure and compensation data on 32 benchmark positions. The Personnel Board then analyze this information and continues to use the market survey as we form our recommendations. We concluded and still believe, in general, that our pay plans remain competitive in the marketplace.

FULL-TIME PAY PLAN

The pay structure for grades 2-6 (minimum, point 1, point 2 and maximum) did not change.

We are recommending lowering the minimum of grade 1 to \$32,000 from \$37,500. This is a result of positions from the golf course being transferred to the pay plan and Student Officers.

Position titles added or modified were:

Grade 5 - Remains unchanged with the exception of:

- Deputy Town Administrator (new)
- Director of Finance (new)

These positions were added at the request of the Town Administrator to allow flexibility when recruiting for and hiring a replacement for the Deputy Town Administrator/Director of Finance. Assuming a replacement(s) is/are hired by 2014 Spring Town Meeting, it is the intention of the Personnel Board to consider removing the “unused” positions from the pay plan.

Grade 2 - Remains unchanged with the exception of:

- Special Assistant to Director Community Services (new)
- Special Needs Coordinator (new)
- Deleted Facilities Management Data Analyst
- Title correction Special Assistant to Director of Facilities Management (was Maintenance)

The request for Special Assistant to Director Community Services reflects the changing needs in the Community Services Department and is a repurposing of an existing, funded position. The Special Needs Coordinator is a result of a union decertification so the the position is transferring from union to a non-union classification.

PART-TIME PAY PLAN

The part-time pay plan remains competitive in the marketplace and no changes were made to the structure.

If passed by Town Meeting, the full time pay plan will be effective 14 days after the close of Town Meeting.

The Personnel Board has formally passed a “Position Classification Approach”. I have included this for your information.

Thank you for your time and consideration.

MOTION (requires majority vote):

Move that the Town vote to amend the By-Laws by changing in its entirety the Classification and Pay Plan for Full Time Positions that is incorporated by reference into Article 24, Section 3, Paragraph 3.10. The new Classification and Pay Plan for Full Time Positions is as follows:

[The motion includes the Full Time Classification and Pay Plan on the following page.]

Town of Natick
Classification and Pay Plan
Fiscal Year 2014
Effective July 1, 2013

| Grade | Minimum | Point 1 | Point 2 | Maximum |
|-------|---------------|---------------|---------------|---------------|
| 6 | \$ 100,000.00 | \$ 115,000.00 | \$ 128,000.00 | \$ 145,000.00 |
| 5 | \$ 85,000.00 | \$ 98,333.33 | \$ 111,666.67 | \$ 125,000.00 |
| 4 | \$ 70,000.00 | \$ 81,666.67 | \$ 93,333.33 | \$ 105,000.00 |
| 3 | \$ 55,000.00 | \$ 63,333.33 | \$ 71,666.67 | \$ 80,000.00 |
| 2 | \$ 47,000.00 | \$ 55,000.00 | \$ 62,500.00 | \$ 70,000.00 |
| 1 | \$ 32,000.00 | \$ 40,500.00 | \$ 49,000.00 | \$ 57,500.00 |

GRADE 6

Chief of Police
Deputy Town Adm./Dir. Of Finance
Fire Chief

GRADE 5

Comptroller
Deputy Chief of Police
Deputy Town Administrator
Director of Community Development
Director of Community Services
Director of Facilities Management
Director of Finance
Director of Information Technology
Director of Public Works

GRADE 4

Building Commissioner
Director Morse Library
Director of Assessing
Director of Council on Aging & Human Services
Director of Recreation & Parks
Director Personnel
Director Public Health
Environmental Compliance Officer
Staff Accountant
Treasurer/Collector

GRADE 3

Assistant Assessor (certified)
Assistant Comptroller
Assistant Director of Council on Aging
Assistant Director Recreation & Parks
Assistant Library Director Morse Library
Assistant Treasurer/Collector
Benefits Manager
Communications/Information Officer
Director Bacon Free Library
Director, Recreation Programs/Special Events
Economic Development Planner
Environmental Health Agent
Facility Custodial Manager

GRADE 3 Continued

Facility Maintenance Manager
Farm Director
Golf Course Manager
Housing/General Planner
Information System Network Administrator
Information Systems Data Base Administrator
Local Building Inspector (certified)
Planner/Conservation Agent
Procurement Manager
Public Health Nurse
Senior Environmental Health Specialist
Veterans Agent

GRADE 2

Assistant Assessor (non-certified)
Assistant Director Bacon Free Library
Assistant Director Council on Aging
Assistant Farm Director
Clinical Social Worker
Data Analyst
Executive Assistant
Golf Course Superintendent
Office Administrator Farm
Payroll Manager
Personnel Coordinator
Sanitarian
Senior Executive Assistant
Social Worker
Special Assistant to Director Community Services
Special Assistant to Director of Facilities Management
Special Assistant to Director of Finance
Special Needs Coordinator

GRADE 1

Animal Control Officer
Golf Course Assistant Superintendent
Golf Professional
Outreach Coordinator
Student Officers

ARTICLE 3
Street Acceptance – Portion of Summer Street
(Board of Selectmen)

To see if the Town will vote to accept a portion of Summer Street as a public way, and any appurtenant easements thereto, as laid out by the Board of Selectmen and as shown on a plan or plans, a copy of which is on file in the office of the Town Clerk; to see if the Town will vote to authorize the Board of Selectmen to acquire by gift, purchase, eminent domain or otherwise, easements in any land necessary for laying out and acceptance of a portion of Summer Street, and any appurtenant drainage, utility or other easements related to said Summer Street, and/or to accept grants thereof; and, further, to authorize the Board of Selectmen and other applicable Town of Natick boards and personnel to take all related actions necessary or appropriate to accomplish the purposes of this Article.

Or otherwise act thereon.

PURPOSE OF ARTICLE:

The purpose of this Article is to accept a portion of Summer Street.

FINANCE COMMITTEE RECOMMENDATION AND DISCUSSION:

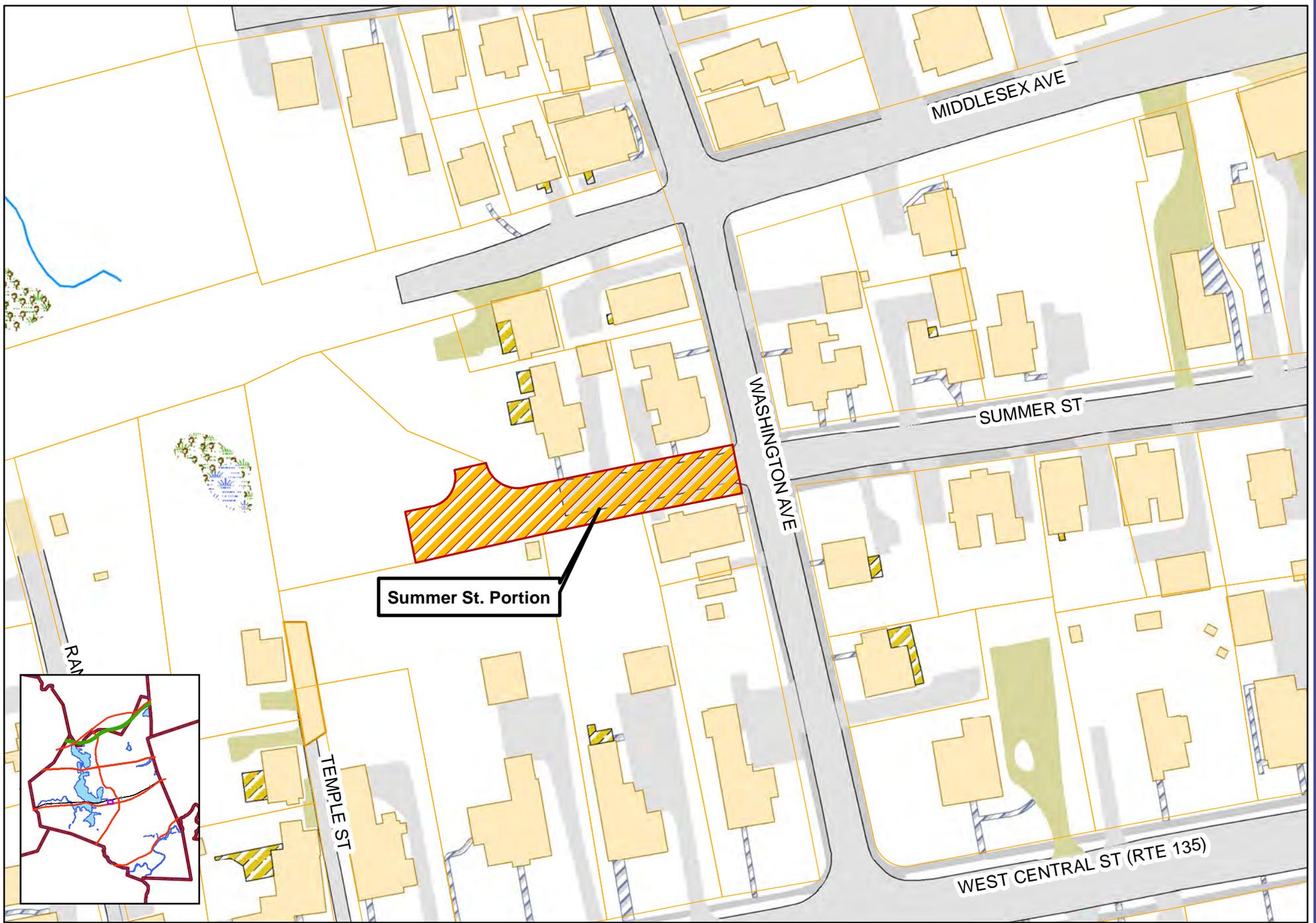
*By a vote of 10-2-0 on September 26, 2013, the Finance Committee recommends **Favorable Action** with regard to the subject of Article 3.*

During the Finance Committee public hearing, the following information was noted:

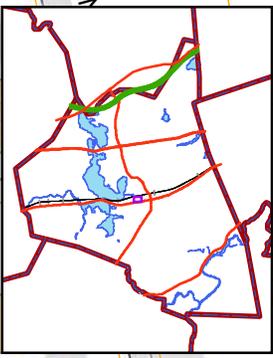
- Finance Committee members were informed that the portion of Summer Street that was being recommended for acceptance by the Town was the result of a new subdivision.
- The Town is satisfied that the developers have met their commitments with respect to the street, and have recommended that the developer's performance bond be released in full.
- While members of the Finance Committee generally support the acceptance of this street, some members felt that the Board of Selectmen's public hearing should occur prior to the Finance Committee's recommendation. The Selectmen's hearing was scheduled for October 7, 2013.

MOTION (requires two-thirds majority vote):

Move that the Town vote to accept a portion of Summer Street as a public way, and any appurtenant easements thereto, as laid out by the Board of Selectmen and as shown on a plan or plans, a copy of which is on file in the office of the Town Clerk; to authorize the Board of Selectmen to acquire by gift, purchase, eminent domain or otherwise, easements in any land necessary for laying out and acceptance of a portion of Summer Street, and any appurtenant drainage, utility or other easements related to said Summer Street, and/or to accept grants thereof; and, further, to authorize the Board of Selectmen and other applicable Town of Natick boards and personnel to take all related actions necessary or appropriate to accomplish the purposes of this article.



Summer St. Portion



DISCLAIMER: The information depicted on this map is for planning purposes only. It may not be adequate for legal boundary definition, regulatory interpretation or conveying purposes.



Article 3
 Street Acceptance: Portion of Summer St.

ARTICLE 4
Committee Article
(Board of Selectmen)

To see if the Town will vote to receive the reports of Town officers, boards, and committees, or otherwise act thereon.

PURPOSE OF ARTICLE:

The purpose of this Article is to provide various Town Committees an opportunity to inform Town Meeting of recent developments and/or updates with respect to those Committees.

FINANCE COMMITTEE RECOMMENDATION AND DISCUSSION:

By a vote of 12-2-0 on September 3, 2013, the Finance Committee recommends Favorable Action with regard to the subject of Article 4.

During the Finance Committee public hearing, the following information was noted:

- Finance Committee members were advised that there were three reports that were currently expected to be presented to Town Meeting: the Natick 360 Strategic Oversight Committee, the Zoning By-Law Review Committee, and the Natick Cultural District Advisory Board.
- It was noted that there is no requirement for committees or boards to notify Town Administration of their intention to provide a report to Town Meeting. However, boards and committees must advise the Town Moderator of their intent to provide reports to Town Meeting.
- As in prior years, a recommendation of Favorable Action indicates only that the Finance Committee recommends that Town Meeting vote to hear the report(s). It does not endorse or refute any of the information contained in the reports.

MOTION (requires majority vote):

Move that the Town vote to receive the reports of town officers, boards, and committees.

ARTICLE 5
**Amend Zoning By-Laws: Limited Salesroom for Motor Vehicles
(Planning Board)**

To see if the Town will vote to amend the Zoning Bylaws to add a new use of “Limited Salesroom for Motor Vehicles”; or otherwise act thereon.

PURPOSE OF ARTICLE:

The purpose of this Article of to amend the Zoning By-Laws to add a new use of “Limited Salesroom for Motor Vehicles.”

FINANCE COMMITTEE RECOMMENDATION AND DISCUSSION:

*By a vote of 8-0-3 on September 24, 2013, the Finance Committee recommends **Favorable Action** with regard to the subject of Article 5.*

During the Finance Committee public hearing, the following information was noted:

- If approved, this Zoning By-Law amendment will allow by special permit the small-scale sales of motor vehicles in locations that are currently not approved for such sales. “Small-scale” is defined by the proposed amendment as no more than four motor vehicles in the sales location.
- This By-Law addresses sales only and would not apply to rentals.
- Issues related to the amount of gasoline potentially stored in vehicles inside the Mall would fall under the fire department review for occupancy permits.
- The decision on the part of the Planning Board to bring this forward at this time as a separate Article separate from the larger review and update of the zoning By-Laws is partly due to the delay in the larger review timetable and partly to be responsive to an application from Tesla Motors that raised issues associated with a new approach to automobile marketing.
- Enforcement mechanisms exist to monitor compliance of permit holders with terms of the special permits granted. In addition, motor vehicle sales operate under the Class I license issued by the Board of Selectmen.
- If this is approved by Town Meeting the Article will be submitted to the Attorney General’s office for approval by the legislature.
- Proponents of this Article noted that the proposed amendment acknowledges the changing nature of the auto sales business from the traditional model which used large amount of space to more of a “boutique” model in which some of the disadvantages of the traditional sales model are mitigated.
- Several questions were raised for clarification of the terminology and codes appearing in the proposed motion for this Article. It was recommended that these details be clarified with further documentation for Town Meeting.

MOTION (requires two-thirds majority vote):

Move that the Zoning Bylaws be amended by adding a new use “Limited Salesroom for Motor Vehicles” as follows:

In Section 200 – DEFINITIONS insert:

“Limited Salesroom for Motor Vehicles: A retail establishment for the sale of Motor Vehicles with Class I license per MGL c. 140 s. 59 having no more than four vehicles on site for sale, test driving or display, with no repair services.”

In Section III-A.2 Use Regulations Schedule insert:

| | BUSINESS USES | RG | RM | RS | PCD | SH | AP | DM | CII | INI | INII | D | H |
|------|---------------------------------------|----|----|----|-----|----|----|-----|-----|-----|------|---|---|
| 23A. | Limited salesroom for motor vehicles. | 0 | 0 | 0 | 0 | 0 | 0 | (*) | A | 0 | 0 | 0 | 0 |

In Section III-D USE REGULATIONS FOR LC DISTRICTS insert a new subsection:

“k.1. Limited salesroom for motor vehicles.”

In Section III-E DOWNTOWN MIXED USE DISTRICT DM insert a new subsection:

“2.b.10.a. Limited salesroom for motor vehicles.”

ARTICLE 6
**Amend Section 6-3 of the Charter to Allow Greater Flexibility Re: Comptroller
Position
(Board of Selectmen)**

To see if the Town will vote to amend the Town Charter, specifically by deleting in its entirety the fourth sentence of Section 6-3, paragraph (a) and replacing it with the following: "The comptroller shall devote his entire time, as committed to and agreed upon by the Board of Selectmen, to the performance of his duties and the supervision of the employees of his department." Or otherwise act thereon.

PURPOSE OF ARTICLE:

The purpose of this Article is to amend the Town Charter with respect to the position of Comptroller.

FINANCE COMMITTEE RECOMMENDATION AND DISCUSSION:

The Finance Committee does not have a recommendation with regard to the subject of Article 6.

During the Finance Committee public hearing, the following information was noted:

- The current Charter language with respect to the Town Comptroller position is more restrictive than that for any other Town position mentioned, including that of the Town Administrator, in that it is interpreted by Town Counsel as prohibiting any other employment by the individual holding this position.
- The Article proposes to amend Section 6-3 of the Charter by inserting the phrase "...as committed to and agreed upon by the Board of Selectmen..." to provide for the same flexibility, with authorization by the Selectmen, as that provided for all other Town positions in this regard.
- Town Counsel's interpretation of existing language of the Charter is that a longer term arrangement to employ the current Comptroller would be prohibited unless the individual discontinued all other work she is currently performing for anyone other than the Town.
- Finance Committee members note that although the additional language proposed to be added through this amendment specifies the commitment and agreement of the Board of Selectmen to any potential employment terms, it fails to specify a corresponding commitment and agreement to the arrangement by a prospective Comptroller.
- One of the objectives of this proposed Charter amendment is to provide the Town with greater flexibility, under the Selectmen's oversight, to accommodate the realities of the current job market. The Town has experienced continuing and significant problems in recruitment and retention of suitably qualified individuals for this position. The specialized requirements in the area of municipal accounting in Massachusetts are extremely complex and demanding.
- It is the Administration's opinion that the recruitment challenges experienced by the Town over the past several years are being experienced by many other municipalities and relate more to the unique demands of this role and the paucity of qualified candidates than to the compensation level provided for in the Town's current Pay Plan.

- The outstanding results produced by the incumbent interim Comptroller, described as extraordinarily well qualified, have been delivered through a contract for fewer than 40 hours per week but including the individual's availability on a 24/7 basis.
- As the Charter requires the Comptroller to be appointed every three years, a three-year contract could potentially stipulate specific conditions provided they comply with other Charter provisions.
- The State statute that is interpreted by Counsel to prohibit employment of an independent contractor to provide these services does not address some of the unique aspects of municipal government and there is no additional case law to further clarify its application to the current situation.
- The Selectmen voted 4-0-0 to support favorable action on this Article as it relates strictly to the proposed Charter change. Other issues related to the employment of the current Comptroller, but distinct from the proposed Charter amendment, will continue to be debated by the Selectmen in coming weeks and were determined to be outside the scope of this Article.
- Finance Committee members debated two motions regarding Article 6 – one motion for referral to the sponsor and a second motion for favorable action.
- Those members supporting favorable action noted the following:
 - The importance of providing Town Administration with latitude and flexibility with respect to personnel matters, particularly in light of the challenges of the Comptroller's position.
 - Recent successes using the current staffing model for the position provided a basis for optimism that the current arrangement was a viable staffing model for the Comptroller's position.
 - The need for the Comptroller's position to be treated equally and with parity compared to other positions in the Town; proponents noted that it is not uncommon for Town employees at all levels to hold supplemental employment such as consultants, as long as the supplemental positions were not in conflict with their Town position.
- Those members supporting referral noted the following:
 - The opinion that the original intent of the Charter was to require a full time Comptroller.
 - Language flaws and lack of specificity in the proposed amendment, and concern that the proposed language would not achieve the desired objective.
 - The fact that the current arrangement with respect to the Comptroller's position was inconsistent with the language of the Charter is not a sufficient reason to amend the Charter.
- Since neither motion achieved the requisite eight votes needed for a recommendation, the Finance Committee has **no recommendation** on the Article.

MOTION (a positive main motion requires two-thirds majority vote; referral requires a majority vote):

Move that the Town vote to amend the Town Charter, specifically by deleting in its entirety the fourth sentence of Section 6-3, paragraph (a) and replacing it with the following: "The comptroller shall devote his entire time, as committed to and agreed upon by the Board of Selectmen, to the performance of his duties and the supervision of the employees of his department."

ARTICLE 7
**Senior Tax Work Program (to Specify up to 125 Hours of Work vs Current \$1,000
Dollar Limit
(Council on Aging)**

To see if the Town will vote, pursuant to Massachusetts General Laws Chapter 59, Section 5K, which Section was previously accepted by the Town of Natick, to adjust the maximum reduction of the real property tax bill to be based on 125 volunteer service hours to the Town in a given tax year, rather than \$1,000, or otherwise act thereon.

PURPOSE OF ARTICLE:

The purpose of this Article is to bring the guidelines for the Senior Property Tax Work Program into alignment with those of the Veterans Tax Work-Off Program

FINANCE COMMITTEE RECOMMENDATION AND DISCUSSION:

*By a vote of 13-0-0 on September 24, 2013, the Finance Committee recommends **Favorable Action** with regard to the subject of Article 7.*

During the Finance Committee public hearing, the following information was noted:

- The purpose of this Warrant Article is to bring the guidelines for the Senior Property Tax Work Program into alignment with those of the Veterans Tax Work-Off Program that were voted under Article 27 of the Annual Spring Town Meeting 2013.
- The current arrangement provides for a maximum of 125 hours and \$1,000 per year; this corresponds to the current State minimum wage hourly rate of \$8. Unless this is modified, any future increase in the state's minimum wage would force a reduction in the number of hours a participant could work below 125 hours. This would be too few hours to provide practical value to the participating Town departments or justify the necessary training required for potential program participants.
- This revision corresponds to the terminology of the Veterans Tax Work-Off program approved at 2013 Spring Town Meeting.
- An additional benefit to the Town if this Article is passed would be in the ease of administration of the two programs in that the benefit amounts for property tax credit for participants would be the same for both seniors and veterans.
- Any participants who earn more than \$600 through this program must be issued a 1099 tax form.
- Finance Committee members were informed that this Article is primarily a social benefit for residents as well as a matter of equity for participants in the Property Tax Work Program whether they are veterans or seniors.

MOTION (requires majority vote):

Move that the Town vote, pursuant to Massachusetts General Laws Chapter 59, Section 5K, which Section was previously accepted by the Town of Natick, to adjust the maximum reduction of the real property tax bill to be based on 125 volunteer service hours to the Town in a given tax year, rather than \$1,000.

ARTICLE 8
**Amend Town By-Laws Re: Contracts/Procurement
(Town Administrator)**

To see if the Town will vote to amend the Town By-Laws, Specifically Article 41, Section 1, by deleting in their entirety the second, third and fifth paragraphs therein, or otherwise act thereon.

PURPOSE OF ARTICLE:

The purpose of this Article is to amend Article 41, Section 1 of the Town's By-Laws, relating to contracts and procurement requirements.

FINANCE COMMITTEE RECOMMENDATION AND DISCUSSION:

*By a vote of 9-2-0 on September 12, 2013, the Finance Committee recommends **Favorable Action** with regard to the subject of Article 8.*

During the Finance Committee public hearing, the following information was noted:

- The State's procurement law (Chapter 30B) has recently been updated to reflect the rising costs of goods and services resulting in increases to the cost thresholds for which competitive sealed bids (\$25,000 and over); at least three quotes (\$5,000 - \$24,999); or "sound business practice" (purchases under \$5,000) are required.
- In addition to the State's general procurement law under Chapter 30B, separate state requirements exist for new construction related to energy efficiency improvements to buildings; to building construction; to "horizontal" construction, i.e., roads and pipes; and to designer selection in most circumstances.
- Massachusetts is recognized as having among the most stringent (and complex) procurement in the country. Streamlining the Town's requirements to eliminate inconsistencies and provisions which add further complexity beyond the state's requirements is proposed to allow for a more efficient process and open up opportunities for regional procurement.
- The Town's By-Laws were drafted to mirror the state's guidelines and the changes being proposed would adjust the Town's guidelines to reflect the recent state changes and also provide for accommodating similar changes by the state in the future without requiring a By-Law change each time.
- Town Administration, including the Town's Procurement Officer, stressed that the Town worked diligently to encourage a competitive process to achieve the best balance of price and quality on behalf of the Town's taxpayers.
- Questions were raised regarding architectural and engineering consulting services for which no procurement process was required by state law, as specifically referenced in the next to last paragraph of the existing By-Law and proposed for deletion. As a result, the Finance Committee voted to modify the Administration's proposed modifications to include a requirement that the Town's procurement policies should also apply to architectural and engineering consulting services.

ARTICLE 41

CONTRACTS, TOWN PROPERTY, AND REGULATIONS OF TOWN BOARDS AND OFFICIALS

Section 1 Procedures for Award of Contracts

The award of all contracts for the purchase of services, equipment, supplies or materials for all departments of the Town of Natick shall be made in accordance with Mass. Gen. Laws Chapter 30B; Chapter 30 Section 39M; Chapter 7; Chapter 149; or other applicable law, as may be amended. Administrative policies and/or procedures shall be established by the Town Administrator and the Superintendent of Schools as appropriate. Such policies and/or procedures shall, at a minimum, identify the municipal officials having the authority to legally bind the Town in a contract. Such policies shall prescribe procurement procedures for architectural and engineering consulting services for which no procurement process is required by applicable Massachusetts law.

~~No contract for the purchase of services, equipment, supplies, or materials, the actual or estimated cost of which amounts to five thousand dollars (\$5,000.00) or more, but less than twenty five thousand dollars (\$25,000.00), shall be awarded unless proposals, which must be authorized by the Chief Procurement Officer, or quotes for the contract have been invited from no less than three (3) vendors, contractors or other qualified persons. The Town of Natick shall reserve the right to reject any or all such proposals or quotes.~~

~~No contract for the purchase of services, equipment, supplies or materials, the actual or estimated cost of which amounts to twenty five thousand dollars (\$25,000.00) or more, shall be awarded unless proposals, which must be authorized by the Chief Procurement Officer, or bids for the contract have been invited by advertisement in at least one newspaper, published or circulated in the Town of Natick, such publication to be at least seven (7) days before the time specified for the opening of said proposals or bids. Such advertisement shall state the place where plans and specifications for proposed work or purchases may be obtained and the time and place at which proposals or bids will be opened, and shall reserve to the Town of Natick the right to reject any or all such proposals or bids. The opening of all proposals shall be witnessed. All bids shall be opened in public.~~

No contract, and no purchase, service or work for which a contract is proposed, shall be split or divided for the purpose of evading any provision of this section.

~~This section shall not apply to professional services, or to services performed by a person regularly employed by the Town as part of the duties of such employment. This section shall apply to architectural consulting services and engineering consulting services for which no procurement process is required by Massachusetts law.~~

All contracts of the Town of Natick shall bear the signature of the Comptroller verifying the availability of funds in the full amount of the contract.

MOTION (requires majority vote):

Move that the Town vote to amend the Town By-Laws, specifically Article 41, Section 1, by deleting in their entirety the second, third and fifth paragraphs therein, and by adding at the end of the first paragraph the following sentence: "Such policies shall prescribe procurement procedures for architectural and engineering consulting services for which no procurement process is required by applicable Massachusetts law."

ARTICLE 9
Feasibility Study of the Kennedy Middle School
(Superintendent of Schools)

To see if the Town of Natick will vote to appropriate, borrow or transfer from available funds, an amount of money to be expended under the direction of the School Committee for a feasibility study of the Kennedy Middle School, 165 Mill Street, Natick, MA, for which feasibility study the Town may be eligible for a grant from the Massachusetts School Building Authority. The MSBA's grant program is a non-entitlement, discretionary program based on need, as determined by the MSBA, and any costs the Town incurs in connection with the feasibility study in excess of any grant approved by and received from the MSBA shall be the sole responsibility of the Town.

PURPOSE OF ARTICLE:

The purpose of this Article is to provide funding to conduct a feasibility study of the condition of the Kennedy Middle School

FINANCE COMMITTEE RECOMMENDATION AND DISCUSSION:

*By a vote of 13-0-0 on September 24, 2013, the Finance Committee recommends **Favorable Action** with regard to the subject of Article 9.*

During the Finance Committee public hearing, the following information was noted:

- Finance Committee members were informed that the School Department had submitted a statement of interest to the Massachusetts School Building Authority ("MSBA") in April 2013 regarding the need to address acute overcrowding at the Kennedy Middle School. A response from the MSBA is anticipated to be received in late November or early December and, in the event the Authority's response is positive, a feasibility study would be initiated for which funding was being requested under this Article.
- The total amount being requested is \$750,000 to be funded from tax levy borrowing. As the MSBA has a pay-as-you-go provision whereby expenses may be reimbursed in increments throughout the process, it is not anticipated that the full amount would need to be borrowed. The School Department has committed that no funds will be expended, however, unless or until MSBA approves the School Department's statement of interest.
- If approval is received from the MSBA to proceed with the feasibility study, there is potential to receive reimbursement from the Authority at a rate potentially as high as the 53.63% rate received by the Town for the recent high school project. The actual rate received will depend on a variety of factors ultimately determined by decisions made regarding the project design, scope and features.
- The decision as to whether to replace or remodel the Kennedy School will be one of the major outcomes of the proposed feasibility analysis. If the results of the study determine one course and the Town were to decide to proceed in a different direction, it is likely that would result in forfeit of the prospective MSBA reimbursement for the project.

- The School Committee and Selectmen have voted to constitute a building committee for this project, assuming MSBA approval, which would be identical in size and composition to that which oversaw the high school project.
- If the Town does not approve the funding for the feasibility study, this potential project would automatically be dropped from consideration in the MSBA program.
- Enrollment is continuing to increase at all levels within the system. Once the Middle School pressure is addressed through this potential project, it is likely a building or renovation project to address enrollment growth at the elementary level would be necessary. A recently completed Master Plan explored many of these long range issues and projections.
- The feasibility study is expected to take approximately one year from the point at which MSBA approval is received and funding is available. The scope of the study will include the services of an Owners Project Manager and an Architectural firm.
- The feasibility study will document the educational program, generate an initial space summary, document existing conditions, establish design parameters, develop and evaluate alternatives, and recommend the most cost effective and educationally appropriate preferred solution.

MOTION (requires two-thirds majority vote):

Move that the Town of Natick appropriate the amount of seven hundred and fifty thousand (\$750,000) dollars for the purpose of paying costs of the feasibility study of the Kennedy Middle School, 165 Mill Street, Natick, MA, including the payment of all costs incidental or related thereto, and for which the Town may be eligible for a grant from the Massachusetts School Building Authority ("MSBA"), said amount to be expended under the direction of the School Committee. To meet this appropriation the Town Treasurer, with the approval of the Board of Selectmen is authorized to borrow said amount under and pursuant to M.G.L. Chapter 44, or pursuant to any other enabling authority. The Town acknowledges that the MSBA's grant program is a non-entitlement, discretionary program based on need, as determined by the MSBA, and any costs the Town incurs in excess of any grant approved by and received from the MSBA shall be the sole responsibility of the Town, and that the amount of borrowing authorized pursuant to this vote shall be reduced by any grant amount set forth in the Feasibility Study Agreement that may be executed between the Town and the MSBA.

ARTICLE 10
Rescind Authorized, Unissued Debt
(Town Administrator)

To see if the Town will vote to rescind the authorization for unissued debt that has been determined is no longer needed for the completion of various projects, or otherwise act thereon.

PURPOSE OF ARTICLE:

The purpose of this Article is to rescind Town Meeting's prior authorization for debt which has not been issued and has been determined by the Town to not be needed.

FINANCE COMMITTEE RECOMMENDATION AND DISCUSSION:

*By a vote of 15-0-0 on September 19, 2013, the Finance Committee recommends **No Action** with regard to the subject of Article 10.*

During the Finance Committee public hearing, the following information was noted:

- The Town Administration is not proposing any additional rescissions at this time and is therefore requesting a vote of no action on Article 10.
- The Finance Committee reviewed the table of current authorized, unissued debt projects. A copy of this table is provided on the following page.
- The high school project remains the largest single item on the authorized, unissued list and the Administration plans to wait until the Massachusetts School Building Authority completes its final project audit before rescinding the remaining balance.
- A \$540,000 item remains on the list for potential future construction of a parking garage on the Middlesex Avenue site as the potential exists to combine this amount with other funds at some time in the future to be directed toward this purpose.
- There is no time limit by which authorized debt must be issued.
- Although future work on the Charles River Dam is planned and appears in the Town's Capital Plan, there is no immediate urgency to begin these repairs at present.

The motion for Article 10 appears on the page following the table of authorized, unissued debt.

Article 10 Rescind Authorized, Unissued Debt

Article 10 is an annual request to evaluate if the Town has authorized borrowing for capital projects but no longer needs the full balance of the authorization because the projects are complete, significantly complete, or no longer necessary. Over the last several years the Town has carefully reviewed our Statement of Indebtedness (SOI) which we have to annually submit to the Department of Revenue to determine what authorizations can be rescinded. This exercise is not required under law, but it is a sound accounting practice and provides an opportunity to demonstrate to Town Meeting and taxpayers a snapshot of where we stand with respect to borrowing authorizations.

The list of all authorized but unissued debt is shown below. Most of the outstanding unissued debt as of 6/30/2013 (Column F) will be issued in May 2014 when the Town next goes out to market, or has already been automatically rescinded.

We do not recommend rescinding any authorized, unissued debt at this time. *Therefore we are recommending a vote of NO ACTION on the subject matter of Article 10.*

| <u>A</u> | <u>B</u> | <u>C</u> | <u>D</u> | <u>E</u> | <u>F (D-E)</u> | <u>G</u> | <u>H</u> | <u>I</u> | <u>J (F-G-H-I)</u> |
|--------------------------------|--------------|-----------------|----------------------|--|-------------------------|--------------------------------------|------------------------|-------------------------------|-------------------------|
| Purpose | Date of Vote | Article Number | Amount Authorized | = - Issued - Retired - Rescinded | = Unissued 6/30/2013 | Amount Automatically Rescinded | To be Issued 5/2014 | To be Rescinded 10/2013 | = Unissued 6/30/2014 |
| Sewer System Rehab | 4/25/2013 | 14-Motion E | \$ 1,374,000 | \$ - | \$ 1,374,000 | \$ - | \$ 1,374,000 | \$ - | \$ - |
| Sewer Line Replacement | 4/25/2013 | 14-Motion C #22 | \$ 48,000 | \$ - | \$ 48,000 | \$ - | \$ 48,000 | \$ - | \$ - |
| Springvale WTP Valves/Filters | 4/25/2013 | 14-Motion C #21 | \$ 100,000 | \$ - | \$ 100,000 | \$ - | \$ 100,000 | \$ - | \$ - |
| Springvale Energy Upgrades | 4/25/2013 | 14-Motion C #20 | \$ 150,000 | \$ - | \$ 150,000 | \$ - | \$ 150,000 | \$ - | \$ - |
| Prime Park Pump Station | 4/25/2013 | 14-Motion C #19 | \$ 150,000 | \$ - | \$ 150,000 | \$ - | \$ 150,000 | \$ - | \$ - |
| Town Forest Reservoir | 4/25/2013 | 14-Motion C #17 | \$ 220,000 | \$ - | \$ 220,000 | \$ - | \$ 220,000 | \$ - | \$ - |
| Ground Water Well Replace | 4/25/2013 | 14-Motion C #16 | \$ 300,000 | \$ - | \$ 300,000 | \$ - | \$ 300,000 | \$ - | \$ - |
| Police-HVAC Replace | 4/25/2013 | 14-Motion B #10 | \$ 180,000 | \$ - | \$ 180,000 | \$ - | \$ 180,000 | \$ - | \$ - |
| Memorial School Boiler Replace | 4/25/2013 | 14-Motion B #9 | \$ 400,000 | \$ - | \$ 400,000 | \$ - | \$ 400,000 | \$ - | \$ - |
| JJ Lane Park | 4/25/2013 | 14-Motion B #8 | \$ 110,000 | \$ - | \$ 110,000 | \$ - | \$ 110,000 | \$ - | \$ - |
| Memorial School Lighting | 4/25/2013 | 14-Motion B #7 | \$ 125,000 | \$ - | \$ 125,000 | \$ - | \$ 125,000 | \$ - | \$ - |
| Field Fence Work | 4/25/2013 | 14-Motion B #6 | \$ 140,750 | \$ - | \$ 140,750 | \$ - | \$ 140,750 | \$ - | \$ - |
| Retaining Wall-Pond/Cemetery | 4/25/2013 | 14-Motion B #4 | \$ 455,000 | \$ - | \$ 455,000 | \$ - | \$ 455,000 | \$ - | \$ - |
| Roads | 4/25/2013 | 14-Motion B #3 | \$ 300,000 | \$ - | \$ 300,000 | \$ - | \$ 300,000 | \$ - | \$ - |
| Police-Dispatch Center | 4/25/2013 | 14-Motion B #2 | \$ 230,000 | \$ - | \$ 230,000 | \$ - | \$ 230,000 | \$ - | \$ - |
| Ben-Hem School-Playground | 4/25/2013 | 14-Motion B #1 | \$ 175,000 | \$ - | \$ 175,000 | \$ - | \$ 175,000 | \$ - | \$ - |
| DPW-Dump Truck/Sander | 4/25/2013 | 13-Motion B #11 | \$ 190,000 | \$ - | \$ 190,000 | \$ - | \$ 190,000 | \$ - | \$ - |
| DPW-Hooklift & Chassis | 4/25/2013 | 13-Motion B #10 | \$ 230,000 | \$ - | \$ 230,000 | \$ - | \$ 230,000 | \$ - | \$ - |
| DPW-Recycle Totes | 4/25/2013 | 13-Motion B #9 | \$ 570,000 | \$ - | \$ 570,000 | \$ - | \$ 570,000 | \$ - | \$ - |
| Sewer System Rehab-MWRA | 4/24/2012 | 16-Motion E | \$ 357,900 | \$ 196,845 | \$ 161,055 | \$ - | \$ - | \$ - | \$ 161,055 |
| High School Construction | 2/4/2010 | 6 | \$ 85,640,000 | \$ 44,000,000 | \$ 41,640,000 | \$ 34,131,351 | \$ - | \$ - | \$ 7,508,649 |
| Sewer I&I | 4/17/2008 | 14 | \$ 514,250 | \$ 77,385 | \$ 436,865 | \$ - | \$ - | \$ - | \$ 436,865 |
| Parking Garage | 5/4/2006 | 14 | \$ 710,000 | \$ 170,000 | \$ 540,000 | \$ - | \$ - | \$ - | \$ 540,000 |
| Charles River Dam | 4/15/2008 | 10-Motion B #3 | \$ 187,000 | \$ 100,000 | \$ 87,000 | \$ - | \$ - | \$ - | \$ 87,000 |
| Totals | | | \$ 92,856,900 | \$ 44,544,230 | \$ 48,312,670 | \$ 34,131,351 | \$ 5,447,750 | \$ - | \$ 8,733,569 |

MOTION (requires majority vote):

No Action.

ARTICLE 11
**Appropriation from Receipts Reserved Funds from Bernardi Development to Fund
Purchase of Foam Concentrate for the Natick Fire Department
(Board of Selectmen)**

To see if the Town will vote to appropriate the sum of \$9,625 from mitigation funds from the Bernardi Auto Group Expansion Project, pursuant to a decision of the Natick Planning Board, said funds to be expended under the direction of the Natick Fire Chief for the purchase of foam concentrate for the Natick Fire Department to assist in the suppression of fires and/or spills, or otherwise act thereon.

PURPOSE OF ARTICLE:

The purpose of this Article is to appropriate funds received from the Bernardi Auto Group for the purpose of purchasing foam concentrate. As this money was received as mitigation funds, it must be appropriated by Town Meeting.

FINANCE COMMITTEE RECOMMENDATION AND DISCUSSION:

*By a vote of 13-1-0 on September 3, 2013, the Finance Committee recommends **Favorable Action** with regard to the subject of Article 11.*

During the Finance Committee public hearing, the following information was noted:

- A 2012 Planning Board permitting decision relating to approval of a below-grade service center as part of an auto sales facility owned by Bernardi Auto Group included mitigation funding for purchase of foam concentrate. As the facility expansion is nearing completion, the Fire Department wishes to purchase the foam using these mitigation funds, which requires Town Meeting approval.
- All of the Town's fire trucks are equipped with foam-fighting capability and carry foam.
- These mitigation funds will supplement operating budget resources also budgeted for purchase of foam concentrate to maintain the department's supply. The intent is not to restrict use of foam purchased with these funds only to the Bernardi auto facility.
- If the appropriation is approved, there is no requirement that the full amount be expended according to any time deadline or fiscal year.
- If Town Meeting does not approve this appropriation, the funds remain in the Receipts Reserved account, earmarked for this purpose only, for use at some future time.

MOTION (requires majority vote):

Move that the Town vote to appropriate the sum of \$9,625 from mitigation funds from the Bernardi Auto Group Expansion Project, pursuant to a decision of the Natick Planning Board, said funds to be expended under the direction of the Natick Fire Chief for the purchase of foam concentrate for the Natick Fire Department to assist in the suppression of fires and/or spills.

ARTICLE 12
Unpaid Bills
(Town Administrator)

To see if the Town will vote to raise and appropriate, or otherwise provide such sums of money as may be required for the payment of unpaid bills of previous years, incurred by the departments, boards and officers of the Town of Natick, or otherwise act thereon.

PURPOSE OF ARTICLE:

This is a recurring Article, included on every Town Meeting warrant, in the event that there are bills from previous fiscal years that need to be paid.

FINANCE COMMITTEE RECOMMENDATION AND DISCUSSION:

*By a vote of 14-0-0 on September 3, 2013, the Finance Committee recommends **No Action** with regard to the subject of Article 12.*

During the Finance Committee public hearing, the following information was noted:

- Finance Committee members were informed by the Town Administrator that there were no unpaid bill for previous fiscal years, and that the Administration was requesting a recommendation of "No Action."

MOTION (requires majority vote):

No Action.

ARTICLE 13
Fiscal 2014 Omnibus Budget Article
(Town Administrator)

To determine what sum or sums of money the Town will appropriate and raise, or transfer from available funds, for the operation of the government of the Town of Natick, including debt and interest, during Fiscal Year 2014 (July 1, 2013 through June 30, 2014) and to provide for a reserve fund for Fiscal Year 2014, and to see what budgets for Fiscal Year 2014 will be reduced to offset said additional appropriations, or otherwise act thereon.

PURPOSE OF ARTICLE:

The purpose of this Article is to supplement or adjust the Fiscal Year 2014 (current fiscal year) budget.

FINANCE COMMITTEE RECOMMENDATION AND DISCUSSION:

*By votes of 11-0-0 (Motion A) and 11-0-0 (Motion B) on September 26, 2013, the Finance Committee recommends **Favorable Action** with regard to the subject of Article 13.*

During the Finance Committee public hearing, the following information was noted:

- The Town Administration highlighted the strong financial position of the town and attributed this position to Town's commitment to long range financial planning and conservative budgeting. These practices have contributed directly to the Town's ability to build reserves and both anticipate and offset a portion of the taxpayer impact of recent and anticipated debt exclusion projects.
- Town Administration also noted three specific benefits of this prudent approach to budgeting and financial planning:
 - The Town was in a position to fund critical capital needs;
 - The Town had not only experienced no layoffs during the recent economic recession, but had been able to add staff in key areas; and
 - The Town is implementing plans to offset some of the impact on taxpayers of the new high school and the Community-Senior Center projects.
- Article 13 proposes mid-year adjustments to the FY 2014 operating budget:
 - Motion A proposes to reduce funds from the FY 2014 operating budget that were appropriated at the 2013 Spring Annual Town Meeting. The reductions are a result of the refinancing of the original golf course construction bonds in May 2013.
 - Motion B proposes to add to the FY 2014 operating budgets of four departments – the Police Department, the Board of Selectmen, Debt Service, and Water/Sewer Debt. The specific reasons for the additions are as shown on the chart on the following page, which was reviewed by the General Government Subcommittee and the full Finance Committee.

- Part of Motion B proposes to increase the principal and interest lines of the Debt budget. These increases are due to additional issuance of bonds attributable to the High School and Community Senior Center projects, as was discussed at the 2013 Spring Annual Town Meeting and which is depicted on a second chart which follows the first one. In keeping with the Administration's commitment that such increases would be funded from non-tax sources, the increase of \$453,691 is being funded by premiums received from the bond issuances (\$16,077) and Free Cash (\$437,614).

***The motions for Article 13 appear on the page following the charts described above.
The quantum of votes needed for each motion appears with the motion.***

Article 13 - FY 2014 Omnibus Budget Changes

| 2013 SATM Article Being Amended | Line Item Amended/Description | Amount |
|------------------------------------|--|-------------------|
| Article 12, Motion B | Police Expenses | \$ 16,000 |
| | Addition of \$16,000 for funding an Assessment Center for Police Sergeant Exam which was not foreseen prior to the 2013 Spring Annual Town Meeting. | |
| Article 12, Motion E | Selectmen Salaries | \$ 20,000 |
| | Addition of \$20,000 for a period of overlap between outgoing and incoming Deputy Town Administrator/Finance Directors | |
| Article 12, Motion E | Selectmen Expenses | \$ 85,000 |
| | Addition of \$85,000 for department head recruitment and hiring assistance. These funds will be used for advertising in regional/national publications and for the employment of recruitment firms if necessary. Funds will be added in a separate line item so they cannot be expended for any other purpose, and will not be spent unless necessary. | |
| Article 12, Motion G | Add Debt Service Principal | \$ 224,600 |
| | Addition of \$224,600 as a result of issuance of bonds in May 2013. Primary driver is additional money issued for Natick High School and Community-Senior Center. Cost proposed to be covered by Free Cash and will not be borne by taxpayers in FY 2014. | |
| Article 12, Motion G | Add Debt Service Interest | \$ 148,912 |
| | Addition of \$148,912 as a result of issuance of bonds in May 2013. Primary driver is additional money issued for Natick High School and Community-Senior Center. Cost proposed to be covered by Free Cash and will not be borne by taxpayers in FY 2014. | |
| Article 12, Motion H1 | Add W/S Debt Service Principal | \$ 5,000 |
| | Addition of \$5,000 as a result of issuance of bonds in May 2013. | |
| Article 12, Motion H1 | Add W/S Debt Service Interest | \$ 49,773 |
| | Addition of \$49,773 as a result of issuance of bonds in May 2013. | |
| Article 12, Motion I1 | Reduce G/C Debt Service Principal | \$ (18,210) |
| | Reduction of \$18,210 as a result of refinancing original golf course bonds in May 2013. Refinancing will save on average \$20,000+ annually for the duration of the bonds (2022). | |
| Article 12, Motion I1 | Reduce G/C Debt Service Interest | \$ (23,427) |
| | Reduction of \$23,427 as a result of refinancing original golf course bonds in May 2013. Refinancing will save on average \$20,000+ annually for the duration of the bonds (2022). | |
| Total Budget Changes | | \$ 507,648 |

General Fund Debt Service Changes

Spring

| | <u>Principal</u> | <u>Principal</u> | <u>Difference</u> |
|------------------------|---------------------|---------------------|-------------------|
| Within-Levy Debt | \$ 4,776,367 | \$ 4,700,967 | \$ (75,400) |
| Excluded Debt | \$ 3,125,000 | \$ 3,425,000 | \$ 300,000 |
| Total Principal | \$ 7,901,367 | \$ 8,125,967 | \$ 224,600 |

Fall

| | <u>Interest</u> | <u>Interest</u> | <u>Difference</u> |
|-----------------------|---------------------|---------------------|-------------------|
| Within-Levy Debt | \$ 744,906 | \$ 740,126 | \$ (4,779) |
| Excluded Debt | \$ 1,859,259 | \$ 2,012,950 | \$ 153,691 |
| Total Interest | \$ 2,604,164 | \$ 2,753,076 | \$ 148,912 |

Change W/L Debt \$ (80,179)

Change Exempt Debt \$ 453,691

Funding Debt Service Changes

Exempt Debt is the only increase. In order to honor the commitment to taxpayers made when the FY 2014 budget was constructed, all increase to debt as a result of the May 2014 issuance must be covered from non-tax sources. The increase of \$453,691 will be made up by the following sources:

| | |
|----------------------|---------------------|
| Premiums | \$ (16,077) |
| Free Cash | \$ (437,614) |
| Total Funding | \$ (453,691) |

Article 13 - FY 2014 Omnibus Operating Budget

MOTION A: (Requires a Majority Vote)

Move that the Town vote to reduce the following appropriations voted at the 2013 Spring Annual Town Meeting commencing on April 23, 2013 under Article 12 as follows:

| | | | |
|-----------------------|----------------------------|-----------|-----------------|
| Article 12, Motion I1 | G/C Debt Service Principal | \$ | (18,210) |
| Article 12, Motion I1 | G/C Debt Service Interest | \$ | (23,427) |
| Total | | \$ | (41,637) |

And that to meet this reduction, the following sources of funding be reduced as follows:

| | | | |
|-----------------------|------------------------------|-----------|-----------------|
| Article 12, Motion I1 | Tax Levy of Fiscal Year 2014 | \$ | (20,000) |
| Article 12, Motion I1 | Golf User Fees | \$ | (21,637) |
| Total | | \$ | (41,637) |

MOTION B: (Requires a Majority Vote)

Move that the Town vote to appropriate the sum of \$549,285 as amendments to the following appropriations voted at the 2013 Spring Annual Town Meeting commencing on April 13, 2013 under Article 12 as follows:

| | | | |
|-----------------------|----------------------------|-----------|----------------|
| Article 12, Motion B | Police Expenses | \$ | 16,000 |
| Article 12, Motion E | Selectmen Salaries | \$ | 20,000 |
| Article 12, Motion E | Selectmen Expenses | \$ | 85,000 |
| Article 12, Motion G | Debt Service Principal | \$ | 224,600 |
| Article 12, Motion G | Debt Service Interest | \$ | 148,912 |
| Article 12, Motion H1 | W/S Debt Service Principal | \$ | 5,000 |
| Article 12, Motion H1 | W/S Debt Service Interest | \$ | 49,773 |
| Total | | \$ | 549,285 |

And that to meet this appropriation, the sum of \$549,285 be raised from the following sources:

| | | | |
|------------------------------|----|-----------|----------------|
| Free Cash | \$ | 437,614 | |
| Water/Sewer User Fees | \$ | 54,773 | |
| Premiums | \$ | 16,077 | |
| Tax Levy of Fiscal Year 2014 | \$ | 40,821 | |
| Total | | \$ | 549,285 |

ARTICLE 14
Stabilization Fund
(Town Administrator)

To see if the Town will vote to appropriate a sum of money from available funds for the purpose of supplementing the stabilization fund under Article 22 of the warrant for Annual Town Meeting of 1961, as authorized by Chapter 40, Section 5B of the General Laws, as amended, or otherwise act thereon.

PURPOSE OF ARTICLE:

The purpose of this Article is to appropriate funds into the Town's general Stabilization Fund. This is a recurring Article.

FINANCE COMMITTEE RECOMMENDATION AND DISCUSSION:

*By a vote of 11-0-0 on September 26, 2013, the Finance Committee recommends **No Action** with regard to the subject of Article 14.*

During the Finance Committee public hearing, the following information was noted:

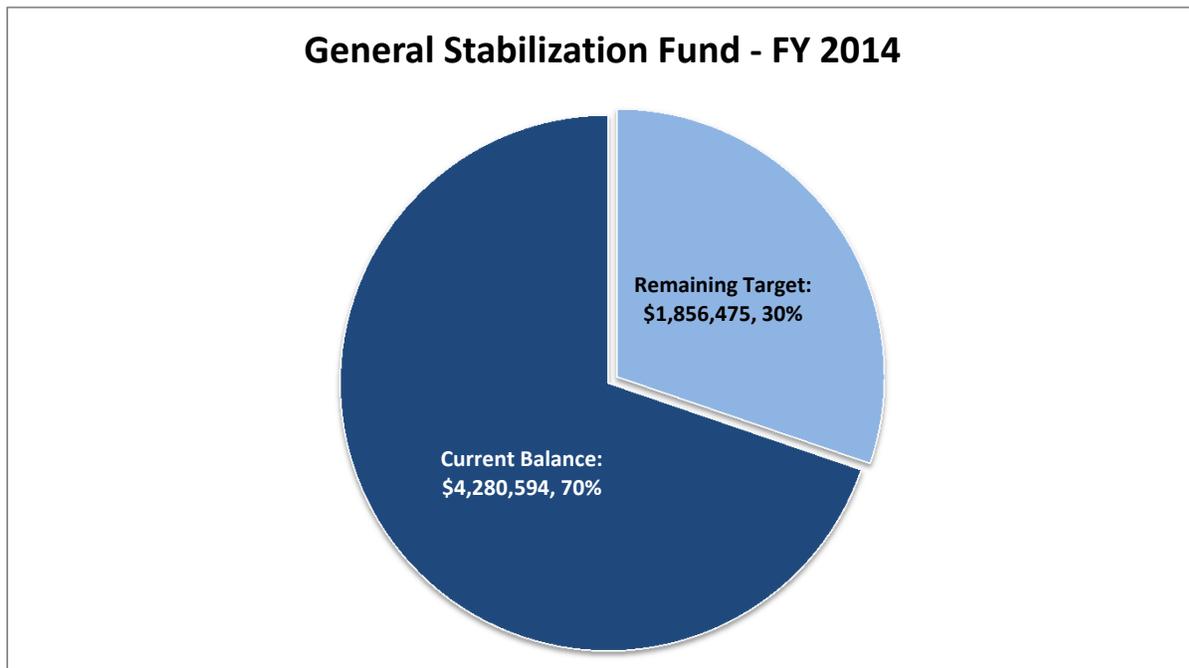
- The current balance in this Stabilization Fund is \$4,280,594.
- This Stabilization Fund is at 70% of the target funding level set forth by the Town's Financial Management Principles.
- The Administration is not proposing to appropriate any funds into this Stabilization Fund at this time. However, Town Administration and the Finance Committee reviewed in depth the Administration's overall strategy regarding the Town's reserves, and Committee members expressed support. Additional information will be discussed in the context of Articles 15 (Operational/Rainy Day Stabilization Fund) and 16 (Capital Stabilization Fund).
- The information and chart on the following page reflects the current state of this Stabilization Fund.

General Stabilization Fund

The chart below shows the current balance of the General Stabilization Fund. As per the Town's Financial Management Principles:

A General Stabilization Fund should be maintained for the purpose of unforeseen and catastrophic emergencies. It should, at a minimum, be at a level equal to 2% of revenues, with the target being 5% of revenues.

| | Current Balance | G.F. Revenues* | Minimum Level (2%) | Target (5%) | Balance to target | % Raised |
|----------------------------|-----------------|----------------|--------------------|--------------|-------------------|----------|
| General Stabilization Fund | \$ 4,280,594 | \$ 122,741,389 | \$ 2,454,828 | \$ 6,137,069 | \$ 1,856,475 | 69.75% |



**G.F. Revenues are based on last full budget year (FY 2014 target is based on FY 2013 G.F. Budgeted Revenues)*

MOTION (requires majority vote):

No Action.

ARTICLE 15
Stabilization Fund – Operating/Rainy Day
(Town Administrator)

To see if the Town will vote to appropriate a sum of money from available funds for the purpose of supplementing the Operational Stabilization Fund established by vote of the 2011 Spring Annual Town Meeting under Article 4, as authorized by Chapter 40, Section 5B of the General Laws, as amended, or otherwise act thereon.

PURPOSE OF ARTICLE:

The purpose of this Article is to appropriate funds into the Town's Operational/Rainy Day Stabilization Fund. This is a recurring Article.

FINANCE COMMITTEE RECOMMENDATION AND DISCUSSION:

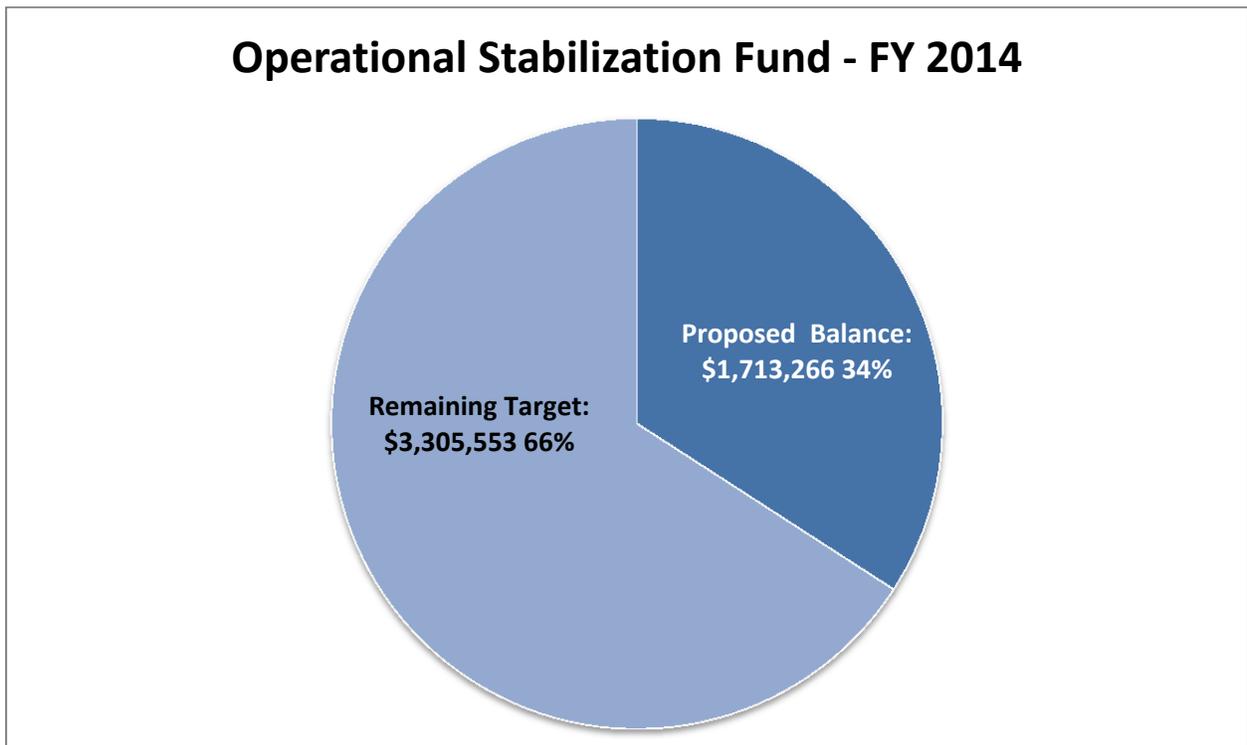
*By a vote of 11-0-0 on September 26, 2013, the Finance Committee recommends **Favorable Action** with regard to the subject of Article 15.*

During the Finance Committee public hearing, the following information was noted:

- This Article proposes to appropriate the sum of \$856,633 into the Operating/Rainy Day Stabilization Fund. The source of the funding is proposed to be free cash.
- The Town has received approximately \$1.1 million of one-time revenues from bond premiums and Federal Emergency Management Agency (FEMA) reimbursements. The Town's Financial Management Principles recommend that such one-time resources should be used to build reserves.
- The Town's Financial Management Principles state that the Operating/Rainy Day Stabilization Fund is maintained for the purpose of "augmenting operations in case of sustained economic downturn and associated loss of revenues in support of operations. Sustained economic downturn will be any situation whereby State Aid and/or local receipts are significantly reduced from one-year to the next. ("Significantly" being defined as more than 5% of the total for the respective revenue category.) The target amount of money in the Operational Stabilization Fund should be sufficient to sustain operations through a three-year period of economic downturn. This shall be equivalent to 10% of State Aid Revenues and 5% of Estimated Receipts cumulative for a three-year period."
- The current balance of this Stabilization Fund is \$856,633, which represents approximately 17% of its target balance according to the Town's Financial Management Principles. No funds have been added to this fund since it was initially created.
- If the proposed appropriation is approved by Town Meeting, the balance of this Fund would be \$1,713,266, or approximately 34% of its target balance according to the Town's Financial Management Principles. Finance Committee members were informed that this balance would represent approximately one year of decreased revenues of the level that could be expected in a period of extended economic downturn.
- The information and the pie chart on the following page show the state of this Stabilization Fund if the proposed appropriation is approved by Town Meeting.

The motion for Article 15 follows the pie chart on the following page.

| | Proposed Balance | Target - 5% of Local Receipts for last 3 years* | Target - 10% of State Aid for last 3 years* | Total Target | Remaining Target | Percentage of Target |
|--------------------------------|------------------|---|---|--------------|------------------|----------------------|
| Operational Stabilization Fund | \$ 1,713,266 | \$ 1,521,434 | \$ 3,497,386 | \$ 5,018,819 | \$ 3,305,553 | 34.14% |



MOTION (requires two-thirds majority vote):

Move that the Town vote to appropriate the sum of \$856,633 from Free Cash, for the purpose of supplementing the Operational Stabilization Fund established by vote of the 2011 Spring Annual Town Meeting under Article 4, as authorized by Chapter 40, Section 5B of the General Laws, as amended.

ARTICLE 16
Stabilization Fund – Capital
(Town Administrator)

To see if the Town will vote to appropriate a sum of money from available funds for the purpose of supplementing the Capital Stabilization Fund under Article 2 of the warrant for Fall Annual Town Meeting of 2010, as authorized by Chapter 40, Section 5B of the General Laws, as amended, or otherwise act thereon.

PURPOSE OF ARTICLE:

The purpose of this Article is to appropriate funds into the Town's Capital Stabilization Fund. This is a recurring Article.

FINANCE COMMITTEE RECOMMENDATION AND DISCUSSION:

*By a vote of 11-0-0 on September 26, 2013, the Finance Committee recommends **Favorable Action** with regard to the subject of Article 16.*

During the Finance Committee public hearing, the following information was noted:

- Finance Committee members and Town Administration extensively reviewed and discussed the Administration's long term strategy regarding the use of the Capital Stabilization Fund, including its expected sources and levels of revenue and anticipated utilization.
- This strategy is discussed in detail in the analysis that appears on the following pages, which were provided by the Town Administration. Town Meeting members are urged to carefully review this information.
- This Article proposes to appropriate \$3,774,632 into the Capital Stabilization Fund, of which \$1.5 million will be set aside specifically to provide ongoing tax relief for the debt exclusion projects in future years.
- Funding sources for the proposed \$3,774,632 include \$1,334,123 from the local option hotel/motel and meals tax receipts, which is characterized as Free Cash; an additional \$1,000,000 from Free Cash; and \$1,440,509 from the tax levy, which reflects the higher than anticipated new growth in the current year and the expectation that new growth in FY 2015 will be less.
- A table on page 4 of the Administration's analysis summarizes three alternatives to subsidize the two debt exclusion projects' impact on future tax obligations of the Town's citizens. The option proposed on page 5 of the Administration's analysis, which is to set aside \$1.5 million to be used in FY 2015, 2016 and 2017 will result in taxpayers paying less than they did in FY 2012 for these projects and is viewed as a sustainable option in that it will allow additional funds to remain in the Capital Stabilization fund to mitigate additional potential future projects, such as the possible cost of a new Kennedy Middle School.
- The Town Administration's analysis includes several forecasts concerning the Capital Stabilization Fund, and suggests that this Fund can be expected to help meet the Town's future capital needs. Town Administration has noted, however, a number of critical variables that may have an impact on their analysis, including, but not necessarily limited to, the following:

- Several major projects which are included in the Town's Capital Improvement Plan ("CIP") that may ultimately not be fully funded through the tax levy, including replacement of or major renovations at the Kennedy Middle School, construction of a new Fire Station #4, and a downtown parking garage.
- Potential major projects that are not currently included in the CIP, including three school building which may require major renovations in the coming years, and roadway improvements above and beyond the levels already included in the CIP.
- Tax relief for the costs of the High School and Community Senior Center projects above the levels already include in the Administration's analysis.
- Town Administration remains firmly committed to funding the Town's capital needs as well as to providing tax relief to the Town's residents such that it is able to continue to meet its commitment that the impact of the excluded debt from the High School and Community Senior Center construction projects does not increase beyond the FY 2012 levels. Finance Committee members noted that the Town has increased its tax relief support from \$108,250 in FY 2013 to \$937,614 in FY 2014.

The motion for Article 16 follows the Town Administration's analysis on the following pages.



Capital Planning: FY 2014-2018 and Beyond

Natick has over the past few years been able to invest significant money in our capital needs. The new Natick High School and the new Community/Senior Center have both come in on-time and either within budget (in the case of the Community-Senior Center) or under budget (in the case of the New Natick High School). We have also created the financial mechanisms – through the creation of a Capital Stabilization Fund and its annual funding with the Town’s Local Option Meals and Hotel/Motel taxes – to ensure the Town’s continued ability to adequately fund its capital needs.

To ensure adequate capital investments on an ongoing basis, several years ago we developed a capital spending target as part of our overall financial policies. For within-levy spending (exclusive of debt excluded projects), this target specifies that 6% of General Fund Revenues should be used to support each year’s capital needs, specifically each year’s “cash capital” expenditures plus that year’s debt budget. As shown below, we have done well over the last five years in meeting this 6% target.

| Recommended Capital Spending - Financial Management Principles | | | | | Within-levy Dollars ONLY |
|--|-----------------------|-----------------------|-----------------------|-----------------------|---------------------------------|
| The numbers shown below reflect ONLY General Fund Revenues & Expenditures. | | | | | |
| | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 |
| Total Revenues | \$ 102,021,869 | \$ 103,904,157 | \$ 107,472,425 | \$ 116,594,383 | \$ 122,741,389 |
| <i>less debt exclusion taxes</i> | \$ 937,705 | \$ 918,361 | \$ 921,017 | \$ 5,057,862 | \$ 4,768,302 |
| Net Revenues | \$ 101,084,164 | \$ 102,985,796 | \$ 106,551,408 | \$ 111,536,521 | \$ 117,973,087 |
| Target: | 6% | 6% | 6% | 6% | 6% |
| 6% (minimum) Target = | \$ 6,065,050 | \$ 6,179,148 | \$ 6,393,084 | \$ 6,692,191 | \$ 7,078,385 |
| Actual Capital Spending | | | | | |
| Cash | \$ 293,900 | \$ 300,940 | \$ 543,120 | \$ 1,401,900 | \$ 1,282,777 |
| Debt Service | \$ 5,977,493 | \$ 6,240,397 | \$ 6,096,302 | \$ 5,892,283 | \$ 5,440,219 |
| Total Capital Spending | \$ 6,271,393 | \$ 6,541,337 | \$ 6,639,422 | \$ 7,294,183 | \$ 6,722,996 |
| Total Cap. Spending As % | 6.15% | 6.30% | 6.18% | 6.26% | 5.48% |

Notes:

All columns reflect actual Town Meeting Appropriations and borrowing authorizations; some projects were subsequently deferred.

Last year, pursuant to our analysis, significant funds were deposited into the Capital Stabilization Fund. We subsequently examined the 6% threshold to evaluate whether or not we can continue to meet this target moving forward. This year we have renewed that analysis. The following chart projects what 6% of General Fund Revenues will look like as a dollar value over the next five years.



Recommended Within-Levy Capital Spending Targets

| | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>FY 2016</u> | <u>FY 2017</u> | <u>FY 2018</u> |
|---------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Total Revenues | \$ 122,842,518 | \$ 124,555,760 | \$ 125,916,205 | \$ 126,966,961 | \$ 129,506,300 | \$ 132,096,426 |
| less debt exclusion taxes | \$ 5,083,069 | \$ 5,437,950 | \$ 5,352,331 | \$ 5,236,631 | \$ 5,053,781 | \$ 4,936,881 |
| Net Revenues | \$ 117,759,449 | \$ 119,117,810 | \$ 120,563,874 | \$ 121,730,330 | \$ 124,452,519 | \$ 127,159,545 |
| Target: | 6% | 6% | 6% | 6% | 6% | 6% |
| 6% (minimum) Target = | \$ 7,065,567 | \$ 7,147,069 | \$ 7,233,832 | \$ 7,303,820 | \$ 7,467,151 | \$ 7,629,573 |

In evaluating whether or not sufficient funds will be available to meet these spending targets (cash capital plus debt budget), as well as determining whether these targets will be adequate to meet our future capital needs, we have evaluated the:

- Projected within levy debt budget,
- Projected available funds from the Capital Stabilization Fund, and
- Annual funding needs associated with the current five-year Capital Improvement Plan

Note that the current 5-year Capital Improvement Plan has over \$52 million worth of General Fund projects included.

Our analysis still finds that a 6% minimum target should be adequate to meet our future capital funding needs and that adequate resources will be available to fund this 6% target. The charts below show the projected debt service obligations and Capital Stabilization Fund balances based on projected funding needs for the current 5-Year Capital Improvement Plan.

Debt Service Obligations (within-levy)

| | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>FY 2016</u> | <u>FY 2017</u> | <u>FY 2018</u> |
|-----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Existing | \$ 5,043,351 | \$ 5,441,093 | \$ 4,844,084 | \$ 3,847,513 | \$ 3,499,608 | \$ 2,578,732 |
| Proposed (CIP Projects) | \$ - | \$ - | \$ 973,544 | \$ 2,468,859 | \$ 3,780,174 | \$ 4,544,814 |
| Projected Within-Levy Debt | \$ 5,043,351 | \$ 5,441,093 | \$ 5,817,628 | \$ 6,316,372 | \$ 7,279,782 | \$ 7,123,547 |

Notes:

- Assumes issuing debt @ 3% interest for varying terms: Design of Buildings/Systems - 5 years, Equipment - 5-7 years, Building systems - 10 years and Road and Infrastructure improvements - 15 years

- Does NOT include Fire Station 4 and Downtown Parking Garage

The chart above shows existing within-levy debt and proposed should nearly all projects be funded.



Town of Natick – Town Administrator - Article 16: Capital Stabilization Fund

Debt Service Capacity vs. Projected Total Debt - FY 2013-2018 (within-levy)

| | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 |
|--|---------------------|---------------------|---------------------|---------------------|-----------------------|-----------------------|
| Existing | \$ 5,043,351 | \$ 5,441,093 | \$ 4,844,084 | \$ 3,847,513 | \$ 3,499,608 | \$ 2,578,732 |
| Proposed | \$ - | \$ - | \$ 973,544 | \$ 2,468,859 | \$ 3,780,174 | \$ 4,544,814 |
| Total Within-Levy | \$ 5,043,351 | \$ 5,441,093 | \$ 5,817,628 | \$ 6,316,372 | \$ 7,279,782 | \$ 7,123,547 |
| 2 1/2% Debt Increase | \$ 5,043,351 | \$ 5,441,093 | \$ 5,577,121 | \$ 5,716,549 | \$ 5,859,462 | \$ 6,005,949 |
| Projected Within-Levy Debt | \$ 5,043,351 | \$ 5,441,093 | \$ 5,817,628 | \$ 6,316,372 | \$ 7,279,782 | \$ 7,123,547 |
| Additional Impact of funding New CIP Projects | \$ - | \$ - | \$ (240,508) | \$ (599,824) | \$ (1,420,320) | \$ (1,117,598) |

This chart shows what the allowable increase in debt is by taking the current amount of within-levy debt and increasing it by the allowable 2.5% annual increase in the tax levy. The difference is the additional impact of funding new CIP projects and must be offset by other sources – like it was this year from the Capital Stabilization Fund.

Projected Capital Stabilization Fund Balances (post 2013 FATM)

| | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 |
|---------------------------|---------------------|---------------------|---------------------|---------------------|-------------------|-------------------|
| Starting Balance | \$ 1,478,084 | \$ 3,691,483 | \$ 2,601,377 | \$ 1,560,638 | \$ 1,569,753 | \$ 698,533 |
| Add to Fund | \$ 3,275,551 | \$ 1,334,123 | \$ 1,300,000 | \$ 1,300,000 | \$ 1,300,000 | \$ 1,300,000 |
| Less Cash Appropriations | \$ (953,902) | \$ (1,725,150) | \$ (1,901,900) | \$ (608,400) | \$ (750,900) | \$ (425,400) |
| Less Subsidy for HS & CSC | \$ (108,250) | \$ (250,000) | \$ (198,331) | \$ (82,661) | \$ - | \$ - |
| Less Additional debt | \$ - | \$ (449,079) | \$ (240,508) | \$ (599,824) | \$ (1,420,320) | \$ (1,117,598) |
| Capital Stab. Fund | \$ 3,691,483 | \$ 2,601,377 | \$ 1,560,638 | \$ 1,569,753 | \$ 698,533 | \$ 455,536 |

Notes:

- Assumes annual collections from local option taxes of \$1.3 million going forward.
- Assumes paying for all projects on CIP under \$75,000 annually with cash from the Capital S.F.
- Assumes continued subsidy of \$1,500,000 for taxpayer impact for new Debt Excluded projects (HS & C-SC) until FY 2017

As you can see above, these forecasts suggest that the Capital Stabilization Fund alone should now be sufficient to meet our future capital needs. However, this projection does not include some very important variables:

First, the FY 2014-FY 2018 CIP includes a series of projects that may not be undertaken; or if they are undertaken, may not be fully funded through the tax levy. These include:

- \$2 Million+ of renovations to the Kennedy Middle School that may instead be incorporated into much larger renovation or replacement projects put forward under debt exclusion proposals. This would add more money back to the fund, as it would eliminate these projects which have currently been accounted for.
- Development of a new Fire Station 4, of which a significant portion has already been funded through the receipt of Mall Mitigation funds; we hope to garner additional mitigation funds from any future development in West Natick. This project is estimated to cost at least \$4,500,000.



Town of Natick – Town Administrator - Article 16: Capital Stabilization Fund

- Downtown Parking Garage, of which a significant portion may be funded through state grants or subsidies. Without subsidies, we estimate initially this costing at least \$7,000,000 in tax levy funding.

Second, although virtually all capital needs are listed in the CIP, there are several major items not fully accounted for:

- Three school buildings are slated for major renovation or replacement over the coming several years, which, given their cost, must be considered for Debt Exclusion
- Roads and Sidewalks - although nearly \$7,000,000 in roadway improvements is already included in the 5-year Capital Improvement Plan and thus included in the above analysis, even more funding is needed.

Third, a modest amount of tax relief for the costs of the High School and the Community-Senior Center is included in this projection. It is, however, only the amount necessary to equal the cost to taxpayers in FY 2012 – the first year the costs of projects were added to the tax rolls. However, we increased that subsidy significantly in FY 2014 from \$108,250 in FY 2013 to \$937,614 in FY 2014. Although we wish to provide relief when we can, and the favorable financial years witnessed in FY 2012 and FY 2013 provide us with that opportunity, we are left with a question: exactly how much money should be set aside for tax relief?

The table below shows the amount of money necessary to meet three different targets moving forward regarding tax relief for the excluded projects:

| Long -Range Debt Service - Town of Natick | | | | | | | | | | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| Exempt Debt Options | | | | | | | | | | |
| Gross | \$ 5,148,544 | \$ 5,090,410 | \$ 5,437,950 | \$ 5,352,331 | \$ 5,236,631 | \$ 5,053,781 | \$ 4,936,881 | \$ 4,819,981 | \$ 4,678,631 | \$ 4,565,894 |
| Reductions | | | | | | | | | | |
| - Premiums | \$ (93,498) | \$ (90,681) | \$ (90,681) | \$ (90,681) | \$ (90,681) | \$ (90,681) | \$ (90,681) | \$ (90,681) | \$ (90,681) | \$ (90,681) |
| - Free Cash/CSF | | \$ (108,250) | \$ (937,614) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - SBA Reimb. | \$ (130,970) | \$ (123,167) | \$ (123,167) | \$ (123,167) | \$ (123,167) | \$ (123,167) | \$ (123,167) | \$ (123,167) | \$ (123,167) | \$ (123,167) |
| Actual Excluded Debt | \$ 4,924,076 | \$ 4,768,312 | \$ 4,270,411 | \$ 5,122,406 | \$ 5,006,706 | \$ 4,823,856 | \$ 4,706,956 | \$ 4,590,056 | \$ 4,448,706 | \$ 4,335,969 |
| Amount needed to hit FY 2012 target | \$ - | \$ - | \$ - | \$ 198,331 | \$ 82,631 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total needed for FY 2012 Target | | | | \$ 280,961 | | | | | | |
| Amount needed to hit 2013 target | \$ - | \$ - | \$ - | \$ 354,095 | \$ 238,395 | \$ 55,545 | \$ - | \$ - | \$ - | \$ - |
| Total needed for FY 2013 Target | | | | \$ 648,034 | | | | | | |
| Amount needed to hit 2014 target | \$ - | \$ - | \$ 687,614 | \$ 851,995 | \$ 736,295 | \$ 553,445 | \$ 436,545 | \$ 319,645 | \$ 178,295 | \$ 65,557 |
| Total needed for FY 2014 Target | | | | \$ 3,829,391 | | | | | | |

The current forecast shows us using the amount of \$280,961 for tax relief in FY 2015 and 2016. This will meet the promise that the most Natick citizens ever pay in one year for the costs of the High School and Community-Senior Center will be what was paid in FY 2012. A second option is



Town of Natick – Town Administrator - Article 16: Capital Stabilization Fund

shown below that amount, and that is to spend \$648,034 over fiscal years 2015-2017 to have taxpayers pay what they did in FY 2013. A third option is to spend \$3,829,391 from FY 2015-2021 to ensure taxpayers pay the same for the projects as they do this year.

We believe a middle ground – the setting aside of \$1,500,000 for use in FY 2015, 2016 and 2017 is in order for tax relief. This ensures that we honor our commitment that citizens will continue to pay less than they did in FY 2012 for the projects. It also ensures that funds remain in the Capital Stabilization Fund to mitigate known but difficult to forecast needs, such as the cost of a new Kennedy Middle School.

In total, we propose adding \$3,774,632 under Article 16 into the Capital Stabilization Fund - \$1,334,123 from Local Option Tax Collections, \$1,000,000 from Free Cash and \$1,440,509 from the Tax Levy (as a result of new growth). Based on the above outline of future building needs that will inevitably result in debt exclusion requests, doing so would be a prudent move as it will minimize, to some degree, the impact on the taxpayers, hopefully to an even greater degree than we have been able to accomplish for the taxpayers with respect to the High School & Community-Senior Center. Further, these additional funds will provide a buffer in the event that our conservative forecasting of revenues (and full-funding of the CIP) proves true; that is it will help ensure future funding of our within-levy capital needs.

The following chart depicts a revised Capital Stabilization Fund including the proposed addition of \$3,774,632 under Article 16 and dedicating \$1,500,000 of that amount to future tax relief:

Projected Capital Stabilization Fund Balances (post 2013 FATM)

| | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 |
|---------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Starting Balance | \$ 1,478,084 | \$ 3,691,483 | \$ 5,507,461 | \$ 3,915,053 | \$ 3,506,829 | \$ 2,385,609 |
| Add to Fund | \$ 3,275,551 | \$ 4,240,207 | \$ 1,300,000 | \$ 1,300,000 | \$ 1,300,000 | \$ 1,300,000 |
| Less Cash Appropriations | \$ (953,902) | \$ (1,725,150) | \$ (1,901,900) | \$ (608,400) | \$ (750,900) | \$ (425,400) |
| Less Subsidy for HS & CSC | \$ (108,250) | \$ (250,000) | \$ (750,000) | \$ (500,000) | \$ (250,000) | \$ - |
| Less Additional debt | \$ - | \$ (449,079) | \$ (240,508) | \$ (599,824) | \$ (1,420,320) | \$ (1,117,598) |
| Capital Stab. Fund | \$ 3,691,483 | \$ 5,507,461 | \$ 3,915,053 | \$ 3,506,829 | \$ 2,385,609 | \$ 2,142,612 |

Notes:

- Assumes annual collections from local option taxes of \$1.3 million going forward.
- Assumes paying for all projects on CIP under \$75,000 annually with cash from the Capital S.F.
- Assumes continued subsidy of \$1,500,000 for taxpayer impact for new Debt Excluded projects (HS & C-SC) until FY 2017

It should be noted that the total amount of \$4,420,207 shown above includes \$465,575 added at the 2013 Spring Annual Town Meeting.

We believe that given a) the anticipated need for substantial investment in school buildings, other facilities and infrastructure within the next several years, b) the inevitability that all or some of these projects can only be funded through excluded debt, c) a sustained effort to balance proper capital reinvestment while minimizing the burden of the debt service budget on operations, d) our high year-end Free Cash position, and e) an earnest desire to provide meaningful but sustainable tax relief from excluded projects, it would be prudent to appropriate \$3,774,632 under Article 16 now.

MOTION (requires two-thirds majority vote):

Move that the Town vote to appropriate the sum of \$3,774,632, from the following sources: \$2,334,123 from Free Cash and 1,440,509 from the Tax Levy, for the purpose of supplementing the Capital Stabilization Fund established by vote of the 2010 Fall Annual Town Meeting under Article 2, as authorized by Chapter 40, Section 5B of the General Laws, as amended.

ARTICLE 17
Collective Bargaining
(Town Administrator)

To see if the Town will vote to raise and appropriate, or otherwise provide, the funds necessary to implement the Terms of Agreements reached between the Town and the following collective bargaining units:

- a) Local 1707 International Association of Firefighters
- b) The Deputy Fire Chiefs Association

Or otherwise act thereon.

PURPOSE OF ARTICLE:

The purpose of this Article is to provide funding for collective bargaining agreements ratified by the Town and the respective collective bargaining units.

FINANCE COMMITTEE RECOMMENDATION AND DISCUSSION:

*By a vote of 11-0-0 on September 26, 2013, the Finance Committee recommends **No Action** with regard to the subject of Article 17.*

During the Finance Committee public hearing, the following information was noted:

- The Town Administration informed the Finance Committee that there were two unions with unsettled contracts. They are the Local 1707 International Association of Firefighters and the Deputy Fire Chiefs Association.
- As negotiations with both of these unions have not been concluded, the Town Administration is requesting that no action be taken on this Article.

MOTION (requires majority vote):

No Action.

ARTICLE 18
Capital Equipment
(Town Administrator)

To see if the Town will vote to appropriate and raise, or otherwise provide, a sum or sums of money as may be required for capital equipment for the various departments of the Town of Natick; to determine whether this appropriation shall be raised by borrowing or otherwise; or otherwise act thereon.

PURPOSE OF ARTICLE:

The purpose of this Article is to fund the Town's capital needs. This is a recurring Article.

FINANCE COMMITTEE RECOMMENDATION AND DISCUSSION:

*By a vote of 15-0-0 on September 19, 2013, the Finance Committee recommends **Favorable Action** with regard to the subject of Article 18.*

During the Finance Committee public hearing, the following information was noted:

- Members of the Capital Subcommittee reported that the subcommittee had held a meeting to review the list of items being requested under this Article. The meeting was attended by a large number of staff from Town departments to provide information and answer member questions regarding the items being proposed. The subcommittee had reviewed and discussed most of the items in depth and was recommending favorable action by the Finance Committee.
- Descriptions of each of the items proposed for acquisition under this Article appears on the following pages. Additional information discussed by the subcommittee and the full committee appears below, and is intended to supplement the information on the following pages:
 - *Memorial Radio System:* Due to its location, Memorial Elementary School has poor reception. This limits communication and hampers emergency response. The new system would solve these problems.
 - *Police Cruisers:* As the Crown Victoria, the previous vehicle of choice for Town police cruisers, is no longer available, the Town plans to purchase Ford Police Interceptor utility vehicles going forward.
 - *Video Lab Equipment:* This request is to upgrade equipment to enable access to newer technology formats. The current system is five years old and since its purchase, there have been numerous changes in technology. It is anticipated that the Police Department will propose upgrades for their video lab equipment every three years, as technology changes will likely continue to make existing equipment obsolete at that pace.
 - *Replace Engine 5:* The current Engine 5 has close to 200,000 miles with a correspondingly high number of engine hours. The engine is 18 years old and currently serves as the department's reserve engine. Department management has concerns regarding the aging air system, which is required for the safe operation of the engine. If approved, the new engine would become a front-line engine, and the oldest engine would become

- the new reserve engine. No additional personnel would be required to operate this equipment. The lead time to order the needed replacement fire engine/pumper is estimated to be between nine and fifteen months.
- *Dive Team Equipment:* Equipment is needed to update the gear for the Fire Department's dive team. Training will also be given higher priority as this unit is considered vital to ensuring the safety of the Town's citizens, and training was postponed in recent years due to constraints in the department's overtime budget.
- *Trash Packer:* The proposed rubbish packer will be the traditional, rather than an automated, model. Whether the vehicle will be fueled with regular or compressed natural gas (CNG) remains to be determined based on availability of a nearby source of CNG.
- *Recreation Bus Replacement:* This vehicle is used daily for various athletic and other program transportation requirements, as well as on weekends for special needs programs. In addition, it is used for emergency management transportation, and is equipped with a wheelchair lift.
- *Cole Center Boiler and Direct Digital Controls:* Because completion of several projects at the Cole Center came in below budget, \$100,000 remaining from an earlier appropriation for work at the Center will be reappropriated and supplemented with an additional \$75,000 to fund replacement of a boiler in that facility and replace pneumatic controls with direct digital controls (DDC).
- *Ben-Hem Direct Digital Controls:* The current system is at the end of its expected life and is no longer supported by the vendor. Replacement would enable remote access to manage the system, and would be comparable to the systems in place in the other schools.

The motions for Article 18 appear after the project descriptions that appear on the following pages.

Article 18 - Capital Equipment - 2013 Fall Annual Town Meeting

| <u>Item #</u> | <u>Department</u> | <u>Item</u> | <u>Funding Source</u> | <u>Amount</u> |
|--|-------------------|--|-----------------------|---------------------|
| 1 | Public Schools | Memorial Radio System | Capital Stab. Fund | \$ 40,000 |
| 2 | Police | Replace Police Cruisers | Capital Stab. Fund | \$ 75,560 |
| 3 | Police | Upgrade Video Lab Equipment | Capital Stab. Fund | \$ 14,000 |
| 4 | Fire | Replace Engine 5 | Tax Levy Borrowing | \$ 520,000 |
| 5 | Fire | Replace Turn Out Gear / F.F. Protective Clothing | Capital Stab. Fund | \$ 60,000 |
| 6 | Fire | Dive Team Equipment | Capital Stab. Fund | \$ 14,750 |
| 7 | Public Works | Replace S-35 (Trash Packer) | Tax Levy Borrowing | \$ 275,000 |
| 8 | Public Works | Replace H-62 (Street Sweeper) | Tax Levy Borrowing | \$ 185,000 |
| 9 | Public Works | Replace Guardrails | Capital Stab. Fund | \$ 10,000 |
| 10 | Public Works | Replace Dumpsters | Capital Stab. Fund | \$ 10,000 |
| 11 | Community Service | Replace Rec Bus #1 | Capital Stab. Fund | \$ 60,000 |
| 12 | Facilities | Replace Boiler & DDC Controls (Cole Rec. Center) | Reappropriation | \$ 100,000 |
| | | | Capital Stab. Fund | \$ 75,000 |
| 13 | Facilities | Replace A/C Compressors - Wilson | Capital Stab. Fund | \$ 100,000 |
| 14 | Facilities | Replace DDC Controls - Ben-Hem | Tax Levy Borrowing | \$ 150,000 |
| 15 | Water/Sewer | Replace W-22 (Dump Truck w/Plow) | W/S Borrowing | \$ 220,000 |
| 16 | Water/Sewer | Replace W-14 (Backhoe w/Plow) | W/S Borrowing | \$ 135,000 |
| 17 | Water/Sewer | Replace W-28 (Truck w/Plow) | W/S Retained Earn. | \$ 53,000 |
| 18 | Water/Sewer | Replace W-21 (1 Ton Work Truck) | W/S Retained Earn. | \$ 43,000 |
| Total Appropriation under Article 18 | | | | \$ 2,140,310 |
| Funding Sources | | | | |
| Capital Stab. Fund | | | | \$ 459,310 |
| Tax Levy Borrowing | | | | \$ 1,130,000 |
| Water & Sewer Borrowing | | | | \$ 355,000 |
| Water & Sewer Retained Earnings | | | | \$ 96,000 |
| Reappropriated Funds | | | | \$ 100,000 |
| Total Funding for Appropriations under Article 18 | | | | \$ 2,140,310 |

**Article 18
Capital Equipment
2013 Fall Annual Town Meeting
Project Descriptions**

| # | <u>Appropriated Item</u> | <u>Amount</u> | <u>Funding Source</u> |
|----------|--|----------------------|------------------------------|
| 1 | Public Schools | | |
| | Memorial Radio System | \$ 40,000 | Capital Stab. Fund |
| | <i>Priority Area A: Imminent threat to the health and safety of citizens or property</i> | | |
| | This is a joint request from the Natick Public Schools, Natick Police Department and Natick Fire Department. The request is to install public safety radio communications system within the Memorial School to allow for reliable public safety radio communications for police, fire, school and emergency medical responders. The system shall consist of bi-directional amplifiers, antennas, transmission lines, cables, power supplies and any other pertinent ancillary equipment. Currently responders have difficulty maintaining basic radio communication within the confines of Memorial School. This particular problem is unique to Memorial School, but is part of a comprehensive project to maximize public safety response to the public schools. | | |
| 2 | Police Department | | |
| | Replace Police Cruisers | \$ 75,560 | Capital Stab. Fund |
| | <i>Priority Area A: Imminent threat to the health and safety of citizens or property</i> | | |
| | This is an annual request to replace front-line cruisers for the Natick Police Department. Overall in FY 2014 funds are being requested to purchase 4 cruisers. Two (2) cruisers were purchased in Spring and two (2) are now being requested in the Fall. The DPW has examined current use and has found that only 4 are needed this year. The Town can afford to replace 2 cruisers now and 2 cruisers in the fall. All cruisers are run to 100,000 miles and then get replaced or if they remain under 100,000 miles are transferred to another function in the Police Department. As the Crown Victoria is no longer available, we will now be purchasing the Ford Police Interceptor utility vehicle. | | |
| 3 | Police Department | | |
| | Upgrade Video Lab Equipment | \$ 14,000 | Capital Stab. Fund |
| | <i>Priority Area E: Improvement of productivity/efficiency</i> | | |
| | This request is to update the current video conversion laboratory equipment. This equipment is used to process the many types of videos received (security cameras, cell phone cameras, computer cameras) so that they can be analyzed for investigative purposes as well as reproduced for presentation as evidence. The current system is 3 years old and already cannot accept or address the new format of videos presented to date. Due to the speed at which technology changes, this equipment will likely to have a limited, 3-year life expectancy. | | |
| 4 | Fire Department | | |
| | Replace Engine 5 | \$ 520,000 | Tax Levy Borrowing |
| | <i>Priority Area A: Imminent threat to the health and safety of citizens or property</i> | | |
| | This request is to replace a 1995 E-1 fire engine/pumper with 197,525 miles and 19,753 engine hours. As the oldest engine, It currently serves as the Natick Fire Department's reserve engine. Maintaining a reserve engine is critical for if one of the four frontline engines needs servicing the reserve engine ensures there is no disruption in service and full coverage can be maintained. This request will provide for a new engine with all necessary supplies and equipment. | | |

**Article 18
Capital Equipment
2013 Fall Annual Town Meeting
Project Descriptions**

| # | <u>Appropriated Item</u> | <u>Amount</u> | <u>Funding Source</u> |
|----------|--|----------------------|------------------------------|
| 5 | Fire Department | | |
| | Replace Turn Out Gear / F.F. Protective Clothing | \$ 60,000 | Capital Stab. Fund |
| | <i>Priority Area A: Imminent threat to the health and safety of citizens or property</i> | | |
| | This is the third of four requests to replace front-line turn-out gear for the Natick Fire Department. Planned to be done over a two year time-span, we are proposing that another \$60,000 be spent on approximately 20 sets of turnout gear at this Fall Annual Town Meeting. Each set of turn-out gear costs approximately \$3,000 and is the gear which firefighters use to respond to active incidents. The NFPA recommends that turn-out gear be replaced every 6-7 years. All sets of turn-out gear for the Natick Fire Department were last replaced approximately 7 years ago via a federal grant. Overall, 85 sets need to be replaced; funds were appropriated at the 2012 Fall Annual Town Meeting and 2013 Spring Annual Town Meeting to replace approximately 20 sets at each meeting. | | |
| 6 | Fire Department | | |
| | Dive Team Equipment | \$ 14,750 | Capital Stab. Fund |
| | <i>Priority Area A: Imminent threat to the health and safety of citizens or property</i> | | |
| | This request is for equipment to properly outfit the Natick Fire Department's Dive Team. The equipment would consist of: | | |
| | 6 Tanks \$ 1,200.00 | | |
| | 1 BCD \$ 350.00 (BCD - Buoyancy Control Device) | | |
| | 5 Dry Suits \$ 10,000.00 | | |
| | 2 AGA Masks \$ 3,200.00 (AGA - Company Name; type of mask) | | |
| | Total \$ 14,750.00 | | |
| 7 | Public Works - Highway | | |
| | Replace S-35 (Trash Packer) | \$ 275,000 | Tax Levy Borrowing |
| | <i>Priority Area: B. Timely Improvement/replacement of a capital asset to avoid inevitable additional future costs incurred through deferment</i> | | |
| | This request is to replace a 1999 Autocar rubbish packer and chassis. This unit has over 200,000 miles and 19,441 engine hours. It has rusted through in many spots and has metal fatigue. It has outlived its usefulness and needs to be replaced. Replacement of this packer is essential to insure the effective delivery of this essential service. This is the last of the 1999 packers to be replaced. | | |
| 8 | Public Works - Highway | | |
| | Replace H-62 (Street Sweeper) | \$ 185,000 | Tax Levy Borrowing |
| | <i>Priority Area: B. Timely Improvement/replacement of a capital asset to avoid inevitable additional future costs incurred through deferment</i> | | |
| | This request is to replace a 2006 street sweeper with 10,648 miles and 2,830 engine hours on it. Past experience has shown that after 7 years repair costs increase dramatically and breakdowns occur much more frequently. Replacement of the street sweeper is important not only for the removal of dirt, sand and litter, but to comply with federal stormwater regulations concerning that which require us to maintain clean roadways. | | |

**Article 18
Capital Equipment
2013 Fall Annual Town Meeting
Project Descriptions**

| # | <u>Appropriated Item</u> | <u>Amount</u> | <u>Funding Source</u> |
|-----------|--|----------------------|------------------------------|
| 9 | Public Works - Highway | | |
| | Replace Guardrails | \$ 10,000 | Capital Stab. Fund |
| | <i>Priority Area A: Imminent threat to the health and safety of citizens or property</i> | | |
| | This is an annual request from the Department of Public Works to replace unsafe guardrails along various streets and highways within the Town. This ongoing capital purchase should be made regularly to ensure that motorists are properly protected along Natick roadways. | | |
| 10 | Public Works - Highway | | |
| | Replace Dumpsters | \$ 10,000 | Capital Stab. Fund |
| | <i>Priority Area: B. Timely Improvement/replacement of a capital asset to avoid inevitable additional future costs incurred through deferment</i> | | |
| | This is an annual request from the Department of Public Works to replace rotted and unsafe dumpsters at municipal and school facilities. This ongoing capital equipment purchase should be made regularly, as it and is important to maintain safe and hygienic trash collection on municipal properties. The Equipment Maintenance division patches and welds dumpsters until such efforts are no longer effective. | | |
| 11 | Community Services | | |
| | Replace Rec Bus #1 | \$ 60,000 | Capital Stab. Fund |
| | <i>Priority Area: B. Timely Improvement/replacement of a capital asset to avoid inevitable additional future costs incurred through deferment</i> | | |
| | This request would replace a 2001 Ford E-450 bus with 62,167 miles and 6,585 engine hours. It is used to transport recreation and public school students and athletes to various events. The bus at time of replacement will be 13 years old and has outlived it useful life. | | |
| 12 | Facilities Management | | |
| | Replace Boiler & DDC Controls (Cole Rec. Center) | \$ 100,000 | Reappropriation |
| | <i>Priority Area: B. Timely Improvement/replacement of a capital asset to avoid inevitable additional future costs incurred through deferment</i> | \$ 75,000 | Capital Stab. Fund |
| | This request is an amendment to a prior capital request to modify systems at the Cole Recreation Center. Article 13 of the 2011 Spring Annual Town Meeting authorized \$155,000 for a series of upgrades to the Cole Recreation Center. Included in this request was the replacement of pneumatic controls with direct digital controls (DDC), encapsulation of the floors in several rooms, the updating of all electrical panels in the center with new circuit breakers and the provision of roof mounted A/C units. The last 3 items on the list have been completed with \$100,000 remaining. We propose to reappropriate the remaining \$100,000 and add \$75,000 to replace the controls and remove and replace the boiler in the Cole with a new, energy efficient gas fired boiler. | | |

**Article 18
Capital Equipment
2013 Fall Annual Town Meeting
Project Descriptions**

| # | <u>Appropriated Item</u> | <u>Amount</u> | <u>Funding Source</u> |
|-----------|--|----------------------|------------------------------|
| 13 | Facilities Management | | |
| | Replace A/C Compressors - Wilson | \$ 100,000 | Capital Stab. Fund |
| | <i>Priority Area: B. Timely Improvement/replacement of a capital asset to avoid inevitable additional future costs incurred through deferment</i> | | |
| | This request will replace the 4 main Air Conditioner compressors at the Wilson Middle School responsible for cooling the Office and the Library. They are at the end of their manufacturers recommended life cycle and should be replaced now to prevent increased maintenance costs and ensure proper cooling during summer months. | | |
| 14 | Facilities Management | | |
| | Replace DDC Controls - Ben-Hem | \$ 150,000 | Tax Levy Borrowing |
| | <i>Priority Area: B. Timely Improvement/replacement of a capital asset to avoid inevitable additional future costs incurred through deferment</i> | | |
| | This request will replace the direct digital temperature control (DDC) system for the Bennett-Hemenway school. It is 15 years old and no longer supported by the vendor. Failure to replace the system will result in the inability to service the system, greater energy inefficiency and discomfort in the building. We recommend replacement with a new, state-of-the-art system comparable to other systems we have recently installed in other buildings (Natick High, Community-Senior Center, Town Hall, Police/Fire HQ). | | |
| 15 | Water/Sewer Enterprise | | |
| | Replace W-22 (Dump Truck w/Plow) | \$ 220,000 | W/S Borrowing |
| | <i>Priority Area: B. Timely Improvement/replacement of a capital asset to avoid inevitable additional future costs incurred through deferment</i> | | |
| | This request would replace a 1996 10 wheel dump truck w/plow with 64,253 miles and 8,312 engine hours. This truck is used daily in all Water/Sewer operations and snow plowing. Truck has over 8,000 hours and is rusted/rotted. This request is the first of two pieces of equipment funded at the 2012 Spring Annual Town Meeting and then defunded under Article 21 of the 2013 Spring Annual Town Meeting in order to preserve fund balance in the Water/Sewer Enterprise Fund. That delay makes this appropriation more urgent. | | |
| 16 | Water/Sewer Enterprise | | |
| | Replace W-14 (Backhoe w/Plow) | \$ 135,000 | W/S Borrowing |
| | <i>Priority Area: B. Timely Improvement/replacement of a capital asset to avoid inevitable additional future costs incurred through deferment</i> | | |
| | This request would replace a 1995 John Deere 410D Backhoe. This equipment is used to respond to Water & Sewer emergencies and is essential to maintain water & sewer service and also plows snow. This machine has 8,100 engine hours on it. The new machine will have additional equipment that will expedite the digging operation. This request is the second of two pieces of equipment which was funded at the 2012 Spring Annual Town Meeting and then defunded under Article 21 of the 2013 Spring Annual Town Meeting in order to preserve fund balance in the Water/Sewer Enterprise Fund. That delay makes this appropriation more urgent. | | |

**Article 18
Capital Equipment
2013 Fall Annual Town Meeting
Project Descriptions**

| # | <u>Appropriated Item</u> | <u>Amount</u> | <u>Funding Source</u> |
|--------------|--|----------------------|------------------------------|
| 17 | Water/Sewer Enterprise | | |
| | Replace W-28 (Truck w/Plow) | \$ 53,000 | W/S Retained Earn. |
| | <i>Priority Area: B. Timely Improvement/replacement of a capital asset to avoid inevitable additional future costs incurred through deferment</i> | | |
| | This request would replace a 2004 Ford F-350 pick-up truck with plow. This vehicle has over 83,882 miles and 8,912 engine hours. This vehicle is used to inspect water & sewer stations and is used daily. | | |
| 18 | Water/Sewer Enterprise | | |
| | Replace W-21 (1 Ton Work Truck) | \$ 43,000 | W/S Retained Earn. |
| | <i>Priority Area: B. Timely Improvement/replacement of a capital asset to avoid inevitable additional future costs incurred through deferment</i> | | |
| | This request would replace a 2007 work truck. This vehicle has over 110,692 miles and 10,102 engine hours. It is a front-line on-call service vehicle. | | |
| Total | | \$ 2,140,310 | |

Funding Sources

| | |
|---------------------------------|--------------|
| Capital Stabilization Fund | \$ 359,310 |
| Tax Levy Borrowing | \$ 1,230,000 |
| Water & Sewer Borrowing | \$ 355,000 |
| Water & Sewer Retained Earnings | \$ 96,000 |
| Reappropriated Funds | \$ 100,000 |

| | |
|--|---------------------|
| Total Funding for Appropriations under Article 18 | \$ 2,140,310 |
|--|---------------------|

Article 18 - Capital Equipment - 2013 Fall Annual Town Meeting

MOTION A: (Two-thirds vote required)

Move that the Town vote to appropriate the sum of \$459,310 to be expended under the direction of the Natick Public Schools for the purpose of installing a public safety radio system at the Memorial School, under the direction of the Police Department for the purpose of replacing two (2) police cruisers and upgrading video lab equipment, under the direction of the Fire Department for the purpose of replacing a turnout gear/firefighter protective clothing and dive team equipment, under the direction of the Department of Public Works for the purpose of replacing guardrails and dumpsters, under the direction of the Department of Community Services for the purpose of replacing Recreation Bus #1, and under the direction of the Facilities Management Department for the purpose of replacing a boiler and installing direct digital controls at the Cole Recreation Center and replacing air conditioner compressors at the Wilson Middle School, individually shown as items 1, 2, 3, 5, 6, 9, 10, 11, 12, and 13 in Table A below, and that to meet this appropriation the sum of \$459,310 be raised from the Capital Stabilization Fund.

Article 18, Motion A, Table 18 - Capital Equipment - 2013 Fall Annual Town Meeting

| Item # | Department | Item | Funding Source | Amount |
|-------------|----------------|--|--------------------|------------|
| 1 | Public Schools | Memorial Radio System | Capital Stab. Fund | \$ 40,000 |
| 2 | Police | Replace Police Cruisers | Capital Stab. Fund | \$ 75,560 |
| 3 | Police | Upgrade Video Lab Equipment | Capital Stab. Fund | \$ 14,000 |
| 5 | Fire | Replace Turn Out Gear / F.F. Protective Clothing | Capital Stab. Fund | \$ 60,000 |
| 6 | Fire | Dive Team Equipment | Capital Stab. Fund | \$ 14,750 |
| 9 | Public Works | Replace Guardrails | Capital Stab. Fund | \$ 10,000 |
| 10 | Public Works | Replace Dumpsters | Capital Stab. Fund | \$ 10,000 |
| 11 | Community Serv | Replace Rec Bus #1 | Capital Stab. Fund | \$ 60,000 |
| 12 | Facilities | Replace Boiler & DDC Controls (Cole Rec. Center) | Capital Stab. Fund | \$ 75,000 |
| nder Articl | Facilities | Replace A/C Compressors - Wilson | Capital Stab. Fund | \$ 100,000 |

Appropriation under Article 18: MOTION A **\$ 459,310**

MOTION B: (two-thirds vote required)

Move that the Town vote to appropriate the sum of \$1,130,000 to be expended under the direction of the Fire Department for the purpose of replacing Engine 5, under the direction of the Department of Public Works for the purpose replacing a trash packer (S-35) and replacing a street sweeper (H-62), and under the direction of the Facilities Management Department for the purpose of replacing direct digital controls at the Bennett-Hemenway School, individually shown as items 4, 7, 8, and 14, in Table B below, and that to meet this appropriation the Treasurer with the approval of the Board of Selectmen is authorized to borrow \$1,130,000 under Massachusetts General Laws Chapter 44, Section 7, as amended, or any other enabling authority and to issue bonds or notes of the Town therefor aggregating not more than \$1,130,000 in principal amount and that the Town Administrator with the approval of the Board of Selectmen is authorized to take any action necessary to carry out this program.

Article 18, Motion B, Table B - Capital Equipment - 2013 Fall Annual Town Meeting

| Item # | Department | Item | Funding Source | Amount |
|--------|--------------|--------------------------------|--------------------|------------|
| 4 | Fire | Replace Engine 5 | Tax Levy Borrowing | \$ 520,000 |
| 7 | Public Works | Replace S-35 (Trash Packer) | Tax Levy Borrowing | \$ 275,000 |
| 8 | Public Works | Replace H-62 (Street Sweeper) | Tax Levy Borrowing | \$ 185,000 |
| 14 | Facilities | Replace DDC Controls - Ben-Hem | Tax Levy Borrowing | \$ 150,000 |

Appropriation under Article 18: MOTION B **\$ 1,130,000**

Article 18 - Capital Equipment - 2013 Fall Annual Town Meeting

MOTION C: (two-thirds vote required)

Move that the Town vote to appropriate the sum of \$355,000 to be expended under the direction of the Department of Public Works for the purpose of replacing a dump truck with plow (W-22) and a backhoe with plow (W-14), individually shown as items 15 and 16 in Table C below, and that to meet this appropriation the Treasurer with the approval of the Board of Selectmen is authorized to borrow \$355,000 under Massachusetts General Laws Chapter 44, Section 8, as amended, or any other enabling authority and to issue bonds or notes of the Town therefor aggregating not more than \$355,000 in principal amount and that the Town Administrator with the approval of the Board of Selectmen is authorized to take any action necessary to carry out this program.

Article 18, Motion C, Table C - Capital Improvement - 2013 Fall Annual Town Meeting

| | | | | | |
|---|-------------|----------------------------------|---------------|-----------|----------------|
| 15 | Water/Sewer | Replace W-22 (Dump Truck w/Plow) | W/S Borrowing | \$ | 220,000 |
| 16 | Water/Sewer | Replace W-14 (Backhoe w/Plow) | W/S Borrowing | \$ | 135,000 |
| Appropriation under Article 18: MOTION C | | | | \$ | 355,000 |

MOTION D: (majority vote required)

Move that the Town vote to appropriate the sum of \$96,000 to be expended under the direction of the Department of Public Works for the purpose of replacing a truck with plow (W-28) and a 1 ton work truck (W-21), individually shown as items 17 and 18 in the Table D below, and that to meet this appropriation the sum of \$96,000 be raised from Water/Sewer Retained Earnings.

Article 18, Motion D, Table D - Capital Improvement - 2013 Fall Annual Town Meeting

| | | | | | |
|---|-------------|---------------------------------|--------------------|-----------|---------------|
| 17 | Water/Sewer | Replace W-28 (Truck w/Plow) | W/S Retained Earn. | \$ | 53,000 |
| 18 | Water/Sewer | Replace W-21 (1 Ton Work Truck) | W/S Retained Earn. | \$ | 43,000 |
| Appropriation under Article 18: MOTION D | | | | \$ | 96,000 |

MOTION E: (two-thirds vote required)

Move that the Town vote to appropriate the sum of \$100,000 to be expended under the direction of the Facilities Maintenance Department for the purpose of replacing a boiler and installing direct digital controls at the Cole Recreation Center, individually shown as item 12 in the Table E below, and that to meet this appropriation the sum of \$100,000 be transferred from unexpended bond proceeds raised by vote of the 2011 Spring Annual Town Meeting under Article 13, Motion B, Item #8 - Interior Renovations (Cole).

Article 18, Motion E, Table E - Capital Improvement - 2013 Fall Annual Town Meeting

| | | | | | |
|---|------------|--|-----------------|-----------|----------------|
| 12 | Facilities | Replace Boiler & DDC Controls (Cole Rec. Center) | Reappropriation | \$ | 100,000 |
| Appropriation under Article 18: MOTION E | | | | \$ | 100,000 |

ARTICLE 19
Capital Improvement
(Town Administrator)

To see if the Town will vote to appropriate and raise, or otherwise provide, a sum or sums of money to implement a Capital Improvement Program, to protect the physical infrastructure of the Town of Natick; to determine whether this appropriation shall be raised by borrowing or otherwise; or to otherwise act thereon.

PURPOSE OF ARTICLE:

The purpose of this Article is to fund the Town's capital needs. This is a recurring Article.

FINANCE COMMITTEE RECOMMENDATION AND DISCUSSION:

*By a vote of 10-2-0 on September 26, 2013, the Finance Committee recommends **Favorable Action** with regard to the subject of Article 19.*

The Finance Committee held two public hearings on his Article, during which the following information was noted:

- The Capital Subcommittee also extensively reviewed the items requested under this Article with members of the Town Administration. The information below is intended to supplement the information on the following pages:
 - *Memorial School Playground:* Finance Committee members learned that a consultant's report designates this playground as a Class 1 hazard, i.e., of highest concern, and having potential to "...result in permanent disability, loss of life or body part..." and in need of immediate correction. The playground has been closed pending replacement.
 - *Willow Street Drainage:* This request will fund the first phase of an extensive project in an area well-known for flooding problems, and the DPW Engineering Division is confident that the required easements will be obtained. Design funds were previously appropriated. If approved, it is anticipated that the design and permitting will be done during the 2013/2014 winter so that construction can begin in the spring of 2014.
 - *Cole North Field Improvements:* This request is to replace the current grass field with an artificial turf field. A commitment of \$200,000 has been made by the Town of Framingham for the removal of two sewer lines that run beneath the field area; this payment will defray some of the renovation expense. There is currently no plan to include lighting in the current project; however, the necessary electrical support will be included to permit future installation of lighting. Construction of an additional turf field will relieve the pressure on other grass fields in Town by allowing for greater playing time and in wet conditions. Equipment needed for the maintenance of this field is already owned by the Town due to the existing artificial turf field at the high school.
 - *Main Street Improvements:* The proposed project would fund design work related to enhancing pedestrian safety and related improvements in the area of Main Street between Route 135 and the MBTA railroad bridge south of North Avenue. Members reviewed a conceptual illustration of potential pedestrian "bump outs." A portion of the proposed renovation would be

- located on what is currently private property for which easements are still being negotiated. The Town currently has an open contract with an engineering firm which would preclude the necessity of going out to bid for this work and could therefore expedite the initiation of the design work if funding is approved by Town Meeting and the necessary easements are successfully negotiated.
- *Johnson School Window Replacement:* Town Meeting appropriated \$200,000 at the 2010 Fall Annual Town Meeting to replace the windows at the Johnson School, but the bids that were returned were such that amount will only be sufficient to replace approximately half of the windows. Facilities Management has estimated that another \$300,000 will be needed to complete the job, of which \$125,000 will be funded by the reappropriation of monies left over from the boiler replacements at that school. It is anticipated that the transition to higher energy efficient windows will complement the conversion from oil to gas, and will serve to both reduce energy costs as well as increase the comfort of the students and staff in the building.

During the Subcommittee and full Committee meetings, questions were raised regarding the 2010 cost estimate for the windows, verification of the presence of lead paint and asbestos caulking, and participation in the Massachusetts School Building Authority (“MSBA”) Green Repair Program. Information subsequently provided by the Facilities Director confirmed the presence of lead paint and asbestos caulking, though the presence of these materials does not, while it is undisturbed, pose a danger to building occupants. The Facilities Director provided additional documentation regarding current cost estimates. He also committed to reviewing the requirements for participation in the MSBA and evaluating the additional cost for windows with a higher energy-efficiency rating versus potential reimbursements from the MSBA. Committee members generally agreed on the need to replace the windows.

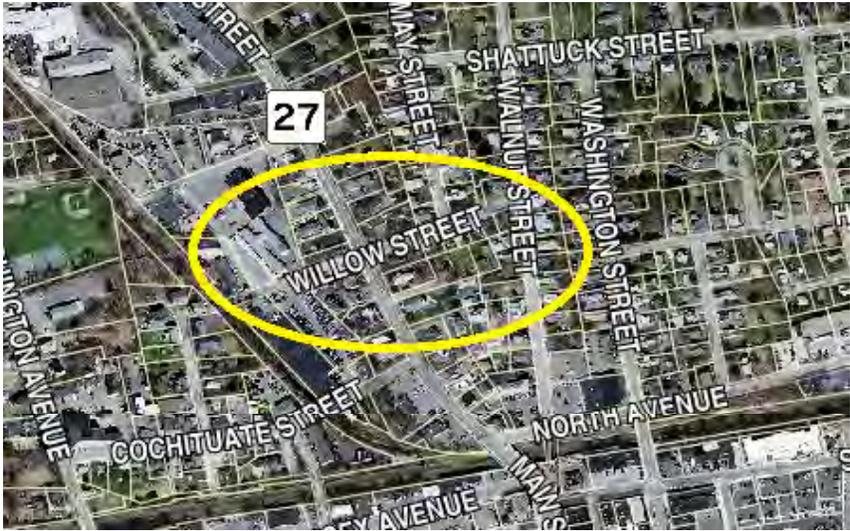
- *Speen Street Sewer Work:* This item seeks to transfer sewer service for three commercial properties from Framingham’s sewer system to Natick’s. This is necessary due to Framingham’s decision to abandon the related service components in that area. Funds have been provided by Framingham to cover a portion of this work and this item requests \$220,000 to complete the balance of the work.

The motions for Article 19 appear after the project descriptions that appear on the following pages.

Article 19 - Capital Improvements - 2013 Fall Annual Town Meeting

| <u>Item #</u> | <u>Department</u> | <u>Item</u> | <u>Funding Source</u> | <u>Amount</u> |
|--|-------------------|---------------------------------------|-----------------------|---------------------|
| 1 | Public Schools | Replace Memorial Playground | Capital Stab. Fund | \$ 100,000 |
| 2 | Public Works | Drainage Improvements - Willow Street | Tax Levy Borrowing | \$ 350,000 |
| 3 | Comm. Serv. | Cole North Field Improvements | Tax Levy Borrowing | \$ 1,200,000 |
| | | | Receipts Reserved | \$ 200,000 |
| 4 | Comm. Serv. | Historic Restorations | Capital Stab. Fund | \$ 15,000 |
| 5 | Town Clerk | Preservation of Historical Documents | Capital Stab. Fund | \$ 100,000 |
| 6 | Town Clerk | Town Vault Storage | Capital Stab. Fund | \$ 30,000 |
| 7 | Comm. Devel. | Main Street Improvements | Capital Stab. Fund | \$ 50,000 |
| 8 | Facilities | Replace Windows - Johnson | Reappropriation | \$ 125,000 |
| | | | Tax Levy Borrowing | \$ 175,000 |
| 9 | Facilities | Replace Carpet - Lilja | Capital Stab. Fund | \$ 45,000 |
| 10 | Water/Sewer | Speen Street Sewer Work | W/S Borrowing | \$ 220,000 |
| Total Appropriation under Article 19 | | | | \$ 2,610,000 |
| Funding Sources | | | | |
| Capital Stabilization Fund | | | | \$ 340,000 |
| Tax Levy Borrowing | | | | \$ 1,725,000 |
| Water & Sewer Borrowing | | | | \$ 220,000 |
| Receipts Reserved: Chrysler Road | | | | \$ 200,000 |
| Reappropriated Funds | | | | \$ 125,000 |
| Total Funding for Appropriations under Article 19 | | | | \$ 2,610,000 |

**Article 19
Capital Improvements
2013 Fall Annual Town Meeting
Project Descriptions**

| # | <u>Appropriated Item</u> | <u>Amount</u> | <u>Funding Source</u> |
|----------|---|----------------------|------------------------------|
| 1 | Natick Public Schools | | |
| | Replace Memorial Playground | \$ 100,000 | Capital Stab. Fund |
| | <i>Priority Area D: Improvement of infrastructure</i> | | |
| | This request would replace the Pre-K playground at the Memorial School. It has many safety concerns and is over 40 years old. It is of wood and metal construction with a limited sand base. The new equipment will be made of plastic composites, an 18" mulch and rubber base and be accessible to children of all abilities. Purchase of this equipment would ensure that educational requirements for outside play will be met and satisfied. | | |
| 2 | Public Works - Engineering | | |
| | Drainage Improvements - Willow Street | \$ 350,000 | Tax Levy Borrowing |
| | <i>Priority Area: B. Timely Improvement/replacement of a capital asset to avoid inevitable additional future costs incurred through deferment</i> | | |
| | This request is for \$350,000 for Phase I of construction of drainage improvements along Willow Street. Design funds have already been appropriated by Town Meeting. A second phase will be requested in FY 2016, but mitigation funds from an adjacent development project may be available to partially fund the project. Easements from CSX will be required before construction work can proceed, but negotiations are well underway. | | |
| |  | | |

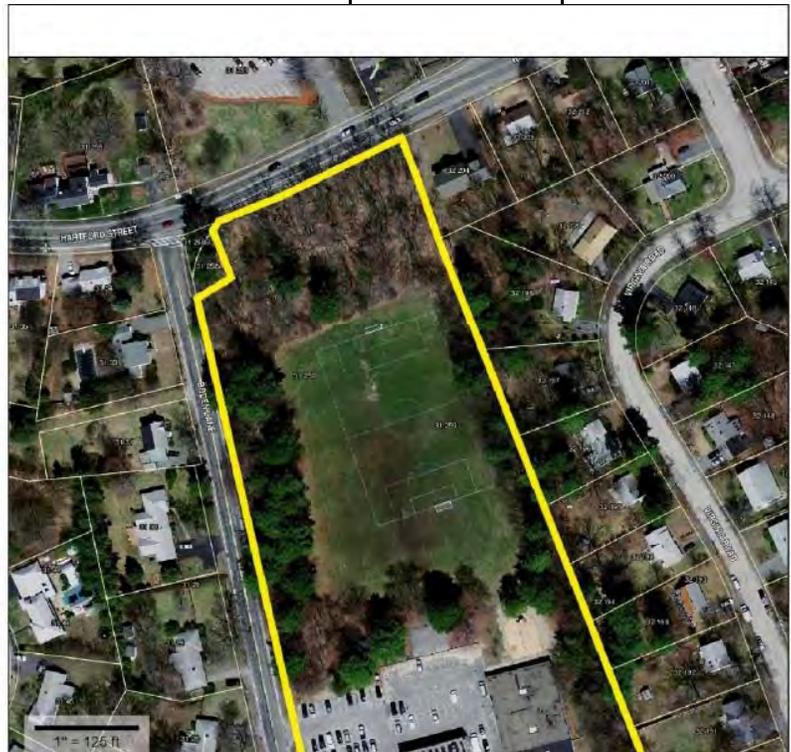
**Article 19
Capital Improvements
2013 Fall Annual Town Meeting
Project Descriptions**

Appropriated Item Amount Funding Source

| | | | |
|----------|---|--------------|--------------------|
| 3 | Community Services | | |
| | Cole North Field Improvements | \$ 1,200,000 | Tax Levy Borrowing |
| | <i>Priority Area D: Improvement of infrastructure</i> | \$ 200,000 | Receipts Reserved |
| | <p>This request is to construct an artificial surface soccer field at the Cole Recreation Center. The turf field will be North of the center. This type of athletic facility will help to ease the overuse of athletic fields throughout the community. This project will be funded through a variety of funding sources - \$200,000 receipts reserved from Mitigation funds received from the Chrysler Road 40 B Project, and \$1,200,000 from borrowing. The money to pay the debt service in later years will come from the Tax Levy of the Town of Natick and from donations from youth sports organizations led by the Natick Soccer Club. The improvement to the field from a natural grass to an artificial surface will increase the playing time for popular programs such as soccer and assist DPW in their maintenance operations moving forward. Recreational enhancements at this location help ensure an equitable distribution of quality facilities throughout the community.</p> | | |

Cole North Field Project:

- Install new multipurpose artificial turf field.
- This will take pressure off surrounding grass fields and allow for play in wet conditions.
- This will also help with the drainage issue that has plagued this field.



**Article 19
Capital Improvements
2013 Fall Annual Town Meeting
Project Descriptions**

| # | <u>Appropriated Item</u> | <u>Amount</u> | <u>Funding Source</u> |
|----------|---|----------------------|------------------------------|
| 4 | Community Services | | |
| | Historic Restorations | \$ 15,000 | Capital Stab. Fund |
| | <i>Priority Area: B. Timely Improvement/replacement of a capital asset to avoid inevitable additional future costs incurred through deferment</i> | | |
| | This is an annual request to repair and restore historic assets throughout the Town of Natick. Previous appropriations have restored monuments and assets on Natick Common and in South Natick. This request will be used to repair plaques at Lincoln Square, (at the intersection of East Central, Union and Marion St.) | | |
| 5 | Town Clerk | | |
| | Preservation of Historical Documents | \$ 100,000 | Capital Stab. Fund |
| | <i>C: Requirements of state/federal law or regulation</i> | | |
| | This is an annual request for a multi-year project to restore and protect permanent records for the Town of Natick. This includes, but is not expressly limited to, all Town Meeting Records, Birth, Marriage and Death Certificates, as well as other permanent records which the Town is legally required to keep in perpetuity. Nearly two centuries of records have not been restored, although the initial allocation of \$100,000 has allowed the oldest of those records in the most critical condition to be properly restored. The scope of the project includes an information log for the record, dismantling the existing book, cleaning the pages, repairing the pages, deacidifying the paper, resewing and rebinding the books, as well as providing a 35mm security film and scanned CD image of the record. Many of these records require affirmative action now to preserve them if the Town Clerk's office is to continue performing its mandated function of protecting these resources. Once preserved these records should not need further upkeep for another 300-400 years. | | |
| | This years request will be dedicated to preserve 30 volumes of Birth records from 1912 onward and 18 volumes of Marriage intentions/licenses from 1861 onward. | | |
| 6 | Town Clerk | | |
| | Town Vault Storage | \$ 30,000 | Capital Stab. Fund |
| | <i>Priority Area: B. Timely Improvement/replacement of a capital asset to avoid inevitable additional future costs incurred through deferment</i> | | |
| | This request is to purchase and install shelving in the vault in the Town Clerk's Office. The vault is the primary storage facility for all of the Town's permanent records, including all vital records, town meeting records, planning and zoning decisions, by-laws, the charter and other records. Storage is currently a mish-mash of shelving, file cabinets and book cases. The office will be able to improve efficiency and access to these records if the vault is equipped with the most appropriate, efficient storage available. | | |

**Article 19
Capital Improvements
2013 Fall Annual Town Meeting
Project Descriptions**

| # | <u>Appropriated Item</u> | <u>Amount</u> | <u>Funding Source</u> |
|-----------|--|----------------------|------------------------------|
| 7 | Community Development | | |
| | Main Street Improvements | \$ 50,000 | Capital Stab. Fund |
| | <i>Priority Area D: Improvement of infrastructure</i> | | |
| | This request would provide design services to enhance pedestrian safety and related improvements on Main Street. The portion of Main Street included within this request spans from Route 135 to the MBTA railroad bridge, just south of North Ave. | | |
| 8 | Facilities Management | | |
| | Replace Windows - Johnson | \$ 125,000 | Reappropriation |
| | <i>Priority Area: B. Timely Improvement/replacement of a capital asset to avoid inevitable additional future costs incurred through deferment</i> | \$ 175,000 | Tax Levy Borrowing |
| | This request will finish the replacement of windows at the Johnson School. Begun with \$200,000 under Article 10 of the 2010 Fall Annual Town Meeting, an additional \$300,000 is being requested to complete the process. Single-pane windows which are present throughout the school will be replaced with double-pane, energy efficient windows. Funding is proposed to come from \$175,000 in new borrowing and the reappropriation of \$125,000 of existing borrowing, authorized for the replacement of the Johnson School Boilers(also at the 2010 Fall Annual Town Meeting). The total amount authorized for the boilers was originally \$450,000; it is anticipated upon project completion it will only cost \$325,000. \$125,000 is free to be reappropriated for a like purpose. | | |
| 9 | Facilities Management | | |
| | Replace Carpet - Lilja | \$ 45,000 | Capital Stab. Fund |
| | <i>Priority Area: B. Timely Improvement/replacement of a capital asset to avoid inevitable additional future costs incurred through deferment</i> | | |
| | This request would replace carpet in 16 rooms at the Lilja School. This will complete the replacement of all carpets which started in 2012. \$49,000 was appropriated under Article 10 of the 2011 Fall Annual Town Meeting for flooring replacements at Lilja and Brown. | | |
| 10 | Water/Sewer Enterprise | | |
| | Speen Street Sewer Work | \$ 220,000 | W/S Borrowing |
| | <i>Priority Area: B. Timely Improvement/replacement of a capital asset to avoid inevitable additional future costs incurred through deferment</i> | | |
| | This request is to connect properties in Natick currently serviced by the Framingham sewer system to the Natick sewer system in the vicinity of Speen Street. Framingham has abandoned their force main along Speen Street, forcing the Town to ensure that Natick properties receive uninterrupted access to sewage. This request covers the costs not born by the Town of Framingham. Included within this request is money for construction, contract labor, design, and materials. | | |

Total

\$ 2,610,000

**Article 19
Capital Improvements
2013 Fall Annual Town Meeting
Project Descriptions**

| # | <u>Appropriated Item</u> | <u>Amount</u> | <u>Funding Source</u> |
|--|----------------------------------|----------------------|------------------------------|
| Funding Sources | | | |
| | Capital Stabilization Fund | \$ 340,000 | |
| | Tax Levy Borrowing | \$ 1,725,000 | |
| | Water & Sewer Borrowing | \$ 220,000 | |
| | Receipts Reserved: Chrysler Road | \$ 200,000 | |
| | Reappropriated Funds | \$ 125,000 | |
| Total Funding for Appropriations under Article 19 | | \$ 2,610,000 | |

Article 19 - Capital Improvement - 2013 Fall Annual Town Meeting

MOTION A: (Two-thirds vote required)

Move that the Town vote to appropriate the sum of \$340,000 to be expended under the direction of the Natick Public Schools for the purpose of replacing a playground at Memorial School, under the direction of the Department of Community Services for the purpose of historic restorations, under the direction of the Town Clerk for the purpose of preserving historic documents and improving storage in the Town Clerk's vault, under the direction of the Community Development Department for the purpose of improving Main Street and under the direction of the Facilities Management Department for replacing carpet at the Lilja School, individually shown as items 1, 4, 5, 6, 7 and 9 in the Table A below, and that to meet this appropriation the sum of \$340,000 be raised from the Capital Stabilization Fund.

Article 19, Motion A, Table A - Capital Improvement - 2013 Fall Annual Town Meeting

| <u>Item #</u> | <u>Department</u> | <u>Item</u> | <u>Funding Source</u> | <u>Amount</u> |
|---------------|-------------------|--------------------------------------|-----------------------|---------------|
| 1 | Public Schools | Replace Memorial Playground | Capital Stab. Fund | \$ 100,000 |
| 4 | Comm. Serv. | Historic Restorations | Capital Stab. Fund | \$ 15,000 |
| 5 | Town Clerk | Preservation of Historical Documents | Capital Stab. Fund | \$ 100,000 |
| 6 | Town Clerk | Town Vault Storage | Capital Stab. Fund | \$ 30,000 |
| 7 | Comm. Devel. | Main Street Improvements | Capital Stab. Fund | \$ 50,000 |
| 9 | Facilities | Replace Carpet - Lilja | Capital Stab. Fund | \$ 45,000 |

Appropriation under Article 19: MOTION A **\$ 340,000**

MOTION B: (two-thirds vote required)

Move that the Town vote to appropriate the sum of \$1,725,000 to be expended under the direction of the Department of Public Works for the improvement of drainage along Willow Street, under the direction of the Department of Community Services for the purpose of making improvements to Cole North Field, and under the direction of the Facilities Maintenance Department for the purpose of replacing windows at the Johnson School, individually shown as items 2, 3, and 8 in Table B below, and that to meet this appropriation the Treasurer with the approval of the Board of Selectmen is authorized to borrow \$1,725,000 under Massachusetts General Laws Chapter 44, Section 7, as amended, or any other enabling authority and to issue bonds or notes of the Town therefor aggregating not more than \$1,725,000 in principal amount and that the Town Administrator with the approval of the Board of Selectmen is authorized to take any action necessary to carry out this program.

Article 19, Motion B, Table B - Capital Improvement - 2013 Fall Annual Town Meeting

| <u>Item #</u> | <u>Department</u> | <u>Item</u> | <u>Funding Source</u> | <u>Amount</u> |
|---------------|-------------------|---------------------------------------|-----------------------|---------------|
| 2 | Public Works | Drainage Improvements - Willow Street | Tax Levy Borrowing | \$ 350,000 |
| 3 | Comm. Serv. | Cole North Field Improvements | Tax Levy Borrowing | \$ 1,200,000 |
| 8 | Facilities | Replace Windows - Johnson | Tax Levy Borrowing | \$ 175,000 |

Appropriation under Article 14: MOTION B **\$ 1,725,000**

Article 19 - Capital Improvement - 2013 Fall Annual Town Meeting

MOTION C: (two-thirds vote required)

Move that the Town vote to appropriate the sum of \$220,000 to be expended under the direction of the Department of Public Works for the purpose of improvements to sewer infrastructure along Speen Street, individually shown as item 10 in Table C below, and that to meet this appropriation the Treasurer with the approval of the Board of Selectmen is authorized to borrow \$220,000 under Massachusetts General Laws Chapter 44, Section 8, as amended, or any other enabling authority and to issue bonds or notes of the Town therefor aggregating not more than \$220,000 in principal amount and that the Town Administrator with the approval of the Board of Selectmen is authorized to take any action necessary to carry out this program.

Article 19, Motion C, Table C - Capital Improvement - 2013 Fall Annual Town Meeting

| | | | | | |
|----|-------------|-------------------------|---------------|----|---------|
| 10 | Water/Sewer | Speen Street Sewer Work | W/S Borrowing | \$ | 220,000 |
|----|-------------|-------------------------|---------------|----|---------|

Appropriation under Article 19: MOTION C **\$ 220,000**

MOTION D: (majority vote required)

Move that the Town vote to appropriate the sum of \$200,000 to be expended under the direction of the Community Services for the purpose of making improvements to Cole North Field, individually shown as item 18 in the Table D below, and that to meet this appropriation the sum of \$200,000 be raised from mitigation funds from the Chrysler Road 40B project.

Article 19, Motion D, Table D - Capital Improvement - 2013 Fall Annual Town Meeting

| | | | | | |
|---|-------------|-------------------------------|-------------------|----|---------|
| 3 | Comm. Serv. | Cole North Field Improvements | Receipts Reserved | \$ | 200,000 |
|---|-------------|-------------------------------|-------------------|----|---------|

Appropriation under Article 19: MOTION D **\$ 200,000**

MOTION E: (two-thirds vote required)

Move that the Town vote to appropriate the sum of \$125,000 to be expended under the direction of the Facilities Maintenance Department for the purpose of replacing windows at the Johnson School, individually shown as item 8 in the Table E below, and that to meet this appropriation the sum of \$125,000 be transferred from unexpended bond proceeds raised by vote of the 2010 Fall Annual Town Meeting under Article 10, Item #1 - Johnson - Replace Boilers.

Article 19, Motion E, Table E - Capital Improvement - 2013 Fall Annual Town Meeting

| | | | | | |
|---|------------|---------------------------|-----------------|----|---------|
| 8 | Facilities | Replace Windows - Johnson | Reappropriation | \$ | 125,000 |
|---|------------|---------------------------|-----------------|----|---------|

Appropriation under Article 19: MOTION E **\$ 125,000**

ARTICLE 20
Section 101 Increase
(Retirement Board)

To see if the Town will vote to approve the Natick Retirement Board's vote to adopt the provisions Sections 27 and 28 of Chapter 131 of the Acts of 2010 to amend Massachusetts General Laws, Chapter 32, Section 101, to increase the benefit provided therein to widows and widowers of the Natick Retirement System from \$6,000 to \$9,000.00 per year.

PURPOSE OF ARTICLE:

The purpose of this Article is to see if the Town will approve the Natick Retirement Board's vote to adopt provisions of Massachusetts General Law relating to increased benefits provided to widows and widowers of the Natick Retirement System.

FINANCE COMMITTEE RECOMMENDATION AND DISCUSSION:

*The Finance Committee has **No Recommendation** regard to the subject of Article 20.*

During the Finance Committee public hearing, the following information was noted:

- The purpose of this Article is to increase the so-called widow's allowance from \$6,000 to \$9,000 annually. This is a benefit granted to the surviving spouses of members who retired for accidental disability prior to 1996, and the retiree died of a cause unrelated to his/her retirement.
- The Retirement Board believes this benefit is needed as a matter of fairness to those surviving spouses whose spouse became permanently disabled while performing duties for the Town. The benefits to surviving spouses have not kept pace with inflation over the years.
- This Article represented a local option based on changes in the State Pension law. The applicable State law enabling this benefit increase changed in 2010.
- While the benefits will immediately be made available to the surviving spouses, the financial impact of this Article will not impact the Town's annual appropriation to the Retirement System until FY 2015 (beginning July 1, 2014). The total estimated liability for the group of individuals impacted by this provision is projected to be \$94,000, and the estimated impact to the Town's FY 2015 appropriation is approximately \$9,000. The cost impact of this adjustment is viewed by the Retirement Board as relatively small with the potential that it could disappear via rounding with the next valuation of the pension system.
- There are currently five individuals that could be impacted by this benefit. The number of individuals impacted by this increase will diminish with the death of eligible individuals over time.
- As with other pension-related obligations, the benefits to eligible individuals are paid from the retirement system with the Town's cost assessed via the annual pension funding appropriation.

Town Meeting members should note that two procedural issues were raised concerning this Article, specifically the following:

1. Possible issues pertaining to Open Meeting Law requirements relating to discussion of this Article at meetings of the Natick Retirement Board; and
2. A question relating to whether Articles submitted by the Natick Retirement Board properly appear on the Warrant.

Although the resolution of both of these issues lies with regulatory authorities outside of the jurisdiction of the Finance Committee, a number of committee members believed these issues were of sufficient magnitude such that the members were not able to vote on the merits of the Article itself. As a result, the Finance Committee did not achieve the eight-vote minimum necessary for an official recommendation and does not have a recommendation on this Article.

In light of the foregoing, as well as the fact that the Natick Retirement Board voted unanimously at their meeting of September 25, 2013 to request No Action, no motion is presented for Town Meeting's consideration.

ARTICLE 21
COLA Increase
(Retirement Board)

To see if the Town will vote to approve the Natick Retirement Board's vote to increase the cost of living for retirees and survivors of the Natick Retirement System from \$12,000.00 to \$13,000.00 for FY 15; to \$14,000 for FY 16; to \$15,000 for FY 17; to \$16,000 for FY 18; to \$17,000 for FY 19; and to \$18,000 for FY 20 consistent with the provision of Section 19 of Chapter 188 of the Acts of 2010.

PURPOSE OF ARTICLE:

The purpose of this Article is to approve the Natick Retirement Board's vote to provide a cost of living increase for retirees and survivors of the Natick Retirement System.

FINANCE COMMITTEE RECOMMENDATION AND DISCUSSION:

*By a vote of 10-1-0 on September 12, 2013, the Finance Committee recommends **No Action** with regard to the subject of Article 21.*

During the Finance Committee public hearing, the following information was noted:

- The Retirement Board is requesting that no action be taken on this Article at this time. The Retirement Board expects that they will propose action at the 2014 Spring Annual Town Meeting.

Town Meeting members should note that two procedural issues were raised concerning this Article, specifically the following:

1. Possible issues pertaining to Open Meeting Law requirements relating to discussion of this Article at meetings of the Natick Retirement Board; and
2. A question relating to whether Articles submitted by the Natick Retirement Board properly appear on the Warrant.

As with Articles 20 and 22, the resolution of both of these issues lies with regulatory authorities outside of the jurisdiction of the Finance Committee. Despite the existence of these questions, and due to the Retirement Board's request for No Action on this Article, the majority of Finance Committee members felt comfortable recommending No Action with respect to Article 21.

As a result of the foregoing, and in light of the fact that the Natick Retirement Board again voted unanimously at their meeting of September 25, 2013 to request No Action, no motion is presented for Town Meeting's consideration.

ARTICLE 22
Statutory Minimum Survivor Allowance
(Retirement Board)

To see if the Town will vote to approve the Natick Retirement Board's vote to adopt the provisions of Section 30 of Chapter 176 of the Acts of 2011 to increase the statutory minimum payment made to the survivors of deceased members of the Natick Retirement System pursuant to Massachusetts General Laws, Chapter 32, Section 12(2)(d), from \$250 to \$500.

PURPOSE OF ARTICLE:

The purpose of this Article is to see if the Town will approve the Natick Retirement Board's vote to adopt provisions of Massachusetts General Law relating to increased benefits provided to the surviving spouse of deceased members of the Natick Retirement System.

FINANCE COMMITTEE RECOMMENDATION AND DISCUSSION:

*The Finance Committee has **No Recommendation** with regard to the subject of Article 22.*

During the Finance Committee public hearing, the following information was noted:

- If approved by Town Meeting, this Article will increase the statutory minimum monthly survivor allowance from \$250 to \$500 for the surviving spouse of a Town employee who dies while a member in service of the retirement system and for a reason unrelated to his/her employment.
- The Retirement Board believes this is a matter of fairness to the surviving spouses, many of whom often have dependent children and have lost a spouse who was the primary source of income for the household.
- This Article represented a local option based on changes in the State Pension law.
- There are currently seven individuals impacted by this benefit. The number of individuals impacted by this increase could increase.
- While the benefits will immediately be made available to the surviving spouses, the financial impact of this Article will not impact the Town's annual appropriation to the Retirement System until FY 2015 (beginning July 1, 2014). The estimated total liability resulting from this change is estimated to be approximately \$109,000, and impact to the Town's FY 2015 appropriation is approximately \$12,000.

Town Meeting members should note that two procedural issues were raised concerning this Article, specifically the following:

3. Possible issues pertaining to Open Meeting Law requirements relating to discussion of this Article at meetings of the Natick Retirement Board; and
4. A question relating to whether Articles submitted by the Natick Retirement Board properly appear on the Warrant.

Although the resolution of both of these issues lies with regulatory authorities outside of the jurisdiction of the Finance Committee, a number of committee members believed these issues were of sufficient magnitude such that the members were not able to vote on the merits of the Article itself. As a result, the Finance Committee did not achieve the eight-vote minimum necessary for an official recommendation and does not have a recommendation on this Article.

As a result of the foregoing, as well as the fact that the Natick Retirement Board voted unanimously at their meeting of September 25, 2013 to request No Action, no motion is presented for Town Meeting's consideration.

ARTICLE 23
Amend Zoning By-Laws: Modification of the Dimensional Requirements of the RS Zoning Districts to Encourage the Development of Compact, Energy, Efficient Dwelling Units
(Randy Johnson, et al)

To see if the Town will vote to amend the Zoning By-Laws to allow the creation of small, energy efficient dwelling units, facilitated by the revision of the dimensional requirements of the RS zoning districts for dwelling units complying with specific energy conservation and life safety requirements.

PURPOSE OF ARTICLE:

The purpose of this Article is to amend the Town's Zoning By-Law.

FINANCE COMMITTEE RECOMMENDATION AND DISCUSSION:

*By a vote of 13-0-0 on September 19, 2013, the Finance Committee recommends **Referral to the Sponsor, the Planning Board, and the Community Development Department** with regard to the subject of Article 23.*

During the Finance Committee public hearing, the following information was noted:

- This Article is intended to promote the construction of energy efficient residential structures in exchange for permitting such buildings upon significantly smaller required lot areas in Natick's RSA, RSB, and RSC zoning districts.
- The sponsors of this Article are requesting to amend the Zoning By-Laws to promote energy efficient housing in compact neighborhoods. If approved by Town Meeting, the Zoning By-Laws will be amended to allow the use of smaller building lots if the construction specifications meet energy conservation requirements.
- The sponsors noted that this zoning provision is performance-based and they believe that this amendment will allow the Town to take a progressive and proactive approach to energy conservation and patterns of residential development.
- Finance Committee members noted that the proposed changes could allow subdivision of existing house lots to permit two dwellings on a parcel presently only large enough for one. Consequently, a number of questions remained regarding the potential impact of increased housing density on the Town's infrastructure, including school enrollments, public safety, and other services.
- Committee members also raised questions relating to the design and construction costs relating to the energy efficiency levels under this Article compare to the projected annual saving. In this context, Committee members heard that the incremental design and construction costs could be in the range of \$25,000 - \$50,000, while the estimated annual savings could be approximately \$143.
- Committee members also noted that further analysis is needed to compare the proposed changes to the existing Natick Stretch code and changes in the State Building code that are expected to take effect in 2014.
- During deliberation, Committee members generally noted the potential benefits of this type of zoning provision, but agreed that further discussion and analysis is needed.

- The Planning Board has recommended that this Article be referred for further discussion, and the sponsors of this Article similarly indicated their interest in doing so.

In light of the Finance Committee and Planning Board recommendations for referral on this Article, no motion is presented. Referral requires a majority vote.



Town of Natick

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Town of Natick

Fall 2013 Annual Town Meeting

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Town of Natick

FY 2014-2018 Capital Plan Summary

FY 2014 Capital Improvement Budget

| | | | Funded @ 2013 SATM | | | | | |
|--|--|---------------|---------------------|---------------|-------------------|---------------|----------------|---------------|
| Department/Division | Description | 2014 | Spring Town Meeting | | Fall Town Meeting | | Funding Source | |
| General Fund | | | Equipment | Improvement | Equipment | Improvement | Cash | Debt |
| Natick Public Schools | | | | | | | | |
| | | 2014 | Equipment | Improvement | Equipment | Improvement | Cash | Debt |
| NATICK PUBLIC SCHOOLS | BEN-HEM ENLARGE KINDERGARTEN PLAYGROUND | 175000 | | 175000 | | | 0 | 175000 |
| NATICK PUBLIC SCHOOLS | MEMORIAL - PLAYGROUND | 100000 | | | | 100000 | 100000 | |
| NATICK PUBLIC SCHOOLS | MEMORIAL - IN-BUILDING PUBLIC SAFETY RADIO SYSTEM | 40000 | | | 40000 | | 40000 | |
| NATICK PUBLIC SCHOOLS | REPLACE NSD-86 (DELIVERY VAN) | 26000 | 26000 | | | | 26000 | |
| Total Natick Public Schools | | 341000 | 26000 | 175000 | 40000 | 100000 | 166000 | 175000 |
| Police Department | | | | | | | | |
| | | 2014 | Equipment | Improvement | Equipment | Improvement | Cash | Debt |
| POLICE DEPARTMENT | RECONFIGURE DISPATCH CENTER | 230000 | | 230000 | | | | 230000 |
| POLICE DEPARTMENT | CRUISER REPLACEMENT | 151120 | 75560 | | 75560 | | 151120 | |
| POLICE DEPARTMENT | VIDEO LAB UPGRADE | 14000 | | | 14000 | | 14000 | |
| POLICE DEPARTMENT | CRUISER LAPTOP REPLACEMENT | 10000 | 10000 | | | | 10000 | |
| Total Police Department | | 405120 | 85560 | 230000 | 89560 | 0 | 175120 | 230000 |
| Fire Department | | | | | | | | |
| | | 2014 | Equipment | Improvement | Equipment | Improvement | Cash | Debt |
| FIRE DEPARTMENT | REPLACE ENGINE 5 (1995) | 520000 | | | 520000 | | | 520000 |
| FIRE DEPARTMENT | TURN OUT GEAR/ FIREFIGHTER PROTECTIVE CLOTHING | 120000 | 60000 | | 60000 | | 120000 | |
| FIRE DEPARTMENT | CARDIAC DEFIBRILLATORS AND AUTO PULSE/AUTOMATED CPR BOARDS | 96000 | 96000 | | | | 96000 | |
| FIRE DEPARTMENT | DIVE TEAM EQUIPMENT | 14750 | | | 14750 | | 14750 | |
| Total Fire Department | | 750750 | 156000 | 0 | 594750 | 0 | 230750 | 520000 |
| DPW Engineering | | | | | | | | |
| | | 2014 | Equipment | Improvement | Equipment | Improvement | Cash | Debt |
| PUBLIC WORKS ENGINEERING | WILLOW ST. DRAINAGE IMPROVEMENTS | 350000 | | | | 350000 | | 350000 |
| PUBLIC WORKS ENGINEERING | ROADS (COLLECTOR/ARTERIAL) | 300000 | | 300000 | | | | 300000 |
| Total DPW Engineering | | 650000 | 0 | 300000 | 0 | 350000 | 0 | 650000 |
| DPW Equipment Maintenance | | | | | | | | |
| | | 2014 | Equipment | Improvement | Equipment | Improvement | Cash | Debt |
| PUBLIC WORKS EQUIPMENT MAINT | FUEL MANAGEMENT SYSTEM | 80000 | 80000 | | | | 80000 | |
| PUBLIC WORKS EQUIPMENT MAINT | REPLACE M-4 (TRUCK) | 52000 | 52000 | | | | 52000 | |
| PUBLIC WORKS EQUIPMENT MAINT | REPLACE UTILITY TRAILERS | 10000 | 10000 | | | | 10000 | |
| Total DPW Equipment Maintenance | | 142000 | 142000 | 0 | 0 | 0 | 142000 | 0 |
| DPW Highway | | | | | | | | |
| | | 2014 | Equipment | Improvement | Equipment | Improvement | Cash | Debt |
| PUBLIC WORKS HIGHWAY | RECYCLING TOTERS | 570000 | 570000 | | | | | 570000 |
| PUBLIC WORKS HIGHWAY | RETAINING WALL - POND & CEMETARY | 455000 | | 455000 | | | | 455000 |



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FY 2014 Capital Improvement Budget

| | | | Funded @ 2013 SATM | | | | | |
|---|--|----------------|---------------------|--------------------|-------------------|--------------------|----------------|----------------|
| Department/Division | Description | 2014 | Spring Town Meeting | | Fall Town Meeting | | Funding Source | |
| PUBLIC WORKS HIGHWAY | REPLACE S-35 (TRASH PACKER) | 275000 | | | 275000 | | | 275000 |
| PUBLIC WORKS HIGHWAY | REPLACE H-51 (HOOKLIFT/CHASSIS) | 230000 | 230000 | | | | | 230000 |
| PUBLIC WORKS HIGHWAY | REPLACE H-48 (DUMP TRUCK/SANDER/PLOW) | 190000 | 190000 | | | | | 190000 |
| PUBLIC WORKS HIGHWAY | REPLACE H-62 (STREET SWEEPER) | 185000 | | | 185000 | | | 185000 |
| PUBLIC WORKS HIGHWAY | REPLACE H-41 (DUMP TRUCK W/PLOW) | 65000 | 65000 | | | | | 65000 |
| PUBLIC WORKS HIGHWAY | RECYCLING DUMPSTERS | 32000 | 32000 | | | | | 32000 |
| PUBLIC WORKS HIGHWAY | GUARDRAIL (VARIOUS LOCATIONS) | 10000 | | | 10000 | | | 10000 |
| PUBLIC WORKS HIGHWAY | REPLACE DUMPSTERS | 10000 | | | 10000 | | | 10000 |
| Total DPW Highway | | 2022000 | 1087000 | 455000 | 480000 | 0 | 117000 | 1905000 |
| DPW Land, Facilities & Natural Resources | | 2014 | Equipment | Improvement | Equipment | Improvement | Cash | Debt |
| PUBLIC WORKS LND FAC/NAT RES | FIELD RENOVATIONS | 65000 | | 65000 | | | 65000 | |
| PUBLIC WORKS LND FAC/NAT RES | REPLACE LF-12 (STUMP GRINDER) | 35000 | 35000 | | | | 35000 | |
| PUBLIC WORKS LND FAC/NAT RES | SYNTHETIC MAINTENANCE EQUIPMENT | 13000 | 13000 | | | | 13000 | |
| Total DPW L, F & NR | | 113000 | 48000 | 65000 | 0 | 0 | 113000 | 0 |
| Community Services | | 2014 | Equipment | Improvement | Equipment | Improvement | Cash | Debt |
| PARKS & RECREATION | COLE NORTH FIELD RENOVATIONS | 1400000 | | | | 1400000 | | 1400000 |
| PARKS & RECREATION | FIELD FENCE WORK - MURPHY & COOLIDGE | 140750 | | 140750 | | | | 140750 |
| PARKS & RECREATION | MEMORIAL SCHOOL LIGHTING | 125000 | | 125000 | | | | 125000 |
| PARKS & RECREATION | J. J. LANE PARK | 110000 | | 110000 | | | | 110000 |
| PARKS & RECREATION | REPLACE REC BUS #1 | 60000 | | | 60000 | | 60000 | |
| PARKS & RECREATION | HISTORICAL MONUMENT RESTORATION | 15000 | | | | 15000 | 15000 | |
| Total Community Services | | 1850750 | 0 | 375750 | 60000 | 1415000 | 75000 | 1775750 |
| Town Clerk | | 2014 | Equipment | Improvement | Equipment | Improvement | Cash | Debt |
| TOWN CLERK | PRESERVATION OF HISTORICAL RECORDS | 100000 | | | | 100000 | 100000 | |
| TOWN CLERK | TOWN VAULT STORAGE | 30000 | | | | 30000 | 30000 | |
| Total Town Clerk | | 130000 | 0 | 0 | 0 | 130000 | 130000 | 0 |
| Community Development | | 2014 | Equipment | Improvement | Equipment | Improvement | Cash | Debt |
| COMMUNITY DEVELOPMENT | MAIN STREET IMPROVEMENTS | 50000 | | | | 50000 | 50000 | |
| Total Town Clerk | | 50000 | 0 | 0 | 0 | 50000 | 50000 | 0 |
| Facilities Management | | 2014 | Equipment | Improvement | Equipment | Improvement | Cash | Debt |
| NATICK PUBLIC SCHOOLS | MEMORIAL SCHOOL BOILER REPLACEMENT | 400000 | | 400000 | | | | 400000 |
| NATICK PUBLIC SCHOOLS | JOHNSON WINDOWS ⁷ | 300000 | | | | 300000 | | 300000 |
| MUNICIPAL GOVERNMENT | REPLACE ROOF TOP UNITS AT THE POLICE STATION | 180000 | | 180000 | | | | 180000 |



Town of Natick

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FY 2014 Capital Improvement Budget

| | | | Funded @ 2013 SATM | | | | |
|--|--|----------------|---------------------|----------------|-------------------|----------------|------------------------|
| Department/Division | Description | 2014 | Spring Town Meeting | | Fall Town Meeting | | Funding Source |
| NATICK PUBLIC SCHOOLS | BEN-HEM - REPLACE DDC TEMPERATURE CONTROLS | 150000 | | | | 150000 | 150000 |
| MUNICIPAL GOVERNMENT | BOILER REMOVAL & REPLACEMENT (COLE) ⁷ | 175000 | | | 175000 | | 75000 100000 |
| NATICK PUBLIC SCHOOLS | WILSON-REPLACE A/C COMPRESSORS | 100000 | | | | 100000 | 100000 |
| MUNICIPAL GOVERNMENT | REPLACE ROOF TOP UNITS AT THE MAIN FIRE STATION | 75000 | | 75000 | | | 75000 |
| MUNICIPAL GOVERNMENT | REPLACE FIVE OVERHEAD DOORS TO FIRE STATION ¹ | 75000 | | 75000 | | | 75000 |
| NATICK PUBLIC SCHOOLS | BROWN SCHOOL INTERCOM SYSTEM | 50000 | | 50000 | | | 50000 |
| NATICK PUBLIC SCHOOLS | LILJA - CARPET REPLACEMENT | 45000 | | | | 45000 | 45000 |
| NATICK PUBLIC SCHOOLS | BEN-HEM - REPLACE ROOFTOP EXHAUST FANS | 45000 | 45000 | | | | 45000 |
| NATICK PUBLIC SCHOOLS | BROWN- FLOORING REPLACEMENT | 30000 | | 30000 | | | 30000 |
| NATICK PUBLIC SCHOOLS | POWER FLAME BURNER FOR BENNETT-HEMENWAY SCHOOL | 19280 | 19280 | | | | 19280 |
| NATICK PUBLIC SCHOOLS | SCHOOL FREEZERS AND COOLERS MONITORING | 12000 | 12000 | | | | 12000 |
| Total Facilities Management | | 1656280 | 76280 | 810000 | 175000 | 595000 | 526280 1130000 |
| Total General Fund | | 8110900 | 1620840 | 2410750 | 1439310 | 2640000 | 1725150 6385750 |
| less grants, subsidies, mitigation funds, etc... | | | | | | | -425000 |
| Net General Fund | | 8110900 | 1620840 | 2410750 | 1439310 | 2640000 | 1725150 5960750 |

Notes

- ¹ Funded through M.G.L. Ch. 90 State Aid for Roadway Construction & Maintenance
- ² Funded only if grants are available
- ³ Funded through B.A.A./Marathon funds
- ⁴ Funded through the State
- ⁵ Funded/partially funded through project specific mitigation funds
- ⁶ Funded through Conservation Commission
- ⁷ Funded partially through re-appropriation of prior funds

| Funding Summary | |
|---|---------------------|
| G.F. Debt | \$ 5,960,750 |
| 2013 Spring ATM | \$ 925,840 |
| 2013 Fall ATM | \$ 799,310 |
| Total Capital S.F. Allocation | \$ 1,725,150 |
| Receipts Reserved, Mitigation Funds | \$ 200,000 |
| Reappropriated Debt | \$ 225,000 |
| Total General Fund Funding - FY 2014 | \$ 8,110,900 |





Town of Natick

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FY 2014 Capital Improvement Budget

Funded @ 2013 SATM

| Department/Division | Description | 2014 | Spring Town Meeting | | Fall Town Meeting | | Funding Source | |
|---|--|-----------------|---------------------|-----------------|-------------------|---------------|----------------|-----------------|
| Enterprise Funds | | | | | | | | |
| Water-Sewer Enterprise | | 2014 | Equipment | Improvement | Equipment | Improvement | Cash | Debt |
| WATER SEWER ENTERPRISE | I/I MWRA GRANT | 1374000 | | 1374000 | | | | 1374000 |
| WATER SEWER ENTERPRISE | REPLACE GROUND WATER WELLS | 300000 | | 300000 | | | | 300000 |
| WATER SEWER ENTERPRISE | REPLACE W-22 (DUMP TRUCK WITH PLOW) | 220000 | | | 220000 | | | 220000 |
| WATER SEWER ENTERPRISE | TOWN FOREST RESERVOIR ROOF COATING & MIXING SYSTEM | 220000 | | 220000 | | | | 220000 |
| WATER SEWER ENTERPRISE | SPEEN STREET SEWER WORK | 220000 | | | | 220000 | | 220000 |
| WATER SEWER ENTERPRISE | SEWER MAIN RELINING | 150000 | | 150000 | | | | 150000 |
| WATER SEWER ENTERPRISE | PRIME PARK PUMP STATION WALL REPAIR | 150000 | | 150000 | | | | 150000 |
| WATER SEWER ENTERPRISE | ENERGY EFFICIENCY UPGRADES - SPRINGVALE WTP | 150000 | | 150000 | | | | 150000 |
| WATER SEWER ENTERPRISE | REPLACE W-14 (BACKHOE W/PLOW) | 135000 | | | 135000 | | | 135000 |
| WATER SEWER ENTERPRISE | REPLACE CONTROL VALVES AND TONKA FILTERS | 100000 | | 100000 | | | | 100000 |
| WATER SEWER ENTERPRISE | REPLACE W-28 (TRUCK W/PLOW) | 53000 | | | 53000 | | 53000 | |
| WATER SEWER ENTERPRISE | SEWER LINE REPLACEMENT - CHRYSLER ROAD | 48000 | | 48000 | | | | 48000 |
| WATER SEWER ENTERPRISE | REPLACE W-21 (1 TON WORK TRUCK) | 43000 | | | 43000 | | 43000 | |
| Total Water-Sewer | | 3163000 | 0 | 2492000 | 451000 | 220000 | 96000 | 3067000 |
| <i>Less grants, subsidies, etc.</i> | | <i>-1524000</i> | <i>0</i> | <i>-1524000</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>-1524000</i> |
| Net Water/Sewer (dependent upon rates) | | 1639000 | 0 | 968000 | 451000 | 220000 | 96000 | 1543000 |

| Funding Summary | |
|---|---------------------|
| Water/Sewer Debt | \$ 1,543,000 |
| Grants, Subsidies | \$ 1,524,000 |
| Retained Earnings | \$ 96,000 |
| Total Water/Sewer Enterprise Funding | \$ 3,163,000 |

| Sassamon Trace Enterprise | | 2014 | Equipment | Improvement | Equipment | Improvement | Cash | Debt |
|--|----------------------------------|--------------|-----------|--------------|-----------|-------------|--------------|----------|
| SASSAMON TRACE GOLF COURSE | PAVING OF GOLF COURSE CART PATHS | 10000 | | 10000 | | | 10000 | |
| Total Sassamon Trace Enterprise | | 10000 | 0 | 10000 | 0 | 0 | 10000 | 0 |

| Funding Summary | |
|-------------------------------|------------------|
| Retained Earnings | \$ 10,000 |
| Total Golf Course Debt | \$ 10,000 |



Town of Natick

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FY 2014-2018 Capital Improvement Plan

Funded at 2013 SATM -

| Department/Division | Description | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
|--------------------------------------|--|---------------|---------------|---------------|---------------|---------------|----------------|
| General Fund | | | | | | | |
| Natick Public Schools | | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
| NATICK PUBLIC SCHOOLS | BEN-HEM ENLARGE KINDERGARTEN PLAYGROUND | 175000 | 0 | 0 | 0 | 0 | 175000 |
| NATICK PUBLIC SCHOOLS | MEMORIAL - PLAYGROUND | 100000 | 0 | 0 | 0 | 0 | 100000 |
| NATICK PUBLIC SCHOOLS | MEMORIAL - IN-BUILDING PUBLIC SAFETY RADIO SYSTEM | 40000 | 0 | 0 | 0 | 0 | 40000 |
| NATICK PUBLIC SCHOOLS | REPLACE NSD-86 (DELIVERY VAN) | 26000 | 0 | 0 | 0 | 0 | 26000 |
| NATICK PUBLIC SCHOOLS | FEASIBILITY STUDY FOR MEMORIAL FIELD IMPROVEMENTS | 0 | 50000 | 0 | 0 | 0 | 50000 |
| NATICK PUBLIC SCHOOLS | REPLACE NSD-84 (PICK-UP TRUCK) | 0 | 42000 | 0 | 0 | 0 | 42000 |
| NATICK PUBLIC SCHOOLS | REPLACE NSD-80 (DELIVERY TRUCK) | 0 | 0 | 0 | 41000 | 0 | 41000 |
| Total Natick Public Schools | | 341000 | 92000 | 0 | 41000 | 0 | 474000 |
| Morse Institute Library | | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
| MORSE INSTITUTE LIBRARY | STACK LIGHTING FOR CHILDREN'S ROOM MAIN SHELVES | 0 | 16000 | 0 | 0 | 0 | 16000 |
| MORSE INSTITUTE LIBRARY | PICTURE BOOK SHELF LIGHTING | 0 | 10000 | 0 | 0 | 0 | 10000 |
| MORSE INSTITUTE LIBRARY | R.F.I.D. PROJECT /SECURITY SYSTEM | 0 | 0 | 52000 | 0 | 0 | 52000 |
| MORSE INSTITUTE LIBRARY | RFID TAGGING OF LIBRARY'S BOOKS & MATERIALS | 0 | 0 | 20000 | 0 | 0 | 20000 |
| MORSE INSTITUTE LIBRARY | AUTOMATED MATERIALS HANDLER | 0 | 0 | 0 | 138000 | 0 | 138000 |
| Total Morse Institute Library | | 0 | 26000 | 72000 | 138000 | 0 | 236000 |
| Police Department | | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
| POLICE DEPARTMENT | RECONFIGURE DISPATCH CENTER | 230000 | 0 | 0 | 0 | 0 | 230000 |
| POLICE DEPARTMENT | CRUISER REPLACEMENT (\$75,560 funded @ SATM) | 151120 | 193900 | 198900 | 203900 | 208900 | 956720 |
| POLICE DEPARTMENT | VIDEO LAB UPGRADE | 14000 | 0 | 0 | 0 | 0 | 14000 |
| POLICE DEPARTMENT | CRUISER LAPTOP REPLACEMENT | 10000 | 0 | 0 | 0 | 0 | 10000 |
| POLICE DEPARTMENT | DICTIONATION SYSTEM REPLACEMENT | 0 | 30000 | 0 | 0 | 0 | 30000 |
| Total Police Department | | 405120 | 223900 | 198900 | 203900 | 208900 | 1240720 |
| Fire Department | | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
| FIRE DEPARTMENT | REPLACE ENGINE 5 (1995) | 520000 | 0 | 0 | 0 | 0 | 520000 |
| FIRE DEPARTMENT | TURN OUT GEAR/F.F. PROTECT. CLOTH. (\$60k funded @ SATM) | 120000 | 60000 | 0 | 0 | 0 | 180000 |
| FIRE DEPARTMENT | CARDIAC DEFIBRILLATORS AND AUTO PULSE/AUTOMATED CPR BOARDS | 96000 | 0 | 0 | 0 | 0 | 96000 |
| FIRE DEPARTMENT | DIVE TEAM EQUIPMENT | 14750 | 0 | 0 | 0 | 0 | 14750 |
| FIRE DEPARTMENT | FIRE STATION 4/ WEST NATICK , REPLACEMENT ⁵ | 0 | 7000000 | 0 | 0 | 0 | 7000000 |
| FIRE DEPARTMENT | CONSTRUCTION OF TRAINING FACILITY | 0 | 750000 | 0 | 0 | 0 | 750000 |



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| Department/Division | Description | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
|------------------------------|---|---------------|----------------|----------------|---------------|----------|-----------------|
| FIRE DEPARTMENT | REPLACE AMBULANCE | 0 | 205000 | 0 | 0 | 0 | 205000 |
| FIRE DEPARTMENT | INCIDENT SUPPORT VEHICLE/BOX TRUCK | 0 | 90000 | 0 | 0 | 0 | 90000 |
| FIRE DEPARTMENT | MOBILE DATA TERMINALS/ COMPUTERS ON APPARATUS | 0 | 70000 | 0 | 0 | 0 | 70000 |
| FIRE DEPARTMENT | REPLACE FIRE PICKUP 3/PLOW | 0 | 70000 | 0 | 0 | 0 | 70000 |
| FIRE DEPARTMENT | REPLACE NFD CAR-1 | 0 | 28500 | 0 | 0 | 0 | 28500 |
| FIRE DEPARTMENT | PURCHASE ADDITIONAL AUTOMATED STRETCHER | 0 | 14000 | 0 | 0 | 0 | 14000 |
| FIRE DEPARTMENT | REPLACE LADDER / PLATFORM | 0 | 0 | 1200000 | 0 | 0 | 1200000 |
| FIRE DEPARTMENT | REPLACE 2001 FIRE PUMPER | 0 | 0 | 500000 | 0 | 0 | 500000 |
| FIRE DEPARTMENT | REPLACE AMBULANCE | 0 | 0 | 0 | 210000 | 0 | 210000 |
| Total Fire Department | | 750750 | 8287500 | 1700000 | 210000 | 0 | 10948250 |

| DPW Engineering | | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
|---------------------------------|--|----------------|----------------|----------------|----------------|----------------|-----------------|
| PUBLIC WORKS ENGINEERING | CH90 ROAD IMPROVEMENTS ¹ | 1008000 | 1008000 | 1008000 | 1008000 | 1008000 | 5040000 |
| PUBLIC WORKS ENGINEERING | WILLOW ST. DRAINAGE IMPROVEMENTS | 350000 | 0 | 500000 | 0 | 0 | 850000 |
| <i>PUBLIC WORKS ENGINEERING</i> | <i>ROADS (COLLECTOR/ARTERIAL)</i> | <i>300000</i> | <i>0</i> | <i>1500000</i> | <i>1500000</i> | <i>1500000</i> | <i>4800000</i> |
| PUBLIC WORKS ENGINEERING | ROADWAY IMPROVEMENTS COTTAGE STREET | 0 | 1750000 | 0 | 0 | 0 | 1750000 |
| PUBLIC WORKS ENGINEERING | ROADWAY IMPROVEMENTS PINE STREET | 0 | 1750000 | 0 | 0 | 0 | 1750000 |
| PUBLIC WORKS ENGINEERING | ENGINEERING & REPAIRS TO THE CHARLES RIVER DAM | 0 | 580000 | 875000 | 0 | 0 | 1455000 |
| PUBLIC WORKS ENGINEERING | REHAB. - CHARLES RIVER BRIDGE | 0 | 500000 | 0 | 0 | 0 | 500000 |
| PUBLIC WORKS ENGINEERING | MIDDLE ST. DRAINAGE IMPROVEMENTS | 0 | 250000 | 1000000 | 0 | 0 | 1250000 |
| PUBLIC WORKS ENGINEERING | FEASIBILITY STUDY - STORMWATER UTILITY | 0 | 50000 | 0 | 0 | 0 | 50000 |
| PUBLIC WORKS ENGINEERING | REHAB. - JENNINGS POND DAM | 0 | 0 | 0 | 125000 | 0 | 125000 |
| Total DPW Engineering | | 1658000 | 5888000 | 4883000 | 2633000 | 2508000 | 17570000 |

| DPW Equipment Maintenance | | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
|--|---------------------------------|---------------|---------------|----------|--------------|----------|---------------|
| <i>PUBLIC WORKS EQUIPMENT MAINT</i> | <i>FUEL MANAGEMENT SYSTEM</i> | <i>80000</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>80000</i> |
| <i>PUBLIC WORKS EQUIPMENT MAINT</i> | <i>REPLACE M-4 (TRUCK)</i> | <i>52000</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>52000</i> |
| <i>PUBLIC WORKS EQUIPMENT MAINT</i> | <i>REPLACE UTILITY TRAILERS</i> | <i>10000</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>10000</i> |
| PUBLIC WORKS EQUIPMENT MAINT | REPLACE M-2 (TRUCK) | 0 | 75000 | 0 | 0 | 0 | 75000 |
| PUBLIC WORKS EQUIPMENT MAINT | REPLACE M-1 (VEHICLE) | 0 | 28000 | 0 | 0 | 0 | 28000 |
| PUBLIC WORKS EQUIPMENT MAINT | FORK LIFT | 0 | 20000 | 0 | 0 | 0 | 20000 |
| PUBLIC WORKS EQUIPMENT MAINT | REPLACE PORTABLE LIFTS | 0 | 0 | 0 | 50000 | 0 | 50000 |
| Total DPW Equipment Maintenance | | 142000 | 123000 | 0 | 50000 | 0 | 315000 |

| DPW Highway | | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
|-----------------------------|-------------------------|---------------|----------|----------|----------|----------|---------------|
| <i>PUBLIC WORKS HIGHWAY</i> | <i>RECYCLING TOTERS</i> | <i>570000</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>570000</i> |



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| Department/Division | Description | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
|--------------------------|--|----------------|---------------|---------------|---------------|---------------|----------------|
| PUBLIC WORKS HIGHWAY | RETAINING WALL - POND & CEMETARY | 455000 | 0 | 0 | 0 | 0 | 455000 |
| PUBLIC WORKS HIGHWAY | REPLACE S-35 (TRASH PACKER) | 275000 | 0 | 0 | 0 | 0 | 275000 |
| PUBLIC WORKS HIGHWAY | REPLACE H-51 (HOOKLIFT/CHASSIS) | 230000 | 0 | 0 | 0 | 0 | 230000 |
| PUBLIC WORKS HIGHWAY | REPLACE H-48 (DUMP TRUCK/SANDER/PLOW) | 190000 | 0 | 0 | 0 | 0 | 190000 |
| PUBLIC WORKS HIGHWAY | REPLACE H-62 (STREET SWEEPER) | 185000 | 0 | 0 | 0 | 0 | 185000 |
| PUBLIC WORKS HIGHWAY | REPLACE H-41 (DUMP TRUCK W/PLOW) | 65000 | 0 | 0 | 0 | 0 | 65000 |
| PUBLIC WORKS HIGHWAY | RECYCLING DUMPSTERS | 32000 | 0 | 0 | 0 | 0 | 32000 |
| PUBLIC WORKS HIGHWAY | GUARDRAIL (VARIOUS LOCATIONS) | 10000 | 10000 | 10000 | 10000 | 10000 | 50000 |
| PUBLIC WORKS HIGHWAY | REPLACE DUMPSTERS | 10000 | 12500 | 12500 | 12500 | 12500 | 60000 |
| PUBLIC WORKS HIGHWAY | REPLACE S-37 (CHASSIS AND HOOKLIFT) | 0 | 230000 | 0 | 0 | 0 | 230000 |
| PUBLIC WORKS HIGHWAY | IMPLEMENTATION OF GRAVEL PIT MASTER PLAN | 0 | 100000 | 0 | 0 | 0 | 100000 |
| PUBLIC WORKS HIGHWAY | REPLACE S-38 (SMALL MULTI-BODY TRUCK) | 0 | 70000 | 0 | 0 | 0 | 70000 |
| PUBLIC WORKS HIGHWAY | REPLACE H-68 (1 TON ASPHALT ROLLER) | 0 | 12000 | 0 | 0 | 0 | 12000 |
| PUBLIC WORKS HIGHWAY | REPLACE H-57 (FRONT END LOADER/PLOW) | 0 | 0 | 175000 | 0 | 0 | 175000 |
| PUBLIC WORKS HIGHWAY | REPLACE H-61 (SIDEWALK MACHINE) | 0 | 0 | 142000 | 0 | 0 | 142000 |
| PUBLIC WORKS HIGHWAY | REPLACE S-31 (TRASH PACKER) | 0 | 0 | 0 | 280000 | 0 | 280000 |
| PUBLIC WORKS HIGHWAY | REPLACE H-63 (STREET SWEEPER) | 0 | 0 | 0 | 190000 | 0 | 190000 |
| PUBLIC WORKS HIGHWAY | REPLACE H-58 (FRONT END LOADER) | 0 | 0 | 0 | 185000 | 0 | 185000 |
| PUBLIC WORKS HIGHWAY | REPLACE H-50 (DUMP TRUCK) | 0 | 0 | 0 | 135000 | 0 | 135000 |
| PUBLIC WORKS HIGHWAY | REPLACE S-32 (TRASH PACKER) | 0 | 0 | 0 | 0 | 290000 | 290000 |
| PUBLIC WORKS HIGHWAY | REPLACE H-73 (2 TON ASPHALT ROLLER) | 0 | 0 | 0 | 0 | 18000 | 18000 |
| Total DPW Highway | | 2022000 | 434500 | 339500 | 812500 | 330500 | 3939000 |

| DPW Land, Facilities & Natural Resources | | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
|--|---------------------------------|-------|-------|--------|--------|-------|--------|
| PUBLIC WORKS LND FAC/NAT RES | FIELD RENOVATIONS | 65000 | 66000 | 75000 | 146000 | 0 | 352000 |
| PUBLIC WORKS LND FAC/NAT RES | REPLACE LF-12 (STUMP GRINDER) | 35000 | 0 | 0 | 0 | 0 | 35000 |
| PUBLIC WORKS LND FAC/NAT RES | SYNTHETIC MAINTENANCE EQUIPMENT | 13000 | 0 | 0 | 0 | 0 | 13000 |
| PUBLIC WORKS LND FAC/NAT RES | ATHLETIC FIELD MOWER | 0 | 80000 | 0 | 0 | 0 | 80000 |
| PUBLIC WORKS LND FAC/NAT RES | TREE REPLACEMENT | 0 | 30000 | 30000 | 30000 | 30000 | 120000 |
| PUBLIC WORKS LND FAC/NAT RES | REPLACE FIELD UTILITY TRACTOR | 0 | 20000 | 0 | 0 | 0 | 20000 |
| PUBLIC WORKS LND FAC/NAT RES | SEEDING EQUIPMENT | 0 | 14000 | 0 | 0 | 0 | 14000 |
| PUBLIC WORKS LND FAC/NAT RES | REPLACE LF-9 (BUCKET TRUCK) | 0 | 0 | 200000 | 0 | 0 | 200000 |
| PUBLIC WORKS LND FAC/NAT RES | REPLACE 1999 WOOD CHIPPER | 0 | 0 | 90000 | 0 | 0 | 90000 |
| PUBLIC WORKS LND FAC/NAT RES | REPLACE FIELD UTILITY TRACTOR | 0 | 0 | 20000 | 0 | 0 | 20000 |
| PUBLIC WORKS LND FAC/NAT RES | REPLACE LF-20 MOWER | 0 | 0 | 0 | 12500 | 0 | 12500 |



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|--------------------------------|----------------------------------|---------------|---------------|---------------|---------------|--------------|----------------|
| PUBLIC WORKS LND FAC/NAT RES | ADDITIONAL EQUIPMENT ATTACHMENTS | 0 | 0 | 0 | 0 | 16000 | 16000 |
| PUBLIC WORKS LND FAC/NAT RES | REPLACE LF-11 (LAWN MOWER) | 0 | 0 | 0 | 0 | 15000 | 15000 |
| PUBLIC WORKS LND FAC/NAT RES | REPLACE LF-17 (LAWN MOWER) | 0 | 0 | 0 | 0 | 15000 | 15000 |
| Total DPW L, F & NR | | 113000 | 210000 | 415000 | 188500 | 76000 | 1002500 |

| Community Services | | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
|---------------------------------|---|----------------|----------------|---------------|--------------|-------------|----------------|
| PARKS & RECREATION | COLE NORTH FIELD RENOVATIONS ⁵ | 1400000 | 0 | 0 | 0 | 0 | 1400000 |
| PARKS & RECREATION | FIELD FENCE WORK - MURPHY & COOLIDGE | 140750 | 0 | 0 | 0 | 0 | 140750 |
| PARKS & RECREATION | MEMORIAL SCHOOL LIGHTING | 125000 | 0 | 0 | 0 | 0 | 125000 |
| PARKS & RECREATION | J. J. LANE PARK | 110000 | 0 | 0 | 0 | 0 | 110000 |
| PARKS & RECREATION | REPLACE REC BUS #1 | 60000 | 0 | 0 | 0 | 0 | 60000 |
| PARKS & RECREATION | HISTORIC RESTORATION | 15000 | 15000 | 15000 | 0 | 0 | 45000 |
| PARKS & RECREATION | DUG POND PIER ³ | 5000 | 5000 | 5000 | 5000 | 5000 | 25000 |
| PARKS & RECREATION | SOUTH NATICK PARK SYSTEM | 0 | 1000000 | 0 | 0 | 0 | 1000000 |
| PARKS & RECREATION | EAST TENNIS/BASKETBALL COURTS | 0 | 100000 | 0 | 0 | 0 | 100000 |
| PARKS & RECREATION | JOHNSON SCH CT/BASKETBALL & HOCKEY RINK | 0 | 75000 | 0 | 0 | 0 | 75000 |
| PARKS & RECREATION | MEMORIAL BEACH WATER PLAY UNIT | 0 | 75000 | 0 | 0 | 0 | 75000 |
| COUNCIL ON AGING | BUS ² | 0 | 65000 | 0 | 0 | 0 | 65000 |
| PARKS & RECREATION | COLE CENTER PLAYGROUND | 0 | 50000 | 0 | 0 | 0 | 50000 |
| PARKS & RECREATION | NAVY YARD DESIGN SERVICES | 0 | 35000 | 0 | 0 | 0 | 35000 |
| PARKS & RECREATION | TOWN GAZEBO ROOF | 0 | 20000 | 0 | 0 | 0 | 20000 |
| PARKS & RECREATION | TENNIS/BASKETBALL COURT RENOVATIONS | 0 | 15000 | 0 | 0 | 0 | 15000 |
| PARKS & RECREATION | BASKETBALL COURT RENOVATIONS | 0 | 0 | 100000 | 0 | 0 | 100000 |
| PARKS & RECREATION | BACKSTOP/FENCE RENOVATION WORK | 0 | 0 | 25000 | 25000 | 0 | 50000 |
| PARKS & RECREATION | PEGAN COVE PARK | 0 | 0 | 0 | 30000 | 0 | 30000 |
| Total Community Services | | 1855750 | 1455000 | 145000 | 60000 | 5000 | 3520750 |

| Town Administrator/Selectmen/Moderator | | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
|---|--|----------|--------------|----------|----------|----------|--------------|
| TOWN ADMIN./MODERATOR | ELECTRONIC VOTING DEVICES FOR TOWN MEETING | 0 | 50000 | 0 | 0 | 0 | 50000 |
| Total Town Administrator/Selectmen/Moderator | | 0 | 50000 | 0 | 0 | 0 | 50000 |

| Information Technology | | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
|-------------------------------------|--------------------|----------|---------------|---------------|---------------|----------|---------------|
| INFORMATION TECHNOLOGY | DOCUMENT ARCHIVING | 0 | 250000 | 250000 | 250000 | 0 | 750000 |
| Total Information Technology | | 0 | 250000 | 250000 | 250000 | 0 | 750000 |



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| Department/Division | Description | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
|-------------------------|------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Town Clerk | | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
| TOWN CLERK | PRESERVATION OF HISTORICAL RECORDS | 100000 | 100000 | 100000 | 100000 | 100000 | 500000 |
| TOWN CLERK | TOWN VAULT STORAGE | 30000 | 0 | 0 | 0 | 0 | 30000 |
| TOWN CLERK | VOTING BOOTHS | 0 | 40000 | 0 | 0 | 0 | 40000 |
| Total Town Clerk | | 130000 | 140000 | 100000 | 100000 | 100000 | 570000 |

| Community Development | | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
|------------------------------------|---|----------------|-----------------|----------|----------------|----------|-----------------|
| COMMUNITY DEVELOPMENT | KANSAS STREET RECONSTRUCTION ⁴ | 2500000 | 0 | 0 | 0 | 0 | 2500000 |
| COMMUNITY DEVELOPMENT | N. MAIN & BACON INT. IMP. - (MATHWORKS MITIGATION) ⁵ | 620000 | 0 | 0 | 0 | 0 | 620000 |
| COMMUNITY DEVELOPMENT | SPEEN STREET AND RELATED FEDEX TRAFFIC MITIGATION ⁵ | 590000 | 0 | 0 | 0 | 0 | 590000 |
| COMMUNITY DEVELOPMENT | WETHERSFIELD NEIGHBORHOOD TRAFFIC IMPROVEMENTS ⁵ | 208000 | 0 | 0 | 0 | 0 | 208000 |
| COMMUNITY DEVELOPMENT | SPEEN STREET TRAFFIC IMPROVEMENTS ⁵ | 200000 | 0 | 0 | 0 | 0 | 200000 |
| COMMUNITY DEVELOPMENT | PARK, BACON & WALNUT ST NEIGHBOR. TRAFFIC IMP. ⁵ | 172000 | 0 | 0 | 0 | 0 | 172000 |
| COMMUNITY DEVELOPMENT | COCHITUATE AQUADUCT IMPROVEMENTS ⁶ | 50000 | 0 | 0 | 0 | 0 | 50000 |
| PUBLIC WORKS ENGINEERING | MAIN STREET IMPROVEMENTS | 50000 | 75000 | 0 | 1250000 | 0 | 1375000 |
| COMMUNITY DEVELOPMENT | ROUTE 27 IMPROVEMENTS - CONSTRUCTION ⁴⁵ | 0 | 11000000 | 0 | 0 | 0 | 11000000 |
| COMMUNITY DEVELOPMENT | DOWNTOWN PARKING GARAGE | 0 | 7000000 | 0 | 0 | 0 | 7000000 |
| Total Community Development | | 4390000 | 18075000 | 0 | 1250000 | 0 | 23715000 |

| Facilities Management | | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
|-----------------------|--|--------|--------|------|------|------|--------|
| NATICK PUBLIC SCHOOLS | MEMORIAL SCHOOL BOILER REPLACEMENT | 400000 | 0 | 0 | 0 | 0 | 400000 |
| NATICK PUBLIC SCHOOLS | JOHNSON - REPLACE WINDOWS | 300000 | 0 | 0 | 0 | 0 | 300000 |
| MUNICIPAL GOVERNMENT | REPLACE ROOF TOP UNITS AT THE POLICE STATION | 180000 | 0 | 0 | 0 | 0 | 180000 |
| MUNICIPAL GOVERNMENT | COLE - REPLACE BOILER & DDC TEMPERATURE CONTROLS | 175000 | 0 | 0 | 0 | 0 | 175000 |
| NATICK PUBLIC SCHOOLS | BEN-HEM - REPLACE DDC TEMPERATURE CONTROLS | 150000 | 0 | 0 | 0 | 0 | 150000 |
| NATICK PUBLIC SCHOOLS | WILSON - REPLACE A/C COMPRESSORS | 100000 | 0 | 0 | 0 | 0 | 100000 |
| MUNICIPAL GOVERNMENT | REPLACE ROOF TOP UNITS AT THE MAIN FIRE STATION | 75000 | 0 | 0 | 0 | 0 | 75000 |
| MUNICIPAL GOVERNMENT | REPLACE FIVE OVERHEAD DOORS TO FIRE STATION 1 | 75000 | 0 | 0 | 0 | 0 | 75000 |
| NATICK PUBLIC SCHOOLS | BROWN SCHOOL INTERCOM SYSTEM | 50000 | 0 | 0 | 0 | 0 | 50000 |
| NATICK PUBLIC SCHOOLS | LILJA - CARPET REPLACEMENT | 45000 | 0 | 0 | 0 | 0 | 45000 |
| NATICK PUBLIC SCHOOLS | BEN-HEM - REPLACE ROOFTOP EXHAUST FANS | 45000 | 0 | 0 | 0 | 0 | 45000 |
| NATICK PUBLIC SCHOOLS | BROWN - FLOORING REPLACEMENT | 30000 | 90000 | 0 | 0 | 0 | 120000 |
| NATICK PUBLIC SCHOOLS | POWER FLAME BURNER FOR BENNETH HEMENWAY SCHOOL | 19280 | 0 | 0 | 0 | 0 | 19280 |
| NATICK PUBLIC SCHOOLS | SCHOOL FREEZERS AND COOLERS MONITORING | 12000 | 0 | 0 | 0 | 0 | 12000 |
| NATICK PUBLIC SCHOOLS | LILJA - ROOF REPLACEMENT | 0 | 550000 | 0 | 0 | 0 | 550000 |
| NATICK PUBLIC SCHOOLS | BROWN - ROOF REPLACEMENT | 0 | 550000 | 0 | 0 | 0 | 550000 |



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|--|---|-----------------|-----------------|----------------|----------------|----------------|-----------------|
| NATICK PUBLIC SCHOOLS | MEMORIAL-REPLACE EXTERIOR WINDOWS | 0 | 500000 | 0 | 0 | 0 | 500000 |
| NATICK PUBLIC SCHOOLS | KENNEDY-REPLACE LARGE HVAC UNITS | 0 | 300000 | 300000 | 0 | 0 | 600000 |
| NATICK PUBLIC SCHOOLS | KENNEDY- REPLACE VAT FLOOR TILE | 0 | 300000 | 300000 | 0 | 0 | 600000 |
| MUNICIPAL GOVERNMENT | RENOVATION OF FINANCE OFFICES | 0 | 250000 | 0 | 0 | 0 | 250000 |
| NATICK PUBLIC SCHOOLS | KENNEDY-REPLACE CLASSROOM UNIVENTS + DDC | 0 | 200000 | 0 | 0 | 0 | 200000 |
| MUNICIPAL GOVERNMENT | ROOF (90 OAK STREET) | 0 | 135000 | 0 | 0 | 0 | 135000 |
| NATICK PUBLIC SCHOOLS | KENNEDY- REPLACE EXTERIOR DOORS | 0 | 120000 | 0 | 0 | 0 | 120000 |
| NATICK PUBLIC SCHOOLS | JOHNSON-REMOVE VAT | 0 | 120000 | 0 | 0 | 0 | 120000 |
| MUNICIPAL GOVERNMENT | AIR HANDLER UNITS (COLE) | 0 | 100000 | 0 | 0 | 0 | 100000 |
| NATICK PUBLIC SCHOOLS | JOHNSON-REFURBISH HALL CEILINGS | 0 | 100000 | 0 | 0 | 0 | 100000 |
| MUNICIPAL GOVERNMENT | TOWN HALL HVAC | 0 | 80000 | 80000 | 0 | 0 | 160000 |
| NATICK PUBLIC SCHOOLS | WILSON - PARKING LOT EXPANSION | 0 | 50000 | 0 | 0 | 0 | 50000 |
| MUNICIPAL GOVERNMENT | REPLACE B-2 (VAN) | 0 | 35000 | 0 | 0 | 0 | 35000 |
| MUNICIPAL GOVERNMENT | DPW MAINT GARAGE HEATER REPLACEMENT | 0 | 30000 | 0 | 0 | 0 | 30000 |
| MUNICIPAL GOVERNMENT | EXTERIOR PAINTING (90 OAK ST) | 0 | 30000 | 0 | 0 | 0 | 30000 |
| MUNICIPAL GOVERNMENT | CARPET REPLACEMENT - TOWN HALL | 0 | 15000 | 15000 | 15000 | 0 | 45000 |
| NATICK PUBLIC SCHOOLS | KENNEDY-REPLACE EXTERIOR WINDOWS | 0 | 0 | 650000 | 0 | 0 | 650000 |
| NATICK PUBLIC SCHOOLS | BROWN- REPLACE UNIT VENTILATORS IN CLASSROOMS | 0 | 0 | 170000 | 0 | 0 | 170000 |
| NATICK PUBLIC SCHOOLS | MEMORIAL- REPAVE PARKING AREAS | 0 | 0 | 150000 | 0 | 0 | 150000 |
| NATICK PUBLIC SCHOOLS | BEN-HEM - REPLACE LIBRARY AND OFFICE CARPETS | 0 | 0 | 25000 | 25000 | 0 | 50000 |
| NATICK PUBLIC SCHOOLS | WILSON-REPLACE DOMESTIC WATER HEATERS | 0 | 0 | 10000 | 0 | 0 | 10000 |
| NATICK PUBLIC SCHOOLS | KENNEDY-INSTALL FIRE SPRINKLER SYSTEM | 0 | 0 | 0 | 800000 | 0 | 800000 |
| NATICK PUBLIC SCHOOLS | MEMORIAL-INSTALL FIRE SPRINKLER SYSTEM | 0 | 0 | 0 | 500000 | 0 | 500000 |
| NATICK PUBLIC SCHOOLS | WILSON-REPLACE AUDITORIUM A/C COMPRESSORS | 0 | 0 | 0 | 50000 | 0 | 50000 |
| Total Facilities Management | | 1656280 | 3555000 | 1700000 | 1390000 | 0 | 8301280 |
| Total General Fund | | 13463900 | 38809900 | 9803400 | 7326900 | 3228400 | 72632500 |
| less grants, subsidies, mitigation funds, etc... | | -6203000 | -12078000 | -1013000 | -1013000 | -1013000 | -20470000 |
| Net General Fund | | 7260900 | 26731900 | 8790400 | 6313900 | 2215400 | 52162500 |

Notes

¹ Funded through M.G.L. Ch. 90 State Aid for Roadway Construction & Maintenance

² Funded only if grants are available

³ Funded through B.A.A./Marathon funds

⁴ Funded through the State

⁵ Funded/partially funded through project specific mitigation funds

⁶ Funded through Conservation Commission



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|-------------------------------|--|-------------|-------------|-------------|-------------|-------------|--------------|
| Enterprise Funds | | | | | | | |
| Water-Sewer Enterprise | | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
| WATER SEWER ENTERPRISE | I/I MWRA GRANT | 1374000 | 0 | 0 | 0 | 0 | 1374000 |
| WATER SEWER ENTERPRISE | REPLACE GROUND WATER WELLS | 300000 | 300000 | 0 | 0 | 0 | 600000 |
| WATER SEWER ENTERPRISE | REPLACE W-22 (DUMP TRUCK WITH PLOW) | 220000 | 0 | 0 | 0 | 0 | 220000 |
| WATER SEWER ENTERPRISE | SPEEN STREET SEWER WORK | 220000 | 0 | 0 | 0 | 0 | 220000 |
| WATER SEWER ENTERPRISE | TOWN FOREST RESERVOIR ROOF COATING & MIXING SYSTEM | 220000 | 0 | 0 | 0 | 0 | 220000 |
| WATER SEWER ENTERPRISE | SEWER MAIN RELINING | 150000 | 150000 | 150000 | 150000 | 150000 | 750000 |
| WATER SEWER ENTERPRISE | PRIME PARK PUMP STATION WALL REPAIR | 150000 | 0 | 0 | 0 | 0 | 150000 |
| WATER SEWER ENTERPRISE | ENERGY EFFICIENCY UPGRADES - SPRINGVALE WTP | 150000 | 0 | 0 | 0 | 0 | 150000 |
| WATER SEWER ENTERPRISE | REPLACE W-14 (BACKHOE W/PLOW) | 135000 | 0 | 0 | 0 | 0 | 135000 |
| WATER SEWER ENTERPRISE | REPLACE CONTROL VALVES AND TONKA FILTERS | 100000 | 0 | 0 | 0 | 0 | 100000 |
| WATER SEWER ENTERPRISE | REPLACE W-28 (TRUCK W/PLOW) | 53000 | 0 | 0 | 0 | 0 | 53000 |
| WATER SEWER ENTERPRISE | SEWER LINE REPLACEMENT - CHRYSLER ROAD | 48000 | 0 | 0 | 0 | 0 | 48000 |
| WATER SEWER ENTERPRISE | REPLACE W-21 (1 TON WORK TRUCK) | 43000 | 0 | 0 | 0 | 0 | 43000 |
| WATER SEWER ENTERPRISE | SEWER STATION GENERATORS | 0 | 250000 | 0 | 0 | 0 | 250000 |
| WATER SEWER ENTERPRISE | WATER METER RADIO TRANSMITTERS | 0 | 200000 | 200000 | 0 | 0 | 400000 |
| WATER SEWER ENTERPRISE | VFD INSTALLS & CONTROLS | 0 | 180000 | 150000 | 0 | 0 | 330000 |
| WATER SEWER ENTERPRISE | REPLACE W-16 (BACKHOE) | 0 | 125000 | 0 | 0 | 0 | 125000 |
| WATER SEWER ENTERPRISE | INSTALL SEWER GRINDER PUMP | 0 | 90000 | 0 | 0 | 0 | 90000 |
| WATER SEWER ENTERPRISE | REPLACE W-2 (VEHICLE) | 0 | 28000 | 0 | 0 | 0 | 28000 |
| WATER SEWER ENTERPRISE | BOOSTER PUMP - GLENRIDGE | 0 | 0 | 250000 | 0 | 0 | 250000 |
| WATER SEWER ENTERPRISE | REPLACE W-23 (DUMP TRUCK) | 0 | 0 | 160000 | 0 | 0 | 160000 |
| WATER SEWER ENTERPRISE | REPLACE W-12 (AIR COMPRESSOR) | 0 | 0 | 30000 | 0 | 0 | 30000 |
| WATER SEWER ENTERPRISE | REPLACE W-4 RANGER (TRUCK) | 0 | 0 | 21000 | 0 | 0 | 21000 |
| WATER SEWER ENTERPRISE | MESSAGE BOARD | 0 | 0 | 14000 | 0 | 0 | 14000 |
| WATER SEWER ENTERPRISE | RUNNING BROOK/VESTA RD PUMP STATION | 0 | 0 | 0 | 500000 | 0 | 500000 |
| WATER SEWER ENTERPRISE | GENERATOR BRADFORD RD | 0 | 0 | 0 | 0 | 125000 | 125000 |
| WATER SEWER ENTERPRISE | CAPT TOM'S BOOSTER PUMP | 0 | 0 | 0 | 0 | 65000 | 65000 |
| WATER SEWER ENTERPRISE | REPLACE W-10 (1 TON WORK TRUCK) | 0 | 0 | 0 | 0 | 50000 | 50000 |
| WATER SEWER ENTERPRISE | REPLACE W-8 (GENERATOR) | 0 | 0 | 0 | 0 | 45000 | 45000 |
| WATER SEWER ENTERPRISE | REPLACE W-11 (AIR COMPRESSOR) | 0 | 0 | 0 | 0 | 30000 | 30000 |
| WATER SEWER ENTERPRISE | WATER MAIN RELINING PHASE 6 | 0 | 0 | 0 | 0 | 0 | 0 |
| WATER SEWER ENTERPRISE | CHLORINE UPGRADE ELM BANK/PINE OAKS/MORSE POND | 0 | 0 | 0 | 0 | 0 | 0 |
| WATER SEWER ENTERPRISE | ROUTE 30 WATER MAIN LOOP | 0 | 0 | 0 | 0 | 0 | 0 |



Town of Natick

FY 2014-2018 Capital Plan Summary

FY 2014-2018 Capital Improvement Plan

Funded at 2013 SATM -

| Department/Division | Description | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
|---|---|-----------------|------------------|-----------------|-----------------|-----------------|------------------|
| WATER SEWER ENTERPRISE | SPRINGVALE TONKA FILTER MEDIA REPLACEMENT | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Water-Sewer | | 3163000 | 1323000 | 975000 | 650000 | 465000 | 6576000 |
| | <i>Less grants, subsidies, etc.</i> | <i>-1524000</i> | <i>-150000</i> | <i>-150000</i> | <i>-150000</i> | <i>-150000</i> | <i>-2124000</i> |
| Net Water/Sewer (dependent upon rates) | | 1639000 | 1173000 | 825000 | 500000 | 315000 | 4452000 |
| <hr/> | | | | | | | |
| Sassamon Trace Enterprise | | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
| SASSAMON TRACE GOLF COURSE | PAVING OF GOLF COURSE CART PATHS | 10000 | 10000 | 10000 | 10000 | 0 | 40000 |
| SASSAMON TRACE GOLF COURSE | PARKING LOT EXTENSION | 0 | 20000 | 0 | 0 | 0 | 20000 |
| SASSAMON TRACE GOLF COURSE | SASSAMON TRACE IRRIGATION WELL | 0 | 75000 | 0 | 0 | 0 | 75000 |
| Total Sassamon Trace Enterprise | | 10000 | 105000 | 10000 | 10000 | 0 | 135000 |
| <hr/> | | | | | | | |
| Total All Funds | | | | | | | |
| General Fund | | 13463900 | 38809900 | 9803400 | 7326900 | 3228400 | 72632500 |
| Water/Sewer Enterprise | | 3163000 | 1323000 | 975000 | 650000 | 465000 | 6576000 |
| Sassamon Trace | | 10000 | 105000 | 10000 | 10000 | 0 | 135000 |
| Gross Capital Requests | | 16636900 | 40237900 | 10788400 | 7986900 | 3693400 | 79343500 |
| | <i>less subsidies/offsets</i> | <i>-7727000</i> | <i>-12228000</i> | <i>-1163000</i> | <i>-1163000</i> | <i>-1163000</i> | <i>-22594000</i> |
| Net Capital Requests | | 8909900 | 28009900 | 9625400 | 6823900 | 2530400 | 56749500 |



Financial Indicators

**Indicator Analysis, Fiscal Years 2004-2013
Projections & Estimates, Fiscal Years 2014-2016**



Town of Natick

Financial Indicators

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Town of Natick

Financial Indicators

Introduction

This series of indicators are designed to achieve three goals:

- a) Evaluate the fiscal health of the Town of Natick through a series of financial indicators and comparative benchmarks, where appropriate;
- b) Present a three-year projection of Revenues & Expenditures; and
- c) Outline the FY 2015 Budget Process & Issues

This material is intended to provide policymakers with an informed snapshot of where Natick stands financially heading into the FY 2014 Budget Process. It is not the purpose of this exercise to propose a budget or recommended level of services; rather it is to evaluate Natick via a series of benchmarks, including measures such as revenues and expenditures per household, benefit costs, funded and unfunded liabilities incurred by the Town, debt service, reserve position and population.

Using a series of recognized metrics from professional organizations, including the International City/County Management Association, (ICMA), the Government Finance Officer's Association (GFOA), Standard & Poor's, as well as data from the Town of Natick, Mass. Department of Revenue, the Mass. Department of Education, and the U.S. Census Bureau, Town staff has compiled 12 indicators which can be used to evaluate the Town's fiscal health.

In evaluating Natick's financial condition, staff has found that the Town has both fiscal strengths and weaknesses. In particular,

- Natick has favorable property tax collections, personnel costs, debt service levels (both as a percentage of operating revenues and per capita) and reserve levels.
- Natick has marginal and uncertain levels of State Aid, revenues related to economic growth, benefit expenditures, amounts of capital investment, and reliance upon one-time revenues.
- Natick has unfavorable expenditures per household and pension liabilities

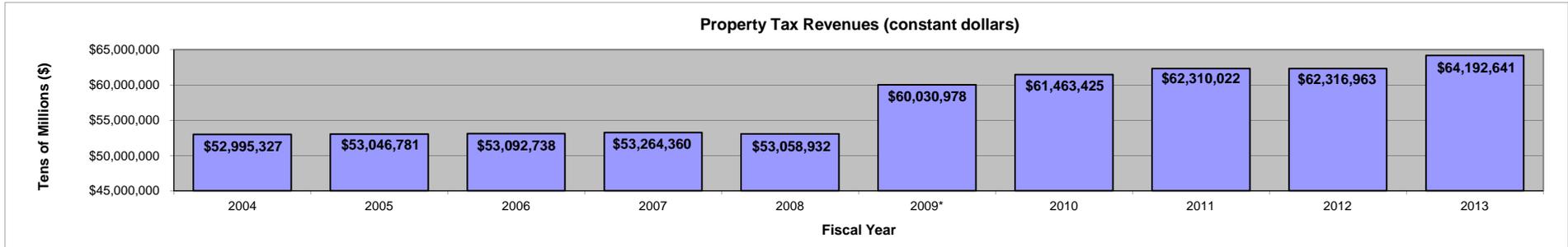
These measures indicate that, overall, the Town has performed at a high level worthy of its AAA Credit Rating (from Standard & Poor's), but that continued maintenance of that rating relies upon maintaining favorable trends, addressing unfavorable trends, reducing future liabilities and continuing to work towards both sustainable services and cost-effective service delivery.

These indicators, and the projections and appendices which are attached to them, will be updated annually to provide the community, particularly those involved with the budget process, the most useful information available when making budget decisions. This effort is a continuation of and consistent with several other initiatives including the development of the Natick 360 Strategic Plan, development of financial management principles, improvements to the capital improvement planning and budgeting processes, improvements to the water and sewer rate setting process, ongoing revenue enhancement and expense control efforts, and more. All of these efforts are designed to allow us to identify and attain the desired future for the Town of Natick and its residents.



Property Tax Revenues

Trend Guideline: A decline in property tax revenues (constant dollars) is considered a warning indicator.



Formula: Property Tax Revenues (constant dollars)

| Fiscal Year | 2004 | 2005 | 2006 | 2007 | 2008 | 2009* | 2010 | 2011 | 2012 | 2013 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Property Tax Levy Collections** | \$ 55,565,671 | \$ 58,481,406 | \$ 61,127,172 | \$ 62,193,155 | \$ 64,432,962 | \$ 72,649,672 | \$ 76,171,856 | \$ 79,159,166 | \$ 85,587,087 | \$ 89,134,618 |
| Less: debt exclusions** | \$ (317,000) | \$ (1,313,405) | \$ (1,540,676) | \$ (1,031,410) | \$ (960,274) | \$ (937,705) | \$ (918,361) | \$ (894,180) | \$ (4,924,076) | \$ (4,768,302) |
| Net Property Tax Revenues | \$ 55,248,671 | \$ 57,168,001 | \$ 59,586,496 | \$ 61,161,745 | \$ 63,472,688 | \$ 71,711,967 | \$ 75,253,495 | \$ 78,264,986 | \$ 80,663,011 | \$ 84,366,316 |
| CPI-U, 2002 base year*** | 198.6 | 205.3 | 213.8 | 218.7 | 227.9 | 227.6 | 233.2 | 239.3 | 246.6 | 250.4 |
| CPI-U, adjustment for constant dollars | 95.9% | 92.8% | 89.1% | 87.1% | 83.6% | 83.7% | 81.7% | 79.6% | 77.3% | 76.1% |
| Property Tax Revenues (constant dollars) | \$ 52,995,327 | \$ 53,046,781 | \$ 53,092,738 | \$ 53,264,360 | \$ 53,058,932 | \$ 60,030,978 | \$ 61,463,425 | \$ 62,310,022 | \$ 62,316,963 | \$ 64,192,641 |
| Percent increase over prior year (constant dollars) | 0.0% | 0.1% | 0.1% | 0.3% | -0.4% | 13.1% | 2.4% | 1.4% | 0.0% | 3.0% |

Notes:

*Denotes Fiscal Year where Proposition 2 1/2 Override was approved by voters.

**Source: Mass. Department of Revenue, Databank Reports, [Fiscal Year 2000 - 2009 Excess Levy Capacity](#), Tax Recaps, FY 2012, 2013 Town of Natick 4th Quarter Revenue Report

***Amount shown for CPI-U data assumes half-year average for Boston-Brockton-Nashua Statistical Area, where 1982-1984 = 100. Source: U.S. Bureau of Local Accounts

Property Tax Revenues:

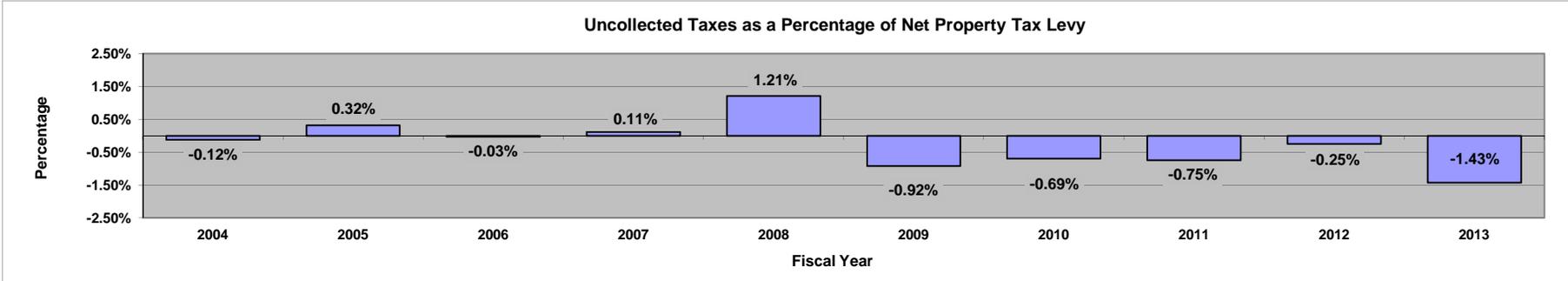
Property tax revenues are analyzed separately because they are the Town's primary revenue source for both operating and capital spending. Increases due to operating overrides, while enhancing the Town's ability to deliver services, must be weighed against their impact on taxpayers ability to pay.

This analysis shows that the only significant increases in constant dollars from year to year occurred when overrides were passed by Natick citizens. The good news: Property tax revenues are steady and reliable. The bad news: They generally do not grow faster than inflation, and only grow substantially when citizens are willing to pay more.

| <i>Natick Trend</i> | |
|---------------------|---|
| favorable | X |
| marginal | X |
| unfavorable | |
| uncertain | |

Uncollected Property Taxes

Trend Guideline: Uncollected property taxes (as a percent of the property tax levy) of 5-8 percent is considered a warning indicator by the Bond rating organizations.



Formula:
$$\frac{\text{Uncollected Property Taxes}}{\text{Net Property Tax Levy}}$$

| Fiscal year | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| Property Tax Levy Limit | \$ 55,923,830 | \$ 58,850,705 | \$ 61,169,262 | \$ 62,839,514 | \$ 65,186,660 | \$ 73,027,965 | \$ 76,971,074 | \$ 79,684,141 | \$ 86,502,701 | \$ 89,341,857 |
| Reserved for Abatements & Exemptions | \$ 1,073,347 | \$ 988,493 | \$ 1,049,572 | \$ 1,240,811 | \$ 1,003,911 | \$ 1,039,144 | \$ 1,321,477 | \$ 1,112,323 | \$ 1,128,592 | \$ 1,463,310 |
| Net Property Tax Levy | \$ 54,850,483 | \$ 57,862,212 | \$ 60,119,690 | \$ 61,598,703 | \$ 64,182,749 | \$ 71,988,821 | \$ 75,649,597 | \$ 78,571,818 | \$ 85,374,109 | \$ 87,878,547 |
| Uncollected Taxes as of June 30 | \$ (64,749) | \$ 183,006 | \$ (15,470) | \$ 68,333 | \$ 774,703 | \$ (660,851) | \$ (522,259) | \$ (587,348) | \$ (212,978) | \$ (1,256,071) |
| Uncollected Taxes as a Percentage of Net Property Tax Levy | -0.12% | 0.32% | -0.03% | 0.11% | 1.21% | -0.92% | -0.69% | -0.75% | -0.25% | -1.43% |

Source: Town of Natick Operating Statements, 2003-2012, Tax Rate Recapitulation Worksheets for Fiscal 2013, Massachusetts Department of Revenue

Uncollected Property Taxes:

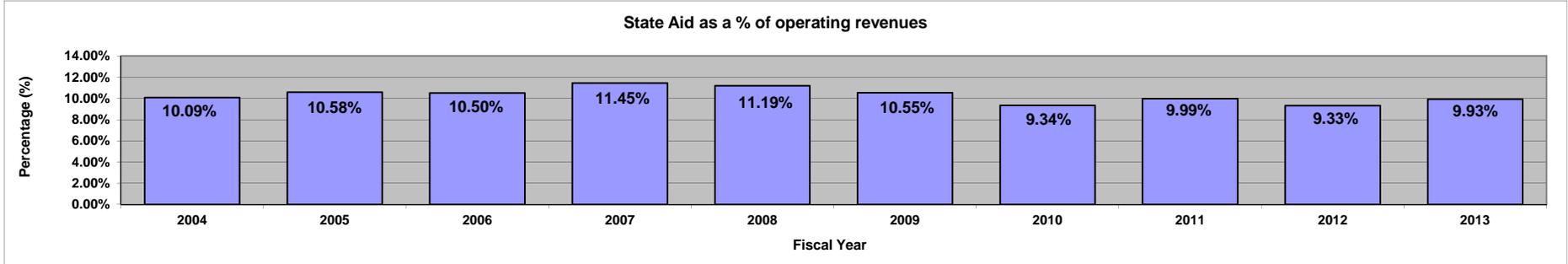
An increase in uncollected property taxes may indicate an inability by property owners to pay their taxes due to economic conditions. Additionally, as uncollected property taxes rise, liquidity decreases, resulting in less cash on hand for the Town to invest. Bond rating organizations generally consider uncollected taxes in excess of five percent as a warning trend. Natick has exceptionally strong collection rates, regardless of economic circumstances during the last decade. A negative percentage of uncollected property taxes means that the Town collected more than the budgeted amount of tax revenue for a given year. This is attributable to strong efforts in tax title collection (back or deferred taxes) and the diligence of Natick citizens to pay their taxes on time.

| <i>Natick Trend</i> | |
|---------------------|---|
| favorable | x |
| marginal | |
| unfavorable | |
| uncertain | |



State Aid

Trend Guideline: Reductions in State Aid, as a percentage of operating revenues, is considered a warning indicator particularly if the Town does not have adequate reserves to offset reductions.



Formula: State Aid / Operating Revenues

| Fiscal Year | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|
| Net Operating Revenues | \$ 82,728,409 | \$ 85,275,469 | \$ 88,981,117 | \$ 93,515,538 | \$99,994,725 | \$ 101,084,164 | \$ 103,919,727 | \$ 108,155,927 | \$ 112,902,223 | \$ 115,180,668 |
| State Aid Revenues | \$ 9,806,856 | \$ 10,390,668 | \$ 10,714,907 | \$ 12,078,231 | \$14,845,086 | \$ 11,576,985 | \$ 10,619,913 | \$ 11,719,198 | \$ 11,449,436 | \$ 11,440,476 |
| Less: School Building Reimbursements | \$ 1,461,337 | \$ 1,369,707 | \$ 1,369,707 | \$ 1,369,707 | \$ 3,659,335 | \$ 916,839 | \$ 916,839 | \$ 916,839 | \$ 916,839 | \$ - |
| Net State Aid Revenues | \$ 8,345,519 | \$ 9,020,961 | \$ 9,345,200 | \$ 10,708,524 | \$11,185,751 | \$ 10,660,146 | \$ 9,703,074 | \$ 10,802,359 | \$ 10,532,597 | \$ 11,440,476 |
| State Aid as a % of operating revenues | 10.09% | 10.58% | 10.50% | 11.45% | 11.19% | 10.55% | 9.34% | 9.99% | 9.33% | 9.93% |

Notes:

Source(s): State Aid "Cherry Sheets", FY 2004-2013
Town of Natick Town Reports, Report to Assessors of Certain Receipts as per M.G.L.Ch. 42, Sec. 59A., 2003-2011

State Aid:

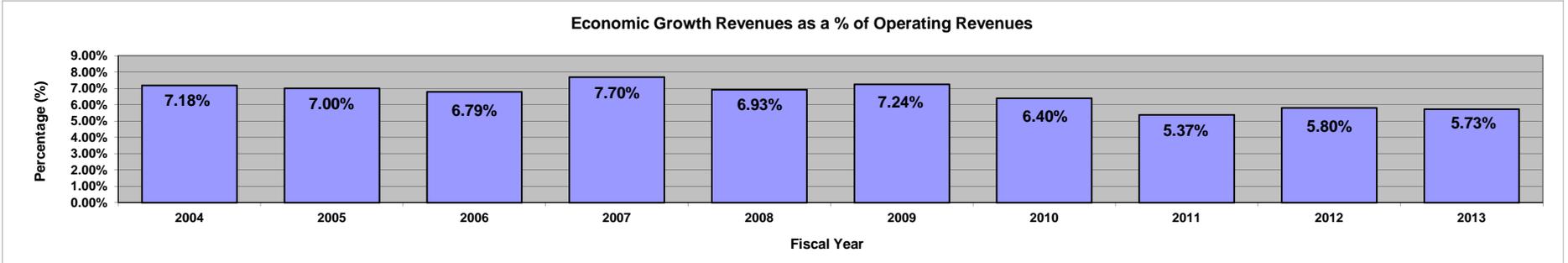
A constant area of concern for municipalities in Massachusetts is the level of State Aid which they receive. Many mandates - funded and unfunded - come from Beacon Hill to local governments and the challenge to enforce, implement and help citizens understand them falls to the municipalities. Designed to fund a variety of local services - from education to veterans services and many things in between, intergovernmental (State) aid is an important component of the overall revenue picture. Declines in State Aid are particularly troublesome as municipalities are not capable of controlling them and can only offset them with expense reductions if the community does not have adequate reserves.

Natick, like the other 351 cities and towns throughout Massachusetts has seen declines in state aid over the course of the last decade. Major drops have occurred during economic downturns - most noticeably in 2004 and again in 2009 and 2010 when mid-year aid cuts forced the community to make up nearly half a million dollars in aid relied upon to provide local services. The uncertainty of state aid from year-to-year (or even within a particular fiscal year) make reliance upon it for funding the operating budget always troublesome. As the tax levy grows as a percentage of the overall revenue pie, this will mitigate some of the reliance upon state aid, but have the adverse affect of forcing even more of the burden for ongoing operations onto the local taxpayer.

| <i>Natick Trend</i> | |
|---------------------|---|
| favorable | |
| marginal | x |
| unfavorable | |
| uncertain | x |

Revenues Related to Economic Growth

Trend Guideline: Decreasing economic growth revenues, as a percentage of net operating revenues, is considered a warning indicator.



Formula:
$$\frac{\text{Economic Growth Revenues}}{\text{Operating Revenues}}$$

| Fiscal Year | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Net (non-exempt) operating revenues | \$ 82,728,409 | \$ 85,275,469 | \$ 88,981,117 | \$ 93,515,538 | \$ 99,994,725 | \$ 101,084,164 | \$ 103,919,727 | \$ 108,155,927 | \$ 112,902,223 | \$ 115,180,668 |
| Building Related Fees & Permits | \$ 736,731 | \$ 929,897 | \$ 1,273,145 | \$ 2,614,468 | \$ 1,869,533 | \$ 740,772 | \$ 761,862 | \$ 1,125,848 | \$ 1,615,473 | \$ 1,327,003 |
| Motor Vehicle Excise | \$ 4,449,072 | \$ 4,461,799 | \$ 4,113,124 | \$ 3,937,055 | \$ 4,174,230 | \$ 4,187,040 | \$ 3,739,367 | \$ 3,931,401 | \$ 4,082,872 | \$ 4,338,121 |
| Levy Growth | \$ 756,915 | \$ 578,202 | \$ 657,677 | \$ 646,694 | \$ 883,280 | \$ 2,395,360 | \$ 2,147,515 | \$ 752,536 | \$ 846,384 | \$ 933,201 |
| Total: Economic Growth Revenues | \$ 5,942,718 | \$ 5,969,898 | \$ 6,043,946 | \$ 7,198,217 | \$ 6,927,043 | \$ 7,323,172 | \$ 6,648,744 | \$ 5,809,785 | \$ 6,544,729 | \$ 6,598,325 |
| Economic Growth Revenues as a % of Operating Revenues | 7.18% | 7.00% | 6.79% | 7.70% | 6.93% | 7.24% | 6.40% | 5.37% | 5.80% | 5.73% |

Sources: Building Related Fees & Permits, FY 2004-2013, Town of Natick, Town Reports, 2003-2012.
Tax Recapitulation Worksheets, FY 2004-2013.

Notes:

Building Related Fees & Permits inclusive of all Alterations, Building, Wiring, Gas & Plumbing permits, FY 2004-2013.

| <i>Natick Trend</i> | |
|---------------------|---|
| favorable | |
| marginal | x |
| unfavorable | |
| uncertain | x |

Revenues Related to Economic Growth:

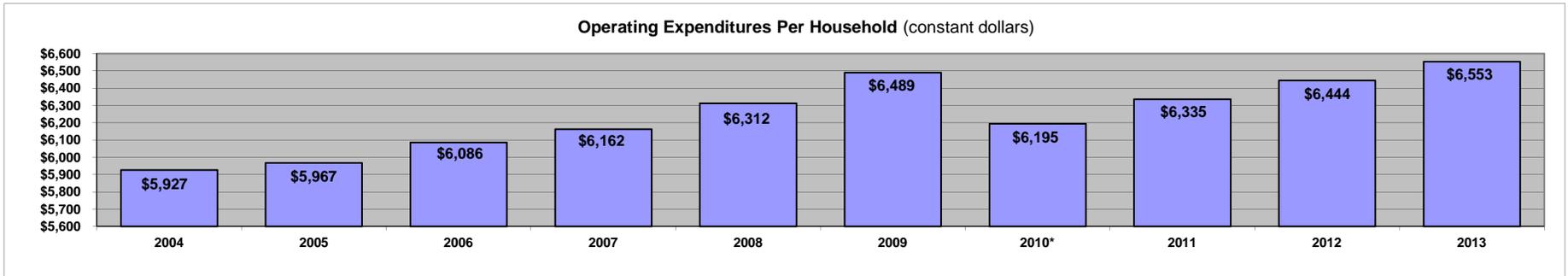
Revenues related to economic growth include construction related revenues such as permit fees and new tax levy growth resulting from new construction and certain retail related revenues such as motor vehicle excise taxes. A decrease in building permit fees may be a leading indicator of smaller future increases in the tax levy. Despite the inherent nature of this indicator to fluctuate with the economy, inflation and other influences, Natick has been fortunate to have consistently maintained approximately 7% of its operating revenues throughout the last decade as those attributable to economic growth. Also favorable is that most of this economic growth has been largely attributable to non-residential development, thus creating less demand for expanded municipal services. Fortunately, the three most recent fiscal years indicate a mixed picture - that overall revenues attributable to economic growth have decreased since 2009, but may have bottomed out in FY 2011 and begun a rebound in FY 2012-2013. Lower revenues attributable to economic growth could foreshadow lower tax levy growth in the future fiscal years. The mixed results of the last three years are why this indicator is trending marginal.

What makes this revenue trend uncertain is two-fold: 1) the large swings within categories of economic growth revenues from year-to-year are surprising even when one takes away the one-time surge in building fees and resulting in tax levy growth related to the Natick Collection development, and 2) the uncertain nature of future new or redeveloped construction projects within Natick. Positively for Natick Motor Vehicle Excise revenue has remained steady, which is unusual compared to most communities in the Commonwealth during the Great Recession.



Expenditures per Household

Trend Guideline: Increasing net operating expenditures per household, in constant dollars, may be considered a warning indicator.



Formula: Net Operating Expenditures and Transfers (constant dollars) / Households

| Fiscal year | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010* | 2011 | 2012 | 2013 |
|---------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|-----------------------|
| Education | \$ 33,403,060 | \$ 34,253,613 | \$ 35,837,412 | \$ 37,412,534 | \$ 40,905,762 | \$ 44,067,023 | \$ 42,391,575 | \$ 44,664,342 | \$ 46,629,721 | \$ 46,861,590 |
| Municipal | \$ 21,690,987 | \$ 22,984,066 | \$ 24,034,484 | \$ 24,815,371 | \$ 26,085,897 | \$ 26,120,538 | \$ 25,920,487 | \$ 27,998,158 | \$ 27,465,028 | \$ 29,238,840 |
| Shared Expenses (Benefits, Debt) | \$ 20,366,034 | \$ 21,585,211 | \$ 24,224,319 | \$ 25,183,676 | \$ 26,579,006 | \$ 25,891,004 | \$ 27,784,481 | \$ 28,536,051 | \$ 32,704,942 | \$ 34,818,411 |
| Total Operating Expenses | \$ 75,460,081 | \$ 78,822,891 | \$ 84,096,215 | \$ 87,411,581 | \$ 93,570,665 | \$ 96,078,565 | \$ 96,096,543 | \$ 101,198,551 | \$ 106,799,691 | \$ 110,918,841 |
| CPI-U, 2000 base year | 198.6 | 205.3 | 213.8 | 218.745 | 227.889 | 227.568 | 233.241 | 239.279 | 246.583 | 250.368 |
| CPI-U, adjustment for constant dollar | 95.9% | 92.8% | 89.1% | 87.1% | 83.6% | 83.7% | 81.7% | 79.6% | 77.3% | 76.1% |
| Operating Expenses (cons. doll.) | \$ 72,382,404 | \$ 73,140,578 | \$ 74,931,380 | \$ 76,124,739 | \$ 78,218,833 | \$ 80,428,560 | \$ 78,487,022 | \$ 80,568,391 | \$ 82,509,099 | \$ 84,395,926 |
| Households | 12,213 | 12,258 | 12,313 | 12,354 | 12,393 | 12,394 | 12,670 | 12,718 | 12,804 | 12,879 |
| Oper. Exp. Per Household | \$ 5,927 | \$ 5,967 | \$ 6,086 | \$ 6,162 | \$ 6,312 | \$ 6,489 | \$ 6,195 | \$ 6,335 | \$ 6,444 | \$ 6,553 |

Source: Town of Natick, Town Reports, 2003-2012 & Comptroller's FY 2013 4th Qtr GF Expenditure Reports.

*Note: FY 2010 Education spending lower than previous years in part to ARRA allocation. Costs attributed to grant funds, not tax levy.

Expenditures per Household:

Increasing operating expenditures per household can indicate that the cost of providing services is outstripping taxpayer's ability to pay, especially if spending is increasing faster than household income. Increasing expenditures may also indicate that the demographics of the Town are changing, requiring increased spending in related services.

| Natick Trend | |
|--------------|---|
| favorable | |
| marginal | |
| unfavorable | x |
| uncertain | |

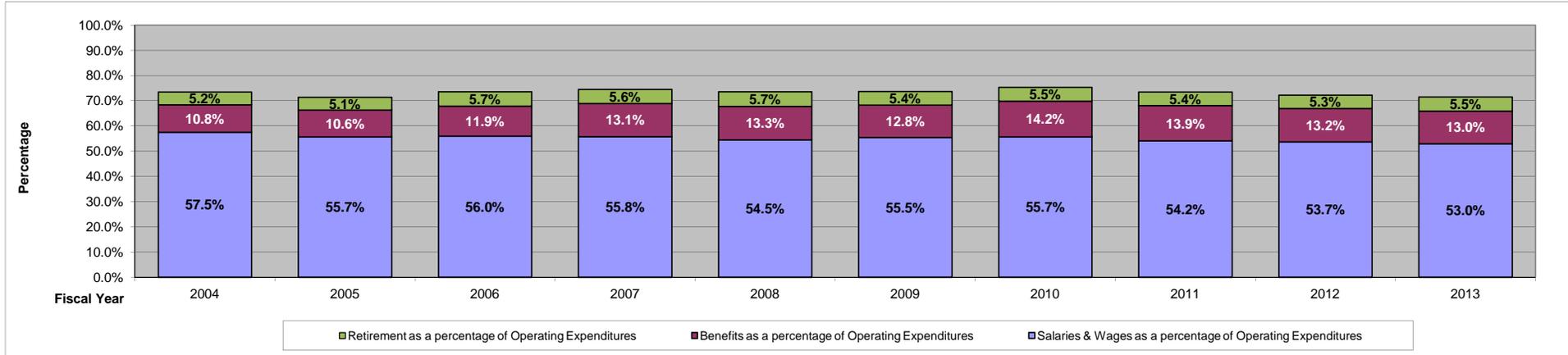
This indicator tells a mixed but unfavorable message for the Town of Natick. On the one hand, revenues have kept pace with expenses (because of the need to have a balanced budget they must.) But, in recent years, recurring revenues have been supplemented with one-time revenues in order to meet expenses. On the other hand, operating expenses in constant dollars have increased per household only 10.6% since 2004, or an average of around 1% annually.

The trend within the trend worth further examining is which sections of the budget have witnessed the greatest percentage increase since 2004. As this indicator shows and Indicators I.6, I.7 and I.10 further detail, the largest increase has been within Shared Expenses and not in direct services for the community. It is important to note that FY 2013 expenditures per household (in constant dollars) are just \$64.00 more than in FY 2009.



Personnel Costs

Trend Guideline: Increasing personnel costs as a percentage of total spending is considered a warning factor.



Formula:

Salaries & Wages / Operating Expenditures

| Fiscal Year | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------|
| Operating Expenditures | \$ 75,460,081 | \$ 78,822,891 | \$ 84,096,215 | \$ 87,411,581 | \$ 93,570,665 | \$ 96,078,565 | \$ 96,096,543 | \$ 101,198,551 | \$ 106,799,691 | \$ 110,918,841 |
| Municipal Wages | \$ 16,856,565 | \$ 16,964,540 | \$ 17,714,578 | \$ 18,304,206 | \$ 19,098,039 | \$ 19,794,936 | \$ 19,295,237 | \$ 20,072,596 | \$ 21,343,166 | \$ 22,505,336 |
| School Wages | \$ 26,562,345 | \$ 26,970,396 | \$ 29,411,268 | \$ 30,490,144 | \$ 31,911,758 | \$ 33,536,531 | \$ 34,229,540 | \$ 34,726,652 | \$ 36,057,866 | \$ 36,255,871 |
| Benefits | \$ 8,185,461 | \$ 8,345,688 | \$ 10,019,946 | \$ 11,474,218 | \$ 12,486,833 | \$ 12,293,905 | \$ 13,660,686 | \$ 14,106,467 | \$ 14,128,376 | \$ 14,404,197 |
| Pensions | \$ 3,896,861 | \$ 4,024,827 | \$ 4,757,724 | \$ 4,931,096 | \$ 5,376,574 | \$ 5,154,961 | \$ 5,243,247 | \$ 5,475,739 | \$ 5,701,675 | \$ 6,153,526 |
| Total Wage & Benefit Costs | \$ 55,501,232 | \$ 56,305,451 | \$ 61,903,516 | \$ 65,199,663 | \$ 68,873,204 | \$ 70,780,333 | \$ 72,428,710 | \$ 74,381,454 | \$ 77,231,083 | \$ 79,318,930 |
| Salaries & Wages as a percentage of Operating Expenditures | 57.5% | 55.7% | 56.0% | 55.8% | 54.5% | 55.5% | 55.7% | 54.2% | 53.7% | 53.0% |
| Benefits as a percentage of Operating Expenditures | 10.8% | 10.6% | 11.9% | 13.1% | 13.3% | 12.8% | 14.2% | 13.9% | 13.2% | 13.0% |
| Retirement as a percentage of Operating Expenditures | 5.2% | 5.1% | 5.7% | 5.6% | 5.7% | 5.4% | 5.5% | 5.4% | 5.3% | 5.5% |
| Total Wage & Benefit Costs as a percentage of Operating Expenditures | 73.6% | 71.4% | 73.6% | 74.6% | 73.6% | 73.7% | 75.4% | 73.5% | 72.3% | 71.5% |

Source: Town of Natick, Town Reports, FY 2003-2010 & Comptroller's FY 2011-2013 4th Qtr GF Expenditure Reports.

Personnel Costs:

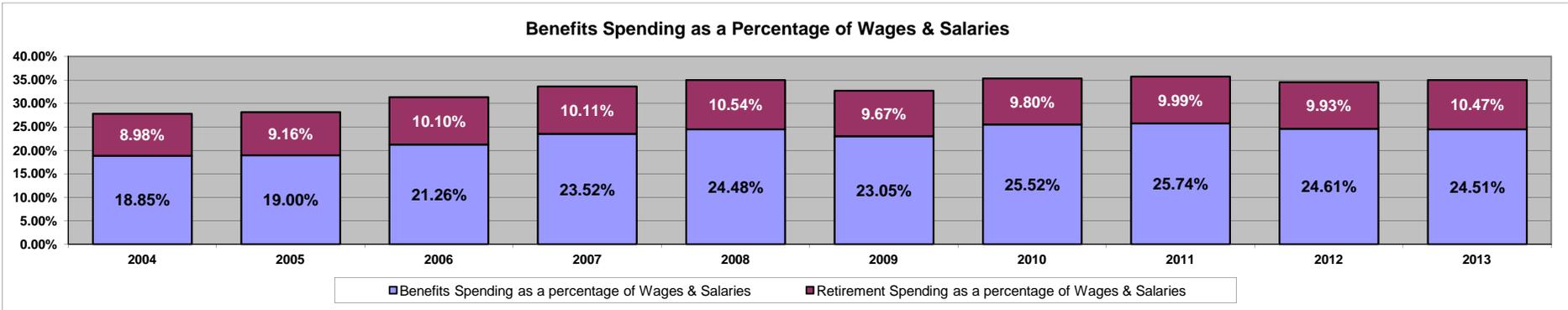
Increasing salaries and wages as a percent of operating expenditures may be an indicator of two trends: 1) First, it may point to future pension and health insurance costs since both of these items are related to the number and compensation level of employees. 2) Second, if salaries and wages as a percent of operating expenditures are increasing, it may be an indicator that the Town is not adequately funding its capital needs or of deferred maintenance of the Town's infrastructure.

Total labor costs have decreased 2.1% since 2004, and the rate and level of increase has remained relatively constant. This is good for the Town as such a slow rate of increase is manageable and has allowed policymakers to adjust budgeting and goal setting with a limited impact to services. The overall decrease as occurred over the last four years as a result of health care concessions in labor contracts and an overall slowing in health care cost increases in FY 2012 and FY 2013.

| Natick Trend | |
|--------------|---|
| favorable | x |
| marginal | |
| unfavorable | |
| uncertain | |

Employee Benefits

Trend Guideline: Increasing benefit costs as a percentage of wages and salaries is considered a warning indicator.



| Formula: | | Employee Benefits / Wages & Salaries | | | | | | | | | |
|---|---------------|--------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--|
| Fiscal Year | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | |
| Medical Benefits | \$ 8,185,461 | \$ 8,345,688 | \$ 10,019,946 | \$ 11,474,218 | \$ 12,486,833 | \$ 12,293,905 | \$ 13,660,686 | \$ 14,106,467 | \$ 14,128,376 | \$ 14,404,197 | |
| Retirement Benefits | \$ 3,896,861 | \$ 4,024,827 | \$ 4,757,724 | \$ 4,931,096 | \$ 5,376,574 | \$ 5,154,961 | \$ 5,243,247 | \$ 5,475,739 | \$ 5,701,675 | \$ 6,153,526 | |
| Wages & Salaries - Municipal | \$ 16,856,565 | \$ 16,964,540 | \$ 17,714,578 | \$ 18,304,206 | \$ 19,098,039 | \$ 19,794,936 | \$ 19,295,237 | \$ 20,072,596 | \$ 21,343,166 | \$ 22,505,336 | |
| Wages & Salaries - Schools | \$ 26,562,345 | \$ 26,970,396 | \$ 29,411,268 | \$ 30,490,144 | \$ 31,911,758 | \$ 33,536,531 | \$ 34,229,540 | \$ 34,726,652 | \$ 36,057,866 | \$ 36,255,871 | |
| Total Wages & Salaries | \$ 43,418,910 | \$ 43,934,936 | \$ 47,125,846 | \$ 48,794,350 | \$ 51,009,797 | \$ 53,331,467 | \$ 53,524,777 | \$ 54,799,248 | \$ 57,401,032 | \$ 58,761,207 | |
| Benefits Spending as a percentage of Wages & Salaries | 18.85% | 19.00% | 21.26% | 23.52% | 24.48% | 23.05% | 25.52% | 25.74% | 24.61% | 24.51% | |
| Retirement Spending as a percentage of Wages & Salaries | 8.98% | 9.16% | 10.10% | 10.11% | 10.54% | 9.67% | 9.80% | 9.99% | 9.93% | 10.47% | |
| Total Benefits Spending as % of Wages & Salaries | 27.83% | 28.16% | 31.36% | 33.62% | 35.02% | 32.72% | 35.32% | 35.73% | 34.55% | 34.99% | |

Source: Town of Natick, Town Reports, 2003-2011 & Comptroller's FY 2012 & 2013 4th Qtr GF Expenditure Reports.

Employee Benefits:

Fringe benefits represent a significant and increasing share of the Town's operating costs. Further, this analysis may understate certain fringe benefits such as sick leave buy-back liabilities and vacation accruals.

This indicator demonstrates one of the most alarming statistics witnessed during the last 10 years - growth in health care costs. Medical benefits (including all forms of health insurance), have increased nearly 76% in the last 10 years and its share as part of an employees' compensation package has increased by over 30% - from comprising 18.85% in 2004 to over 24.51% in 2013. The increase in health care costs means valuable available funds for other purposes are being spent to maintain an existing benefit. This directly impacts the amount of money available for service delivery and infrastructure maintenance, and is not sustainable.

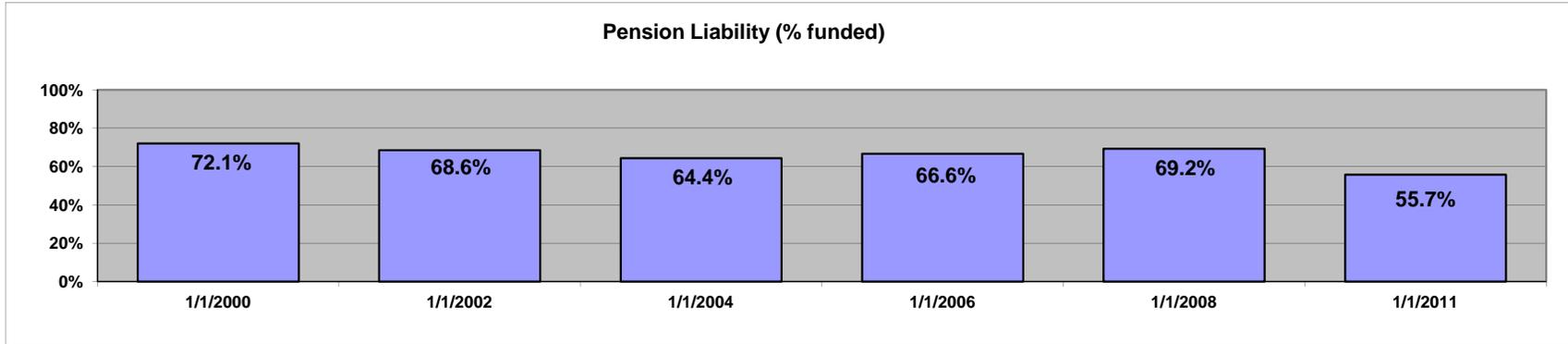
Efforts were taken for FY 2011 to slow the pace of this increase and for the first time in over a decade, there is a sustained reduction of health care costs witnessed in FY 2012 and FY 2013. There should be cautious optimism given the overall state of health care changes in Natick and throughout the country that this reduction of overall cost can be sustained. Unfortunately, the decrease in overall health care cost as a percentage of wages was more than offset by an increase in pension costs.

| Natick Trend | |
|--------------|---|
| favorable | |
| marginal | x |
| unfavorable | |
| uncertain | x |



Pension Liability

Trend Guideline: An unfunded pension liability or increase in the unfunded liability is considered a warning indicator.



Formula: Pension Assets / Pension Liability

| Actuarial Date | 1/1/2000 | 1/1/2002 | 1/1/2004 | 1/1/2006 | 1/1/2008 | 1/1/2011 |
|------------------------------|---------------|----------------|----------------|----------------|----------------|----------------|
| Estimated Accrued Liability | \$ 89,688,360 | \$ 100,572,515 | \$ 109,024,236 | \$ 118,903,286 | \$ 131,268,314 | \$ 147,904,433 |
| Pension Assets | \$ 64,669,153 | \$ 68,985,592 | \$ 70,246,877 | \$ 79,234,306 | \$ 90,885,080 | \$ 82,431,048 |
| Pension Liability (unfunded) | \$ 25,019,207 | \$ 31,586,923 | \$ 38,777,359 | \$ 39,668,980 | \$ 40,383,234 | \$ 65,473,385 |
| Percent Funded | 72.1% | 68.6% | 64.4% | 66.6% | 69.2% | 55.7% |

Source: Town of Natick Retirement System Actuarial Studies, 2000-2011.

Pension Liability:

The Natick Retirement System provides pension benefits for many retired employees of the Town of Natick . Established under M.G.L. Chapter 32, the Natick Retirement System is funded via an annual appropriation at Town Meeting. As of January 1, 2011, there were 1012 participants in the Natick Retirement System - 559 active, 93 inactive and 360 retired participants and beneficiaries. Town Meeting appropriates an annual contribution to the system as determined by an actuarial study.

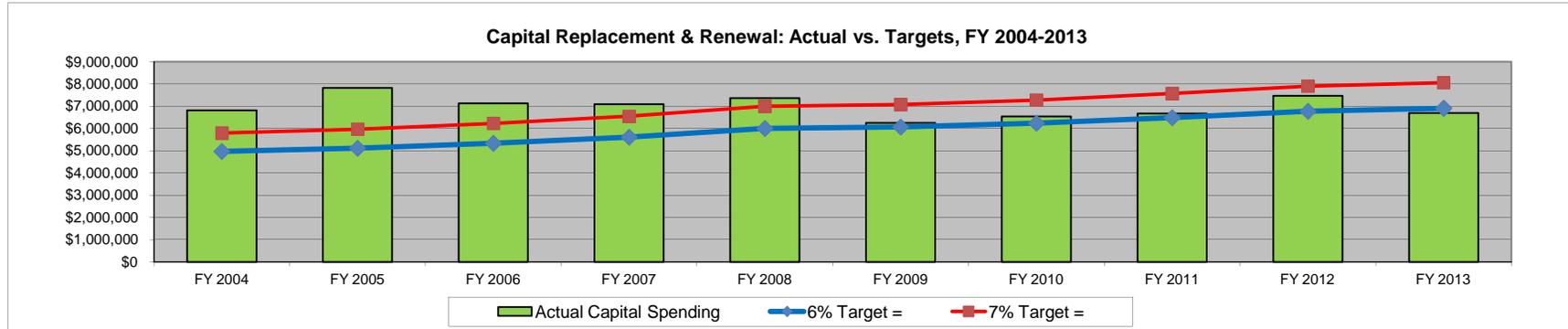
| <i>Natick Trend</i> | |
|---------------------|---|
| favorable | |
| marginal | |
| unfavorable | X |
| uncertain | |

Natick's overall pension liability is an area of ongoing concern. As revenues become stagnant while the assessment for the Retirement System continues to increase in order to meet state mandated funding requirements, the impact of the retirement system upon Town operations will increase. State law mandates the pension system must be fully funded by 2040. Under current law, the pension system is allowed to request an annual contribution increase of 8% per annum. This has required an 8% increase annually in FY 2012 and 2013 and is expected to increase at that rate until at least FY 2021. This means money will need to be set aside to fund the retirement assessment and less will be available for operational and capital needs. An updated actuarial effective January 1, 2013 is currently in draft form and will be available soon.



Capital Asset & Renewal

Trend Guideline: A three or more year decline in Capital Spending from operating funds as a percentage of gross operating revenues is considered a warning indicator.



Formula: Actual Capital Spending (Cash + Debt) vs. 6%-7% Target

| | FY 2004 | FY 2005 | FY 2006 | FY 2007 | FY 2008 | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|
| Net Revenues | \$ 82,728,409 | \$ 85,275,469 | \$ 88,981,117 | \$ 93,515,538 | \$ 99,994,725 | \$ 101,084,164 | \$ 103,919,727 | \$ 108,155,927 | \$ 112,902,223 | \$ 115,180,668 |
| Within-Levy Target (low) | 6% | 6% | 6% | 6% | 6% | 6% | 6% | 6% | 6% | 6% |
| 6% Target = | \$4,963,705 | \$5,116,528 | \$5,338,867 | \$5,610,932 | \$5,999,683 | \$6,065,050 | \$6,235,184 | \$6,489,356 | \$6,774,133 | \$6,910,840 |
| Within-Levy Target (high) | 7% | 7% | 7% | 7% | 7% | 7% | 7% | 7% | 7% | 7% |
| 7% Target = | \$5,790,989 | \$5,969,283 | \$6,228,678 | \$6,546,088 | \$6,999,631 | \$7,075,891 | \$7,274,381 | \$7,570,915 | \$7,903,156 | \$8,062,647 |
| Actual Capital Spending | | | | | | | | | | |
| Cash | \$ 195,800 | \$ 1,401,500 | \$ 680,847 | \$ 906,128 | \$ 1,077,378 | \$ 293,900 | \$ 300,940 | \$ 547,620 | \$ 1,401,900 | \$ 1,282,779 |
| Within-Levy Debt Service | \$ 6,619,472 | \$ 6,418,807 | \$ 6,452,762 | \$ 6,182,248 | \$ 6,283,504 | \$ 5,958,287 | \$ 6,240,367 | \$ 6,123,139 | \$ 6,063,325 | \$ 5,406,825 |
| Total Cap. Spending As % | 8.24% | 9.17% | 8.02% | 7.58% | 7.36% | 6.19% | 6.29% | 6.17% | 6.61% | 5.81% |
| Actual Capital Spending | \$6,815,272 | \$7,820,307 | \$7,133,609 | \$7,088,376 | \$7,360,882 | \$6,252,187 | \$6,541,307 | \$6,670,759 | \$7,465,225 | \$6,689,604 |

Source: Appropriations from Annual Town Meetings, Town of Natick, Town Reports 2003-2012.

Capital Asset & Renewal:

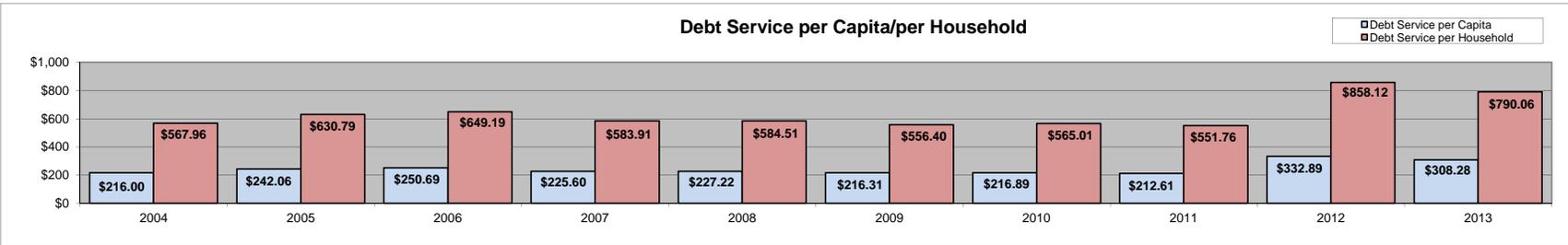
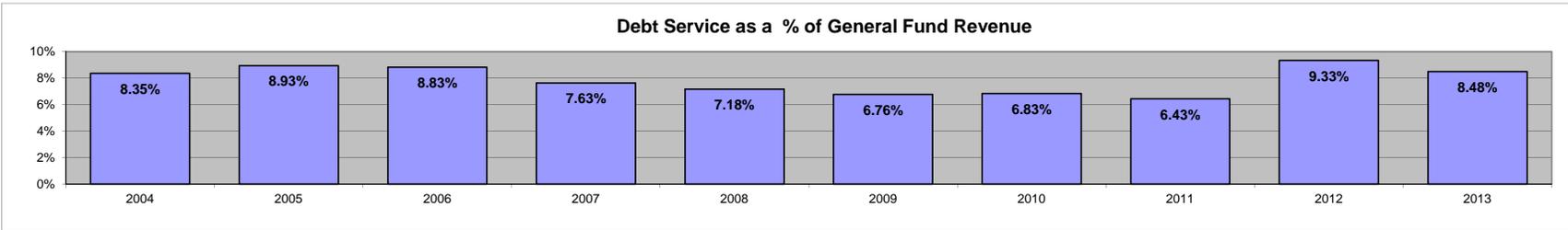
Companies of any size must maintain, renew and replace their infrastructure in a timely and cost effective manner. Municipalities are no different, and often have the daunting task of having to renew capital equipment and infrastructure with numerous other competing needs. Timely replacement of capital equipment and infrastructure benefits the community in the long-run as it increases efficiency and keeps maintenance costs lower while providing better facilities to the general public. A decline of spending on capital over a three-year period is considered a warning sign by industry standards.

| Natick Trend | |
|--------------|---|
| favorable | |
| marginal | x |
| unfavorable | |
| uncertain | |

Natick, like every municipality during the Great Recession, has seen a decrease in the amount of money dedicated to Capital spending. For several years, this indicator forbade of dangers of not spending at least 8% and ideally 10% of total revenues on annual capital renewal and replacement. This, however, was a skewed target - as it included the highly specific category of excluded debt within its targets. Taking the costs attributed to excluded debt out of the equation, a new picture develops which shows the Town has spent a recommended amount of between 6-7% of net revenues annually on capital and debt service. This amount has proven sufficient to "catch-up" on deferred capital projects, even though the Town fell just short in FY 2013. A significant reason to be positive moving forward is the policy decision to dedicate Local Option Tax revenues to Capital and Debt Service costs, thus securing a permanent funding stream with which to meet this important ongoing need.

Debt Service

Trend Guideline: Debt Service exceeding 20 percent of operating revenues is considered a warning indicator by the credit rating organizations.



| Formulas: General Fund Debt Service / General Fund Revenue & General Fund Debt Service / Per Capita & Household | | | | | | | | | | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|
| Fiscal Year | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| Exempt Debt Service | \$ 317,000 | \$ 1,313,405 | \$ 1,540,676 | \$ 1,031,410 | \$ 960,274 | \$ 937,705 | \$ 918,361 | \$ 894,180 | \$ 4,924,076 | \$ 4,768,302 |
| Within Levy Debt Service | \$ 6,619,472 | \$ 6,418,807 | \$ 6,452,762 | \$ 6,182,248 | \$ 6,283,504 | \$ 5,958,287 | \$ 6,240,367 | \$ 6,123,139 | \$ 6,063,325 | \$ 5,406,825 |
| Total Debt Service | \$ 6,936,472 | \$ 7,732,212 | \$ 7,993,438 | \$ 7,213,658 | \$ 7,243,778 | \$ 6,895,992 | \$ 7,158,728 | \$ 7,017,319 | \$ 10,987,401 | \$ 10,175,127 |
| Gross Operating Revenue | \$83,045,409 | \$86,588,874 | \$90,521,793 | \$94,546,948 | \$100,954,999 | \$102,021,869 | \$104,838,088 | \$109,050,107 | \$117,826,299 | \$119,948,970 |
| Population | 32113 | 31943 | 31886 | 31,975 | 31,880 | 31,880 | 33,006 | 33,006 | 33,006 | 33,006 |
| Households | 12,213 | 12,258 | 12,313 | 12,354 | 12,393 | 12,394 | 12,670 | 12,718 | 12,804 | 12,879 |
| Debt Service as a % of General Fund Revenue | 8.35% | 8.93% | 8.83% | 7.63% | 7.18% | 6.76% | 6.83% | 6.43% | 9.33% | 8.48% |
| Debt Service per Capita | \$ 216.00 | \$ 242.06 | \$ 250.69 | \$ 225.60 | \$ 227.22 | \$ 216.31 | \$ 216.89 | \$ 212.61 | \$ 332.89 | \$ 308.28 |
| Debt Service per Household | \$ 567.96 | \$ 630.79 | \$ 649.19 | \$ 583.91 | \$ 584.51 | \$ 556.40 | \$ 565.01 | \$ 551.76 | \$ 858.12 | \$ 790.06 |

Source: Town of Natick, Town Reports 2002-2011, Massachusetts Dept. of Revenue DLS Gateway Reports, Town of Natick Tax Recapitulation Worksheet - LA-4 - FY 2003-2012.

Debt Service:

Debt is the chief financing tool utilized by municipalities to continually replace and maintain its capital infrastructure. As such, it is important to monitor how much debt the community has at any one point in time and determine what impact the amount of debt service has on the operating budget and the taxpayers. Credit rating agencies monitor the amount of debt a community has just like they monitor individual credit. A variety of factors, including the level of debt service/annual revenues and level of debt service/capita and per household are evaluated by credit rating agencies.

| Natick Trend | |
|--------------|---|
| favorable | x |
| marginal | |
| unfavorable | |
| uncertain | |

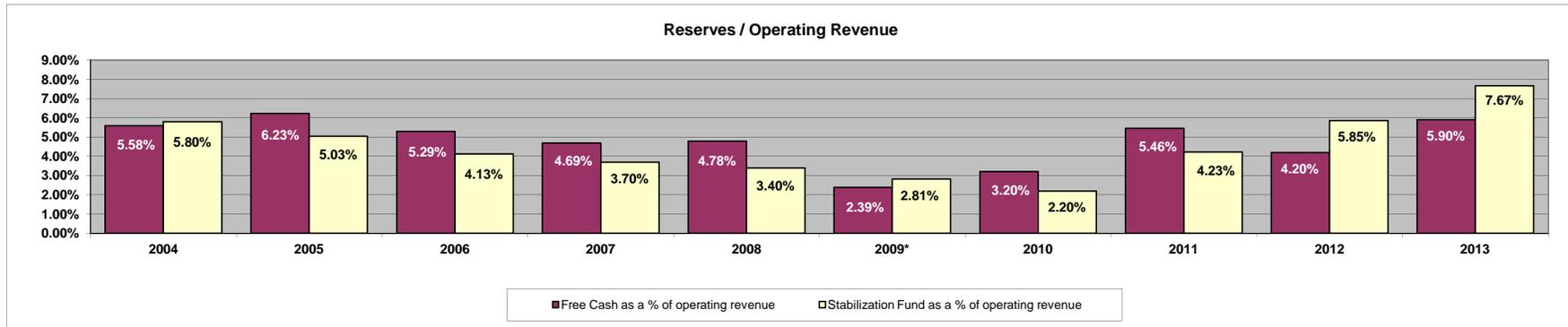
Positively for Natick, the community fares well on this indicator. Not only has debt service per capita remained well within recommended levels at between 6.5%-9.5% - debt service of 20% of operating revenues is considered a problem and 10% is considered acceptable - but decreased from FY 2006 through FY 2011. Future issuance of debt should be timed so as to minimize its impact upon both the operating budget. This can be achieved by timing new issuances with retirement of current debt service and following the Town Administrator's Recommended Financial Policies on issuing large debt projects (over \$1,000,000) outside of the tax levy.

Debt per capita grew significantly beginning in FY 2012 when the majority of the debt for the new Natick High School and the new Community/Senior Center began to be serviced. This issuance was well timed in that it a) received favorable bid prices, b) lower interest rates and c) will be issued after several years of declining debt service amounts.

Reserves & Fund Balance

Trend Guideline: Declining reserves as a percentage of operating revenues is considered a warning indicator.

Comment: The Government Finance Officers Association (GFOA) recommends that undesignated fund balance be 5-15 percent of operating revenues.



| Formula: | Type of Reserve / Operating Revenues | | | | | | | | | |
|---|--------------------------------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|
| Fiscal Year | 2004 | 2005 | 2006 | 2007 | 2008 | 2009* | 2010 | 2011 | 2012 | 2013 |
| Certified Free Cash | \$ 4,620,048 | \$ 5,313,708 | \$ 4,709,762 | \$ 4,387,917 | \$ 4,784,709 | \$ 2,415,060 | \$ 3,327,659 | \$ 5,899,906 | \$ 4,737,528 | \$ 6,791,984 |
| Stabilization Fund | \$ 4,798,985 | \$ 4,292,834 | \$ 3,671,373 | \$ 3,458,312 | \$ 3,401,290 | \$ 2,844,860 | \$ 2,288,392 | \$ 4,268,560 | \$ 4,271,457 | \$ 4,280,594 |
| Capital Stabilization Fund | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 307,913 | \$ 1,478,084 | \$ 3,691,483 |
| Operating Stabilization Fund | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 856,478 | \$ 856,633 |
| Net Operating Revenues | \$ 82,728,409 | \$ 85,275,469 | \$ 88,981,117 | \$ 93,515,538 | \$ 99,994,725 | \$ 101,084,164 | \$ 103,919,727 | \$ 108,155,927 | \$ 112,902,223 | \$ 115,180,668 |
| Free Cash as a % of operating revenue | 5.58% | 6.23% | 5.29% | 4.69% | 4.78% | 2.39% | 3.20% | 5.46% | 4.20% | 5.90% |
| Stabilization Fund as a % of operating | 5.80% | 5.03% | 4.13% | 3.70% | 3.40% | 2.81% | 2.20% | 4.23% | 5.85% | 7.67% |
| Net Reserves as a % of Operating Revenue | 11.39% | 11.27% | 9.42% | 8.39% | 8.19% | 5.20% | 5.40% | 9.69% | 10.05% | 13.56% |

Source(s): Certified Free Cash letters from the Department of Revenue, FY 2004-2013 & Town of Natick Town Reports, 2003-2012

Notes:

*Denotes Fiscal Year where Proposition 2 1/2 Override was approved by voters.

Reserves & Fund Balance:

Reserves can be used by municipalities for many different purposes. Primarily, reserves are used to buffer against the need for severe reductions in service due to economic downturns, major emergencies which the community must respond to and as a sinking fund for major capital projects. Communities which maintain a Aaa bond rating (like Natick) traditionally have strong reserve positions between 8%-15% of net operating revenues.

Among the most alarming of trends for the Town of Natick was the marked and steady decline of reserves over the last decade. Regardless of how the economy performed from FY 2004-2013, the Town's overall reserve position declined from FY 2004 to FY 2009. With a combination of adherence to the Town's Financial Management Principles and prudent use of additional resources to build reserves, the Town reversed that trend for the first time in FY 2010 and made significant strides in FY 2011-2013. This is a notable accomplishment, given the overall economic condition of the region and the country.

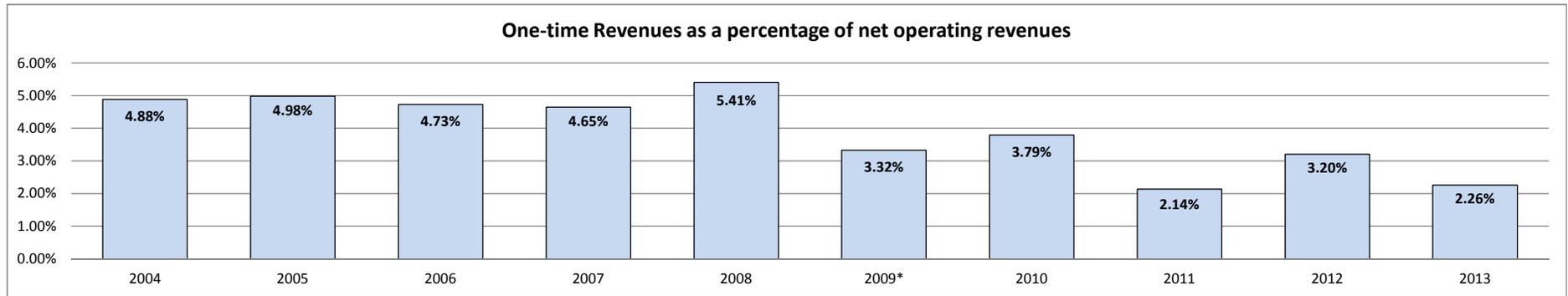
Although this increase in the Town's overall position is important, sustained progress in reversing the overall trend will be difficult. Services funded with the reliance of these reserves and one-time revenues will be difficult to maintain if the Town is to improve its reserve levels within those recommended by the Government Finance Officers Association. The recent creation of a Operational Stabilization Fund will aid in the Town's ability to maintain services when economic conditions deteriorate, but only if it can a) be adequately funded when money is available and b) policymakers resist the desire to use it other than when recommended by the Town's Financial Management Principles.

| Natick Trend | |
|--------------|---|
| favorable | x |
| marginal | |
| unfavorable | |
| uncertain | x |



Use of One-Time Revenues to Support Operations

Trend Guideline: Increasing use of one-time revenues as a percentage of operating revenues is considered a warning indicator.



Formula: One-time Revenues / Net Operating Revenues

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009* | 2010 | 2011 | 2012 | 2013 |
|--|---------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|
| One-Time Revenues | | | | | | | | | | |
| Free-Cash | \$ 2,290,405 | \$ 2,494,794 | \$ 2,857,608 | \$ 3,445,080 | \$ 4,035,895 | \$ 2,757,971 | \$ 1,990,000 | \$ 2,214,303 | \$ 2,616,244 | \$ 2,604,502 |
| Stabilization Fund | \$ 750,000 | \$ 750,000 | \$ 675,000 | \$ 400,000 | \$ 256,102 | \$ 600,000 | \$ 950,751 | \$ 98,550 | \$ - | \$ - |
| Overlay Surplus | \$ 1,000,000 | \$ 1,000,000 | \$ 675,000 | \$ 500,000 | \$ 1,116,024 | \$ - | \$ 1,000,000 | \$ - | \$ 1,000,000 | \$ - |
| One-Time Revenues | \$ 4,040,405 | \$ 4,244,794 | \$ 4,207,608 | \$ 4,345,080 | \$ 5,408,020 | \$ 3,357,971 | \$ 3,940,751 | \$ 2,312,853 | \$ 3,616,244 | \$ 2,604,502 |
| Net Operating Revenues | \$ 82,728,409 | \$ 85,275,469 | \$ 88,981,117 | \$ 93,515,538 | \$ 99,994,725 | \$ 101,084,164 | \$ 103,919,727 | \$ 108,155,927 | \$ 112,902,223 | \$ 115,180,668 |
| One-time Revenues as a percentage of net operating revenues | 4.88% | 4.98% | 4.73% | 4.65% | 5.41% | 3.32% | 3.79% | 2.14% | 3.20% | 2.26% |

Source: FY 2004-2013 Tax Recapitulation Forms, Page B-2 & Town of Natick Town Reports, 2003-2012.

Notes:

*Denotes Fiscal Year where Proposition 2 1/2 Override was approved by voters.

Use of One-Time Revenues to Support Operations:

Municipalities in Massachusetts and throughout the United States will occasionally utilize reserves and one-time revenues to balance annual operating budgets, sustain programs in times of economic downturn, or fund a pilot program which can be further developed or cancelled in a successive year. As a general rule, however, one-time revenues should not be used to sustain ongoing operations because they exist only once and then they are depleted. Utilizing one-time revenues to fund ongoing operations puts services funded through those one-time resources at risk and is not sustainable.

The Town of Natick utilized increased amounts of one-time revenues for most of the last decade, peaking at 5.41% of all operating revenues in FY 2008. This pattern is not sustainable. Efforts have been made to reduce that reliance, and the total amount of one-time revenues utilized for recurring purposes has been substantially lower over the course of the last five fiscal years. If one-time revenues are to be used by the Town, they should whenever possible be used for one-time expenses - i.e. Capital purchases or increasing the Town's overall reserve position. It is unlikely that the Town will be able to completely eliminate the use of Free Cash for operations, and it must be said that some Free Cash is recurring from revenues in excess of estimates and/or expense turnbacks. The same can be said for Overlay Surplus. - not all of it is one-time and some amount can be considered for recurring use. But these sources should not be relied upon for future years' operations. unless carefully planned and used for limited purposes (i.e. servicing debt).

| <i>Natick Trend</i> | |
|---------------------|---|
| favorable | |
| marginal | x |
| unfavorable | |
| uncertain | |



Executive Summary - Projections

Budget decisions that are made within a given fiscal year often have significant implications for subsequent fiscal years. The revenue and expenditure projection included within this packet is intended to facilitate discussion among community stakeholders with the hope that it will result in the identification of issues warranting further analysis as future budget cycles unfold.

Methodology

The table on the next page shows a projection of total general fund revenues and expenditure requirements for three years, FY 2014-FY 2016. Projections are calculated in the aggregate, using conservative assumptions, with the intention of giving an overall perspective on the Town's budget outlook. The projections are presented in sequence with the current year and three prior years for comparisons. It is important to emphasize that the projection is not a proposed or recommended budget. *It is a tool for planning.*

Revenues

Revenues are comprised of four primary components: the Tax Levy, State Aid, Local Receipts and Other Available Funds. The Tax Levy will remain constantly growing at the Proposition 2.5% level annually and minimal new growth due to construction. State Aid is projected to remain level at FY 2014 amounts. Local receipts are projected to increase moderately over the period of FY 2015-FY 2016. Other Available Funds are level at FY 2014 levels. Indirects are proposed to decrease annually for the three year period as attempts are made to be less "aggressive" on costs charged against the Water/Sewer Enterprise Fund. \$2,000,000 in Free Cash and Overlay Surplus are proposed to be applied to operations annually and small amounts of other revenue expect to support small parts of operations. Finally, the Capital Stabilization Fund, using revenues generated from local option taxes, will support new cash capital projects, new within-levy debt service and provide tax relief for a portion of the debt service attributable to the High School and Community Senior Center projects.

Expenses

In the operating budget, wage projections are modeled using agreed to contracts FY 2013-2015 and applied to those unions who have not settled at this time. On the whole, we have calculated a 4.5% increase in total expenses for the Natick Public Schools, a 10% increase for the Keefe Tech Assessment and a 2.5% increase for all municipal departments, consistent with past forecast practices of the Town. These increases may not be sustainable into future years; it is incumbent on the Town and School administrations and elected officials to budget responsibly and identify areas for cost reduction and revenue enhancement to ensure Natick's sound financial future.

The greatest changes going forward rest within the categories of Shared Expenses. While great savings has been achieved within municipal health care over the last several years through the shift of retirees to Medicare active employees to cheaper health care models, health care and pension costs are expected to rise at 8% annually.

Results

These projections forecast a sizable gap between the cost of providing the current level of services and the revenue that may be generated over the next several years. In FY2015 the preliminary gap is projected to be just under \$1.5 M but FY 2016 blossoms to a gap of nearly \$4.5M. Though just a forecast, and with the realization that the community must produce a balanced budget, these forecasts demonstrate one clear reality: The Town of Natick continues to have a sizeable structural budget imbalance. This can be filled with one-time resources, but not sustainably. In order to achieve sustainability within Town services in the future, either efficiencies will have to be found, services reduced, or new revenue streams developed. As we move forward, Town Officials will continue to monitor revenue receipts, examine new ways of doing business and continue working to make Natick's government more sustainable.

Three-Year Projection

| | 2013 Appropriated | 2014 Appropriated | 2015 Projection | 2016 Projection | Comments |
|---|----------------------|----------------------|--------------------|--------------------|---|
| General Fund Revenues | | | | | |
| 1 Tax Levy | 89,323,445 | 93,261,492 | 95,881,935 | 98,605,954 | 2.5% allowable; .3% for growth + Excluded Debt Service for C/SC & NHS |
| 2 State Aid | 11,657,952 | 12,363,740 | 12,363,740 | 12,363,740 | Assumes level-funding of FY 2014 State Aid |
| 3 Estimated Receipts | 10,012,890 | 10,691,750 | 10,905,585 | 11,123,697 | Assumes 2% growth annually |
| 4 Local Option Taxes | 1,300,000 | 1,300,000 | 1,300,000 | 1,300,000 | Used for Capital Debt Service related to Excluded Projects |
| 5 Other Local Receipts | | | | | |
| 6 Indirects | 2,581,514 | 2,355,825 | 2,120,243 | 2,014,230 | Dependent Upon General Fund Operating Budget |
| 7 Free Cash | 6,343,030 | 6,313,951 | 1,500,000 | 1,500,000 | \$1.5 M Recurring F.C. assured; add'l F.C. less certain |
| 8 Stabilization Fund | 1,062,152 | 2,424,229 | 2,892,408 | 1,708,224 | CSF funds spent on cash capital, new within-levy debt and C/SC & HS |
| 9 Overlay Surplus | | 500,000 | 500,000 | 500,000 | Can change based upon final settlement of outstanding ATB cases |
| 10 Other Available Funds | 460,407 | 307,234 | 307,234 | 307,234 | Parking Meter Receipts, Other State Remb., Bond Premiums for HS/CSC |
| Total General Fund Revenues | 122,741,390 | 129,518,221 | 127,771,145 | 129,423,079 | |
| General Fund Expenses | | | | | |
| Education & Learning | | | | | |
| 11 Natick Public Schools | 46,558,714 | 48,588,672 | 50,775,162 | 53,060,045 | 4.5% increase |
| 12 Keefe Tech | 1,271,613 | 1,270,852 | 1,397,937 | 1,537,731 | 10% Increase: Assumes increase of Natick students & lower total pop. |
| 13 Morse Institute Library | 1,884,687 | 1,965,777 | 2,014,921 | 2,065,294 | Assumes 2.5% increase |
| 14 Bacon Free Library | 130,082 | 139,582 | 143,072 | 146,648 | Assumes 2.5% increase |
| 15 Public Safety | 13,723,417 | 14,055,239 | 14,406,620 | 14,766,785 | Assumes 2.5% increase |
| 16 Public Works | 7,394,083 | 7,091,649 | 7,268,940 | 7,450,664 | Assumes 2.5% increase |
| 17 Health & Human Services | 1,856,338 | 1,982,921 | 2,032,494 | 2,083,306 | Assumes 2.5% increase |
| 18 Administrative Support Services | 4,820,673 | 5,142,416 | 5,270,976 | 5,402,750 | Assumes 2.5% increase |
| 19 Committees | 26,010 | 26,060 | 26,712 | 27,379 | Assumes 2.5% increase |
| Shared Expenses | | | | | |
| 21 Fringe Benefits | 15,109,016 | 15,361,236 | 16,590,135 | 17,917,346 | 8% increase in health premiums; higher rates in FY 2015 & 2016 |
| 22 Prop & Liab. Insurance | 553,175 | 588,175 | 617,584 | 648,463 | Assumes higher rates in FY 2015 & 2016 (5% annually) |
| 23 Retirement | 6,150,200 | 6,610,068 | 7,138,873 | 7,709,983 | Assumes 8% increase annually |
| 24 Debt Services | 10,208,521 | 10,961,043 | 11,251,959 | 11,635,003 | Includes existing and proposed W/L and Excluded debt |
| 25 Reserve Fund | 400,000 | 300,000 | 300,000 | 300,000 | Level-Funded |
| 26 Facilities Management | 2,479,630 | 2,590,381 | 2,655,140 | 2,721,519 | Assumes 2.5% increase |
| General Fund Oper. Expenses | 112,566,158 | 116,674,071 | 121,890,528 | 127,472,918 | |
| 26 Capital Improvements | 1,282,777 | 1,725,150 | 1,901,900 | 608,400 | Capital Stab. Fund provides cash funding moving forward. |
| 27 School Bus Transportation | 340,041 | 350,243 | 360,750 | 371,572 | 3% annual increase |
| 28 State & County Assessments | 1,524,561 | 1,526,142 | 1,579,557 | 1,634,841 | Assumes 3.5% increase from FY 2014 HWM Levels |
| 29 Cherry Sheet Offsets | 239,005 | 257,572 | 266,587 | 275,918 | Assumes 3.5% increase from FY 2014 HWM Levels |
| 30 Tax Title | 25,000 | 0 | 0 | 0 | Eliminated FY 2014 |
| 31 Snow Removal Supplement | 102,008 | 712,115 | 500,000 | 500,000 | Assumes total expenditure of \$650K/year for Snow & Ice |
| 32 Overlay | 1,463,310 | 1,300,000 | 1,150,000 | 1,450,000 | Varies dependent upon valuations, revaluation years |
| 33 Golf Course Deficit | 310,000 | 312,246 | 292,246 | 272,246 | Includes offset for indirects starting in FY 2014 |
| 34 Stabilization Fund | 0 | 0 | 0 | 0 | |
| 35 Operational Stabilization Fund | 0 | 856,633 | 0 | 0 | |
| 36 Capital Stabilization Fund | 3,275,551 | 4,240,207 | 0 | 0 | |
| 37 FLSA Settlement | 0 | 0 | 0 | 0 | |
| 38 Misc. Articles | 312,977 | 263,842 | 0 | 0 | |
| 39 Anticip. Local Opt. Taxes for FY 14 CSF* | 1,300,000 | 1,300,000 | 1,300,000 | 1,300,000 | Funds raised from local option taxes |
| Total General Fund Expenses | 122,741,389 | 129,518,221 | 129,241,568 | 133,885,895 | |
| Net Excess / (Deficit) | 0 | 0 | -1,470,423 | -4,462,816 | |



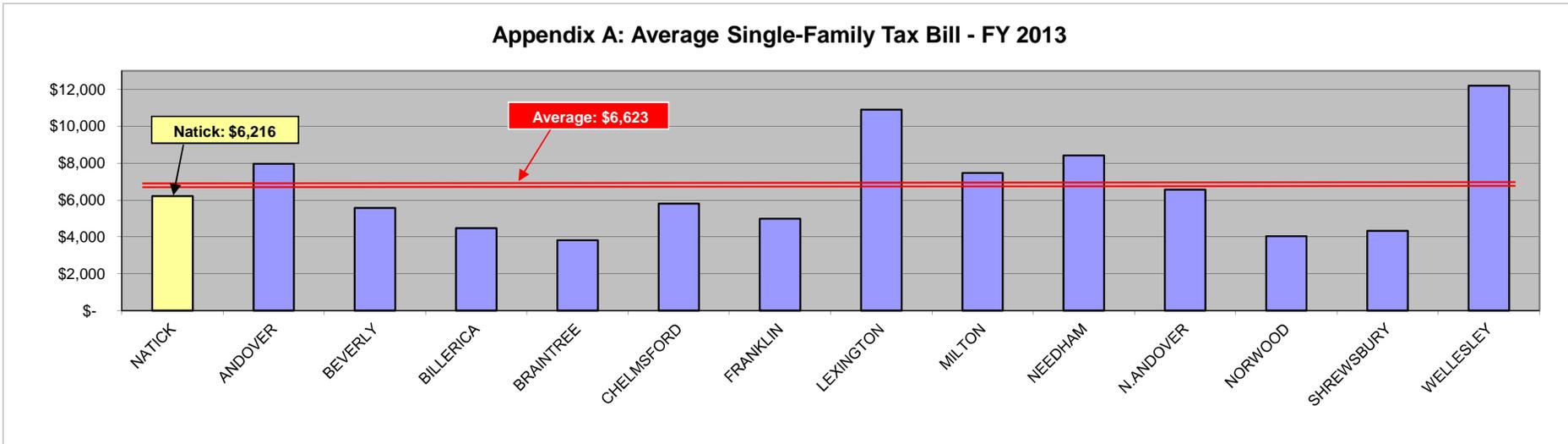
FY 2015 Budget Policy Issues

The following is a list of important policy issues which need further discussion & analysis in FY 2015.

1. Finish Outstanding Collective Bargaining Agreements
2. Continued implementation of Town's Financial Management Principles
 - a. Adequately funding capital needs
 - b. Reduced reliance on one-time revenues & reserves to fund recurring operations
3. Continued exploration and implementation of cost containment measures
 - a. Coordinated delivery or sharing of services with neighboring communities
 - b. Reorganization of departmental operations
4. Careful restoration/enhancement of municipal operations/employees to meet citizen demand



Appendix A: Average Tax Bill



| Municipality | Assessed Value | Parcels | Average Value | Tax Rate | Single Family Tax Bill | Lo/High Tax Bill (lowest number = highest tax bill in Mass.) | Split Tax Rate? |
|----------------|-------------------------|--------------|-------------------|-----------------|------------------------|--|-----------------|
| NATICK | \$ 3,676,320,700 | 8,481 | \$ 433,477 | \$ 14.34 | \$ 6,216 | 58 | No |
| ANDOVER | \$ 4,684,005,100 | 8,531 | \$ 549,057 | \$ 14.51 | \$ 7,967 | 33 | Yes |
| BEVERLY | \$ 3,427,872,900 | 8,402 | \$ 407,983 | \$ 13.64 | \$ 5,565 | 80 | Yes |
| BILLERICA | \$ 3,355,108,500 | 10,746 | \$ 312,219 | \$ 14.31 | \$ 4,468 | 141 | Yes |
| BRAINTREE | \$ 3,096,987,000 | 9,022 | \$ 343,271 | \$ 11.11 | \$ 3,814 | 192 | Yes |
| CHELMSFORD | \$ 2,916,193,075 | 9,027 | \$ 323,052 | \$ 17.95 | \$ 5,799 | 70 | No |
| FRANKLIN | \$ 2,651,054,200 | 7,618 | \$ 347,999 | \$ 14.34 | \$ 4,990 | 106 | No |
| LEXINGTON | \$ 6,441,950,000 | 8,978 | \$ 717,526 | \$ 15.20 | \$ 10,906 | 9 | Yes |
| MILTON | \$ 3,626,448,300 | 7,135 | \$ 508,262 | \$ 14.70 | \$ 7,471 | 40 | Yes |
| NEEDHAM | \$ 6,221,014,000 | 8,353 | \$ 744,764 | \$ 11.30 | \$ 8,416 | 27 | Yes |
| N.ANDOVER | \$ 2,972,126,200 | 6,217 | \$ 478,064 | \$ 13.72 | \$ 6,559 | 51 | Yes |
| NORWOOD | \$ 2,127,873,500 | 5,824 | \$ 365,363 | \$ 11.04 | \$ 4,034 | 176 | Yes |
| SHREWSBURY | \$ 3,387,789,755 | 9,148 | \$ 370,331 | \$ 11.67 | \$ 4,322 | 151 | No |
| WELLESLEY | \$ 7,601,628,000 | 7,291 | \$ 1,042,604 | \$ 11.70 | \$ 12,198 | 5 | No |
| AVERAGE | \$ 4,013,312,231 | 8,198 | \$ 495,998 | \$ 13.54 | \$ 6,623 | 49 | |

Average Tax Bill:

This table shows the average single-family tax bill for comparable communities to Natick for FY 2013. Only single-family homes are shown as part of this comparison. As of FY 2013, Natick finds itself below average compared to the other 12 comparable communities in average tax bills.

Natick's average single family tax bill increased \$201 from FY 2012 to FY 2013. Remarkably, the average single family tax bill for the comparable communities also increased \$201 FY 2012 to FY 2013.

Source: Mass. Dept. of Revenue, Div. Of Local Services.

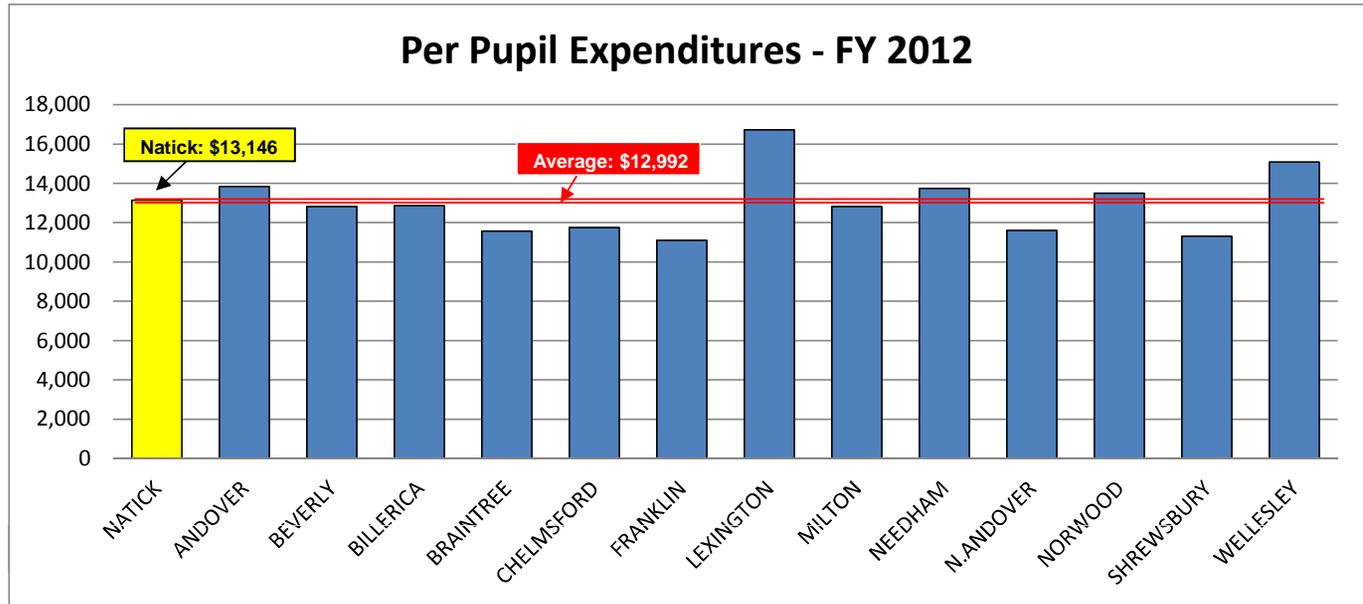


Appendix B: Per Pupil Expenditure Comparative Data

Per Pupil Expenditure Data:

This chart shows per pupil expenditure data for comparable communities and Natick.

Compared to the average for similar communities & school systems, Natick has less students than the average but slightly higher than average spending per pupil.



| District | FY 2012 Total Pupils | FY 2012 Total Expenditure |
|------------|----------------------|---------------------------|
| NATICK | 5,078 | 13,146 |
| ANDOVER | 6,373 | 13,836 |
| BEVERLY | 4,530 | 12,818 |
| BILLERICA | 5,991 | 12,872 |
| BRAINTREE | 5,661 | 11,564 |
| CHELMSFORD | 5,446 | 11,751 |
| FRANKLIN | 6,450 | 11,108 |

| District | FY 2012 Total Pupils | FY 2012 Total Expenditure |
|------------|----------------------|---------------------------|
| LEXINGTON | 6,534 | 16,726 |
| MILTON | 3,931 | 12,816 |
| NEEDHAM | 5,517 | 13,742 |
| N.ANDOVER | 4,804 | 11,603 |
| NORWOOD | 3,512 | 13,497 |
| SHREWSBURY | 6,257 | 11,318 |
| WELLESLEY | 4,999 | 15,085 |

| Averages: | |
|-----------------------|-----------|
| Enrollment | 5,363 |
| Per Pupil Expenditure | \$ 12,992 |

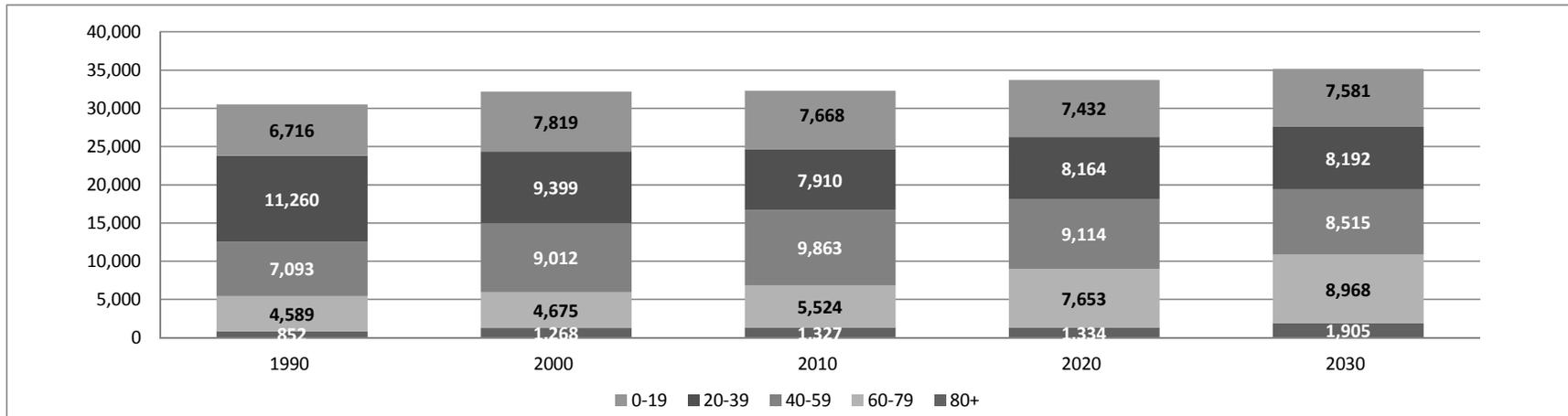
Notes:

Source: <http://finance1.doe.mass.edu/statistics/ppx12.xls>. Total Expenditure column includes all General Fund Appropriations & Grants, Revolving and Other funds. Data shown is most recent available from the Mass. Department of Education.



Appendix C: Population Projections

Population Projections: 1990-2035, Town of Natick



| Age | 1990 | 2000 | 2010 | 2020 | 2030 | 2035 | Percent Change 2010 to 2035 |
|--------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------------------|
| 0-19 | 6,716 | 7,819 | 7,668 | 7,432 | 7,581 | 7,737 | 0.90% |
| 20-39 | 11,260 | 9,399 | 7,910 | 8,164 | 8,192 | 8,168 | 3.26% |
| 40-59 | 7,093 | 9,012 | 9,863 | 9,114 | 8,515 | 8,388 | -14.96% |
| 60-79 | 4,589 | 4,675 | 5,524 | 7,653 | 8,968 | 9,571 | 73.27% |
| 80+ | 852 | 1,268 | 1,327 | 1,334 | 1,905 | 2,200 | 65.73% |
| Total | 30,510 | 32,173 | 32,292 | 33,698 | 35,161 | 36,063 | 11.68% |

Source: Metropolitan Area Planning Commission, Population Projections: http://www.mapc.org/sites/default/files/MAPC_MetroFutureUpdate2035_FINAL_3_10_2011.xls.

Population:

Population data and trends are extremely important to review and understand for the future allocation of resources and to understand significant shifts in the community. With data provided by the Metropolitan Area Planning Commission, Natick is expected to grow in population on average about 1400 people per decade over the course of the next 25 years. These latest estimates take into account but do not completely reflect the 2010 Decennial Census.

The three interesting points to take away from this projection are: 1) Population will rise but in a very small, steady and predictable amount, thus allowing policymakers, appointed officials and taxpayers to carefully plan for future needs. 2) School age population - the 0-19 cohort is set to change very, very little in the next 20 years. This is important to correlate with estimates from the Natick Public Schools and should allow for planning of future needs for the children of Natick. 3) The growth in population is set to occur in the 60+ cohorts, with a large spike of over 4,900 individuals aged over 60 living in Natick by 2035 than do today.

It is also important to note that these populations projections are *one method* of calculating. The Natick Public Schools also has its own internal forecasting, and as witnessed by *actual* enrollment data, Natick has NOT witnessed a downward trend for the 0-19 cohort so far.



Appendix D: Other Post Employment Benefits

Other Post Employment Benefits (OPEB):

GASB-45 requires that public entities begin accruing the expected future costs of OPEB (medical and life insurance) over the expected future employment period of employees, much like they do now for pension benefits.

At this point in time, GASB 45 is a requirement for reporting, but not for funding. No legal mandate from the state or federal government, akin to M.G.L. Ch. 32 requiring annual contributions to the Natick Retirement System, has been put in place or even filed in the legislature.

After conducting the latest actuarial, USI has determined that our total unfunded actuarial accrued liability is \$120,981,624. As a result, the Town's annual audits going forward will show a significant and growing liability, unless the Town chooses to begin setting aside funds in a restricted trust in order to put towards mitigating the liability. The 2011 Fall Annual Town allowing the Board of

to create the trust and a total of \$445,825 was appropriated into it by the 2012 and 2013 Spring Annual Town Meetings, respectively. Some communities have chosen to begin setting aside funds towards the unfunded liability without additional legal mandate or guidance from state or federal legislators. They have taken advantage of a variety of funding sources, including but not limited to redirecting Medicare Part D monies (if they receive them), appropriating additional tax levy support to a trust designed to reduce the overall liability, or using decreases in the pension assessments, if they arise.

Actuarials are conducted every two (2) years on this fund. The next is scheduled to be conducted during FY 2015.

OPEB Liability Growth as a result of GASB 45

FY 2013

| | |
|--|----------------------|
| For FY 2013, the actuarial study has estimated that our total cost is: | \$ 43,039,816 |
| <i>(this is a cumulation of both the normal cost of care plus the amount we need to pay to "catch-up" to make sure the liability is paid down in 30 years)</i> | |
| Less our current contributions: | \$ (3,706,618) |
| Total FY 2013 Year-end Outstanding Liability for OPEB: | \$ 39,333,198 |

FY 2014

| | |
|---|----------------------|
| Beginning Outstanding Liability (from FY 2013): | \$ 39,333,198 |
| FY 2014 estimated total cost: | \$ 11,793,312 |
| Less our current contributions: | \$ (4,337,696) |
| Total FY 2012 Year-end Outstanding Liability for OPEB: | \$ 46,788,814 |

and so on...

Source: A Postretirement Welfare Benefit GASB 45 Actuarial Valuation As of July 1, 2012 for: The Town of Natick. The USI Consulting Group. May 29, 2013.



Appendix E: FY 2015 Budget Schedule & Process

| | July | Aug. | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. | March | April | May | June |
|-----------------|------|------------------|------------------|---|------|-------------------------------------|--------------------------------------|-------------------|-------|-------|--------------|------|
| External | | | | | | | | | | | | |
| Votes | | | | | | | | | | | | |
| Town Meeting | | | | Town Meeting | | | | | | | Town Meeting | |
| BOS | | | | | | Review of Budget Goals & Challenges | Selectmen Review of Budget | | | | | |
| SC | | | | | | | | Hearing on Budget | | | | |
| FinComm | | | Warrant Hearings | | | | FinComm Hearings on Budget & Warrant | | | | | |
| Internal | | | | | | | | | | | | |
| Municipal | | Capital Develop. | | Operating Budget Development & Refinement | | | | | | | | |
| School | | Capital Develop. | | Operating Budget Development & Refinement | | | | | | | | |

4/1 All Budget Decisions Final - Book produced 2 weeks ahead of TM

x

2013 | 2014

Significant Dates

August 2013

Capital

September 2013

Capital Update Submitted

October 2013

Operating Budget Development (Internal)
2013 Fall Town Meeting

November 2013

Operating Budget Development (Internal)
BOS - Review of Budget Goals & Objectives

December 2013

Operating Budget Refinement (Internal Schools & Municipal)
BOS - Review of Budget Goals & Objectives
SC - Superintendent's Presentation of School Budget

September 1st

Mid-to- Late October
Begins October 15th

All November
November Meetings

All December
December Meetings
Early December

January 2014

Submittal of FY 2015 Administrator's Proposed Budget to BOS & FC
Finance Committee Public Hearings on Budget
BOS - Review of Budget

January 1st
All January

February 2014

BOS - Review of Budget
SC- Public Hearings on Budget
Finance Committee Public Hearings on Budget

February
February
All February

March 2014

Finance Committee Public Hearings on Budget
Preparation of Materials for Town Meeting
Municipal Election

to March 15
March 16-31
March 25th

x

April - May 2014

Town Meeting

Commences April 8th

July 2014

Start of FY 2015

July 1

Note: All times & deadlines subject to change and revision.



Appendix F: Notes & Assumptions

Notes:

Actual Data - Data presented as actual for FY 2004-2011 is taken from final G/L accounting reconciliations prepared by the Town Comptroller. FY 2012 and 2013 is taken from the accounting system but has not been finalized and has not been audited as of the printing of this document. Figures may change slightly.

Constant Dollars - Or "dollars adjusted for inflation" utilizes data from the U.S. Department of Labor, Bureau of Labor Statistics for the Boston-Brockton-Nashua Metropolitan Statistical Area. CPI-U data used is for the mid-year analysis, CY 2004-2013. This corresponds to the end of the Town's fiscal year. CPI-U assumes that the period of time 1982-1984 = 100.

Comparable Communities - Communities were chosen based upon similar population size, and demographic characteristics' such as equalized value/capita and household income.

Households - The number of households for the Town of Natick was determined using the Tax Recapitulation Worksheets, Worksheet LA-4, and counting all residential properties by property type (single-family - Code 101, double-family or duplex - Code 104, triplex, Code 105, etc.) and updating on an annual basis. An assumption was made for the amount of dwelling units in condominium developments.

Population - Population data used in the indicators is provided from the Department of Revenue. Projections provided in the Appendices provided from the MAPC. Both sets of figures use the 2010 U.S. Census Bureau statistics as a base and then annual or future decennial result are extrapolated from that amount.

Town of Natick - Financial Management Principles

PART 1: GENERAL

To protect the town's financial stability, to ensure the availability of adequate financial resources in times of emergency, to capitalize on high bond ratings (and thus low interest rates), it is essential that policies regarding the town's financial management be adopted and adhered to in the preparation and implementation of the town's operating and capital budgets.

PART 2: PRINCIPLES

Reserves: Use and Recommended Balances

- Reserves and one-time revenues should be used only for capital or other non-recurring expenses, except as noted below.
- The Town will strive to maintain unappropriated free cash at a minimum of 1% of revenues, and unappropriated free cash should never be less than ½ % of revenues.
- The Town will maintain a diversified series of permanent reserves in the form of stabilization funds. These stabilization funds will consist of three types:
 - 1. A General Stabilization Fund should be maintained for the purpose of unforeseen and catastrophic emergencies. It should, at a minimum, be at a level equal to 2% of revenues, with the target being 5% of revenues.
 - 2. An Operational Stabilization Fund should be maintained for the purpose of augmenting operations in case of sustained economic downturn and associated loss of revenues in support of operations. Sustained economic downturn will be any situation whereby State Aid and/or local receipts are significantly reduced from one-year to the next. ("Significantly" being defined as more than 5% of the total for the respective revenue category.) The target amount of money in the Operational Stabilization Fund should be sufficient to sustain operations through a three-year period of economic downturn. This shall be equivalent to 10% of State Aid Revenues and 5% of Estimated Receipts cumulative for a three-year period.
 - 3. A Capital Stabilization Fund should be maintained for the purpose of funding any capital related project, or pieces of capital equipment, or debt-service payment related thereto. It shall be funded through local option taxes
- Existing reserves should be enhanced whenever possible.

Capital Planning and Budgeting

- A 5-Year capital plan should be developed and updated annually, per Section 5-7 of the Town's Charter.
- Whenever practical, capital funding should be done in the fall after free cash has been certified.
- A minimum of 6-7% of net general fund revenues (i.e within –levy) should be set aside annually to fund capital needs, inclusive of cash appropriations and the subject year's debt budget. Not included in this target are those capital improvements and equipment purchases funded through Debt Exclusions, Enterprise Funds, Intergovernmental Funds, Grants Mitigation Funds, Chapter 90 Funds, etc. This goal should be revisited regularly to ensure that the Town is investing adequately in its capital needs.

Debt Issuance and Management

- Capital projects should be carefully scheduled and monitored to minimize borrowing costs while optimizing investment opportunities.
- Large capital project, generally costing over \$1 million and having a useful life of ten years or more, are typically funded with debt to spread the cost out over many years. In order to prevent such projects from absorbing significant capacity within the levy, careful consideration should always be given to excluding these projects from the limits of Proposition 2 ½ through debt exclusion question to the voters.
- Whenever practical, the issuance of expensive short-term Bond Anticipation Notes should be avoided.

Town of Natick - Financial Management Principles

Financial Planning and Forecasting

- Revenue estimates should be realistic, yet conservative, to minimize the potential of shortfalls in the subsequent year's operating budgets and corresponding impacts on free cash.
- Three year revenue and expenditure forecasts should be updated annually.

Cash Management

- Balances in prior Town Meeting funding articles shall be reviewed annually and excess balances shall be closed out to free cash.
- Fees and charges will be reviewed regularly to ensure that – where appropriate – they cover direct and indirect costs associated with the related service.

*Originally adopted by the Board of Selectmen, March 2011
Last Revised by Board of Selectmen, February 6, 2012*

Glossary & Basis of Budgeting & Accounting

ABATEMENT - Abatement is a reduction of a tax liability. The Board of Assessors grants abatements for real estate and personal property taxes in cases where an individual's assessed valuation is determined to be in excess of fair market value.

ACCRUAL BASIS FOR ACCOUNTING – A method of accounting that recognizes revenue when earned, rather than when collected, and recognizes expenses when incurred, rather than when paid.

APPROPRIATIONS - A legal authorization to expend municipal funds. Massachusetts municipal finance laws require that all general-purpose expenditures be authorized by a majority vote of Town Meeting.

There are two basic types of appropriations - operating appropriations, and special article appropriations. Operating appropriations last for one fiscal year only, and any unobligated balance is closed at the end of the fiscal year. Fire Department Salaries is an example of an operating appropriation. Special Article appropriations are generally voted for a specific project, such as the completion of a capital improvement or the purchase of a piece of capital equipment. Special article appropriations are closed upon completion of the project for which the funds were voted. Appropriations for all **Municipal** departments, boards, and committees are voted in two broad categories - salaries and expenses. Funds voted for salaries may not be expended for expenses and funds voted for expenses may not be expended for salaries, without a transfer approved by Town Meeting. There are no restrictions on **School** appropriations.

APPROPRIATED BUDGET – As used in fund summaries and department summaries within the budget document, represents the current year budget as originally adopted by Town Meeting. It does not include prior year encumbrances or re-appropriation.

ARTICLE - An article or item on the Town Warrant.

ASSESSED VALUATION - The valuation of real estate or other property determined by the Town Assessor for tax levying purposes. The Commonwealth certifies the values and methodology in determining those values every three years.

ASSETS – Property, plant and equipment owned by the Town.

AUDIT – A comprehensive examination as to the manner in which the government's resources were actually utilized concluding in a written report of its findings. An accounting audit is intended to ascertain whether financial statements fairly present the financial position and results of operations of the Town. The Town is required to conduct an audit annually.

BOND - A written promise to pay a specified sum of money, called the face value or principal amount, at a specified dates in the future, called the maturity date(s), together with periodic interest at a specified rate. The difference between notes, usually one year or two years in length and a bond is that the latter runs for a longer period of time. State statute and the Board of Selectmen establish the length of a bond repayment.

BOND ANTICIPATION NOTE (BAN) – A temporary note issued for no more than one or two years. This is commonly used to defer the initial pay down of debt or to accommodate reimbursement for borrowed notes from a private source or other governmental entity.

BUDGET - The budget is the Town's financial plan for a given fiscal period. The annual budget includes an estimate of proposed expenditures, as well as a forecast of estimated revenues and other financing sources.

The Natick Town Charter specifies that the Town Administrator is responsible for presenting a recommended annual budget to the Finance Committee. The Finance Committee reviews the Town Administrator's Recommended Budget in detail and forwards its recommendations to Town Meeting. Town Meeting adopts the budget by voting a series of appropriations, which may not; in the absence of an over-ride of Proposition 2 1/2 exceed the estimated total amount of revenues and other financing sources for the fiscal period.

BUDGET MESSAGE (Town Administrator's Transmittal Letter) – The opening section of the budget that provides the Board of Selectmen, Town Meeting Members, and the general public with a general summary of the most important aspects of the budget, changes from the current and previous fiscal years, and the recommendations of the Town Administrator.

CAPITAL EXPENDITURE - A major, non-recurring expenditure involving land acquisition, construction or major rehabilitation of a facility, or purchase of equipment costing \$10,000 or more with a useful life of five years or more.

CAPITAL IMPROVEMENT PROGRAM (CIP) - A financial planning and management tool which: identifies public facility and equipment requirements; places these requirements in order of priority; and schedules them for funding and implementation.

CHAPTER 90 - Massachusetts General Laws Chapter 90, Section 34 authorizes the Commonwealth to allocate funds to municipalities through the Transportation Bond Issue for highway construction, preservation and improvement projects that create or extend the life of capital facilities. Routine maintenance operations such as pothole filling and snow and ice removal are not covered. The formula for determining the Chapter 90 level of funding is based on a municipality's miles of public ways, population and level of employment. Municipalities receive Chapter 90 funds on pre-approved projects on a reimbursement basis.

CHERRY SHEET - The State allocates a portion of generated revenue to municipalities each year for education and general governmental expenditures. The amount of state aid each community will receive is itemized in a financial statement printed on cherry colored paper (thus the name). The amount of reimbursement is a function of the State budget. Towns usually receive notification in late summer, subsequent to the beginning of the fiscal year.

CLASSIFICATION - Massachusetts municipal finance law requires that all real estate and personal property be appraised at "full and fair cash valuation" for purposes of assessing property taxes. Once the Commissioner of the Massachusetts Department of Revenue certifies that properties are appraised at "full and fair cash valuation" (once every three years), the Board of Selectmen may

impose a tax classification plan, whereby a portion of the residential tax burden may be shifted to the commercial/industrial class of taxpayers. The law limits the amount of tax burden which can be shifted to the commercial/industrial class to not more than 150% of the proportionate share of the class. In other words, if the commercial/industrial class of taxpayers is normally responsible for 25% of the total tax burden, their maximum burden under the classification law is 37.5% (25 x 1.50).

COMPETITIVE BIDDING PROCESS – the process following State law requiring that for purchases of \$25,000 or more a Town must advertise, solicit and publicly open sealed bids from prospective vendors. After a review period, the Town Manager then awards a contract to the successful bidder.

DEBT EXCLUSION - The amount of taxes assessed in excess of the Proposition 2-1/2 levy limit for the payment of debt service costs attributable to a vote of the electorate. Two-thirds of the Selectmen and a majority of citizens voting must approve the exclusion. These funds are raised to retire the debt service for the project. They are not added to the tax levy limit for the following fiscal year.

DEBT SERVICE - Payment of interest and principal on an obligation resulting from the issuance of bonds.

DEPARTMENT – A division of the Town that has overall management responsibility for an operation or group of related operations within a functional area.

DEPRECIATION – 1) Expiration in the service life of capital assets attributable to wear and tear, deterioration, and inadequacy of obsolescence. 2) That portion of the cost of a capital asset that is charged as an expense during a particular period. Depreciation is based on historic costs not replacement value.

ENCUMBRANCE – To encumber funds means to set aside or commit funds for a future expenditure. Encumbrances include obligations in the form of purchase orders, contracts or salary commitments, which are chargeable to an appropriation and for which a part of the appropriation is reserved.

ENTERPRISE FUNDS - Enterprise Funds are used to account for operations which are financed and operated in a manner similar to business operations and where the costs of providing goods or services are financed in whole or in part by user charges (charges for services). Services accounted for in Enterprise Funds are tangible and can be measured for determining a charge for services. In Massachusetts, the most common types of government enterprises include utility or utility-type services for water treatment and delivery, sewerage collection and treatment, and electricity generation and distribution. Less common but prevalent operations include hospitals, airports, parking, swimming pools, and golf courses.

Individual services must ordinarily be accounted for in separate Enterprise Funds. Segregation is essential for determining the total cost of services and the extent to which user charges cover that cost. Although a community may decide to recover only a portion of its costs from user charges, it is essential from a management point of view that it understands what its total costs are. Such costs include amounts for repayment of long-term debt and related interest and estimates for depreciation.

EXPENDITURE – Decrease in net financial resources for the purpose of acquiring and providing goods and services.

EXPENSES – Outflows or other using up of assets or incurring of liabilities during a period from delivering or producing goods, rendering services or carrying out other activities that constitute the entity's ongoing major or central operations. Expenses consist of the following objects of expenditure: Utilities, Supplies and Materials, Contractual Services, and Equipment.

FINES & FORFEITURES - Revenue collected from court fines, penalty charges for overdue taxes along with non-criminal fines are included in this category.

FISCAL YEAR (FY) - The Town of Natick operates on a July 1st through June 30th fiscal year.

FREE CASH - The amount certified annually by the Dept of Revenue that represents the unreserved fund balance less all outstanding tax receivables. This balance is created when actual revenues exceed those estimated and/or expenditures are less than appropriations for any given fiscal year. These funds may be appropriated by Town Meeting as a resource for the next fiscal year's operations or any other purpose authorized by state statute. The Massachusetts Department of Revenue certifies free cash each July 1st. Free Cash represents the savings account of the Town. Certified Free Cash is available for appropriation by Town Meeting for any lawful purpose.

FUND BALANCE - The amount by which cash, accounts receivable, and other assets exceed liabilities and restricted reserves. It is akin to a "stockholders' equity" account on a corporate balance sheet. It is not, however, available for appropriation in full because a portion of the assets listed as "accounts receivable" may be taxes receivable and uncollected. (See Free Cash)

FUNDING SOURCE – The specifically identified funds allocated to meet budget requirements/expenses.

GENERAL FUND - Revenues derived from the tax levy, state aid, local receipts and available funds are considered General Fund revenues. The General Fund is distinguished from Enterprise Funds and Special Revenue Funds.

GFOA – Government Finance Officers Association of the United States and Canada. The G.F.O.A. is a professional organization of governmental finance officers.

GRANT – A contribution by one government unit or outside agency to another governmental unit. The contribution is usually made for a specific purpose but is sometimes for general purposes.

INVESTMENT INCOME - The Town earns interest on cash held in savings accounts and invested in short term securities. The investment goal is to ensure that all funds are invested. The term of these investments is short-term and risk adverse. The Treasurer is very restricted as to the instruments in which investments can be made. The amount of investment income is a function of the amount of funds invested and the interest rate.

LEVY LIMIT - The maximum amount of money, which the Town can raise from the property tax levy, without an override of proposition 2 1/2. Please refer to the explanation of Proposition 2 1/2 for a description of how the levy limit is calculated.

LIABILITY – Debt or other legal obligation which must be paid, renewed or refunded at some future date, but does not include encumbrances.

LOCAL RECEIPTS - A category of revenue sources including school department charges for services, investment income, fines and forfeitures, building permits and excise taxes. These revenues are not considered part of the Proposition 2 ½ Tax Levy.

MODIFIED ACCRUAL BASIS FOR ACCOUNTING – A method of accounting that recognizes revenue when it is actually received and recognizes expenditures when a commitment is made.

MOTOR VEHICLE EXCISE - All Massachusetts vehicle owners who have their vehicle(s) registered in the State of Massachusetts pay an annual motor vehicle excise tax to the city or town in which they reside. The Registry of Motor Vehicles creates a listing of all vehicles registered in Natick and the book value assigned to each vehicle. The Town uses this information to bill all owners an annual tax equal to 2 ½ percent or \$25 for each \$1,000 of the vehicle's value.

MWRA – Massachusetts Water Resources Authority

NEW GROWTH - In addition to a standard 2 1/2% annual increase in the property tax levy, Proposition 2 1/2 allows the levy to be increased further by the sum of certain qualifying new construction valuation, multiplied by the prior year tax rate. Qualifying new construction valuation is known as "New Growth". In general, in order to qualify as "New Growth" the new construction valuation must be either a newly constructed house or an addition to an existing house, which adds at least 50% to the preconstruction value (residential properties). For commercial/industrial properties, "New Growth" consists of both newly built buildings, and additions, which add at least \$100,000 to the prior value of the improved property. It permanently becomes part of the tax levy.

OBLIGATION - A commitment to pay a particular sum of money (e.g. as required by contract or a bond).

OPERATING BUDGET – The portion of the budget that pertains to daily operations, which provide basic services for the fiscal year. The operating budget contains appropriations for such expenditures as personnel, supplies, utilities, materials, travel, and fuel and the proposed means of financing them.

OPERATING EXPENDITURE - An ongoing or recurring cost of performing a function or providing a service. Operating expenditures include personal services, supplies and materials, utilities, contractual services, minor equipment, and debt service.

OVERLAY - The amount raised in the tax levy for funding abatements granted by the Board of Assessors due to overvaluation.

OVERRIDE - An action taken by the voters of the town to exceed the limit placed on tax revenue growth by the State tax limitation law known as Proposition 2 ½. The tax levy limit can be exceeded only if a majority of residents voting approve an override. This sum is then added to the base levy for the next fiscal year and this becomes a permanent addition to the tax levy limit.

PROPOSITION 2 ½ - A tax limitation measure passed by Massachusetts voters in 1980 which limits the growth of the total property tax levy to 2.5% per year. In other words, the total revenue allowed to be raised through real estate and personal property taxes cannot increase by more than 2.5% from one fiscal year to the next unless the citizens of the town approve a debt exclusion or an operating override. New construction values are in addition to this limit. Two provisions within Proposition 2 ½ allow the citizens of a community by popular vote to authorize the Town to raise taxes above the tax levy limit: an operating override or a debt exclusion.

As a consequence of this proposition, the Property Tax currently accounts for 2/3 of the Town's total revenue budget. Proposition 2 1/2, is a statutory limit on the annual rate of growth in the property tax levy of the Town. In the absence of a majority vote of approval by the Natick electorate (an override), the total amount of revenue which may be generated from the property tax is limited to: 2 1/2 more than the prior year levy limit, plus the sum of all qualifying new construction valuation multiplied by the prior year tax rate.

RESERVE FUND - An amount set aside annually within the budget of a city or town to provide a funding source for "extraordinary and unforeseen" expenditures. In a town, the Finance (or Appropriation) Committee can authorize transfers from this fund. The Reserve Fund is under the control of the Finance Committee.

RETAINED EARNINGS – The equity account reflecting the accumulated earnings of the enterprise funds.

RESOURCES - Total dollar amounts available for appropriation including estimated revenues, fund transfers, and beginning fund balances.

REVALUATION - Massachusetts municipal finance law requires that the Massachusetts Department of Revenue formally certify that property tax assessments represent the "full and fair cash valuation" of properties. The process of determining the "full and fair cash valuation" of taxable property is known as Revaluation.

REVENUE - Budgetary resources. The various revenues the Town receives are listed in the Revenue Section of Town Administrator's Summary.

REVOLVING FUND – As authorized under M.G.L. Ch. 53 E ½, departmental revolving funds allow communities to raise revenues from a specific service and use those revenues without appropriation to support the service. Each revolving fund must be re-authorized each year at annual town meeting or by city council action, and that a limit on the total amount that may be spent from each fund must be established at that time. The aggregate of all revolving funds may not exceed ten percent of the amount raised by taxation by the city or town in the most recent fiscal year, and no more than one percent of the amount raised by taxation may be administered by a single fund. Wages or salaries for full-time employees may be paid from the revolving fund only if the fund is also

charged for all associated fringe benefits.

SCHOOL BUILDING ASSISTANCE PROGRAM (SBAB) – A program started by the Commonwealth of Massachusetts for the purpose of assisting municipalities in the reconstruction and renewal of its public schools.

SEWER & WATER CHARGES - The Town operates a Water and Sewer Enterprise Fund to manage these municipal operations. Users of sewer and water services provided by the Town pay charges depending upon usage. Revenue received from charges for sewer and water services is used to fully support the costs of utility operations, such as Massachusetts Water Resources Authority (MWRA) assessments, debt service obligations, personnel costs, and capital projects. Charges for services are based on an inclining block rate structure corresponding to usage. Charges rise as usage increases. The Town pays the MWRA assessments to dispose of Town sewage.

STABILIZATION FUND – Massachusetts General Law Ch.40, Sec. 5B, allows a municipality to appropriate in any year an amount not exceeding ten percent of the amount raised in the preceding fiscal year; the aggregate amount in the fund shall not exceed ten percent of the equalized valuation of the municipality. The treasurer shall be custodian of the fund and may invest the proceeds legally; any interest earned shall remain with the fund. Money from the Stabilization Fund may be appropriated for any lawful purpose by two-thirds vote of Town Meeting.

Natick has three Stabilization Funds as of January 1, 2012: the General Stabilization Fund, the Capital Stabilization Fund and the Operational Stabilization Fund.

TAX LEVY - The total amount to be raised through real estate and personal property taxes. Natick property owners pay taxes to the Town based on the assessed value of their real and/or personal property. Each year the Board of Selectmen conducts a tax classification hearing to determine a tax rate. The Town Assessor makes adjustments to real estate values in order to properly reflect fair market value. In addition to real estate, businesses may also pay a personal property tax (set at the commercial rate) based on the value of their professional equipment, furniture and fixtures. The amount of taxes a property owner pays is determined by multiplying the applicable tax rate by the valuation. For example, if the tax rate is \$10 and a property's assessed value is \$100,000, the property owner will pay \$10 times \$100,000/1,000, or \$1,000. Tax levy revenues are the largest source of funding for the Town. These revenues support most school, police, fire, public works, library, and general governmental services to the community.

TAX LEVY LIMIT - The maximum amount that can be raised within Proposition 2 ½.

TAX RATE - The amount of tax levied for each \$1,000 of assessed valuation.

USER FEES - Fees paid for direct receipt of a public service by the user or beneficiary of the service.

Basis of Accounting & Budgeting – Terminology

The following descriptions detail how the Town of Natick performs its accounting and budgeting.

- **Basis of Accounting:** General fund accounting is done on a modified accrual basis meaning that revenues are recognized when they become measurable or available (cash basis), while expenditures are accounted for in the accounting period incurred (accrual basis).
- **Basis of Budgeting:** Budgeting for all enterprise funds is done on a GAAP (Generally Accepted Accounting Principles) or full accrual basis. This means that expenditures and revenues are accounted for in the accounting period incurred.

Demographics & Information

History

The Town of Natick is a suburban industrial center located on the upper basin of the Charles and Concord Rivers with an extensive complex of ponds. The town was from earliest Colonial days a prime target for development, possessing as it did good agricultural land, fish runs and water power. Established in 1650 on the Charles River, Natick had the first and the largest Indian praying town in the colonies, one that became a model for all other attempts to inculcate European standards into Indians. John Eliot, the great missionary, secured a charter of 6,000 acres for the Indians and converted them to Christianity. Unfortunately, Natick's Indian population was forcibly resettled on Deer Island during the King Philip's war and essentially never returned.



In Colonial days, Natick was an agricultural community with some orchards and some lumbering. Grist and sawmills were established and Indian ownership and control gave way to white dominance between 1676 and 1776. Local tradition claims that several loads of Natick men shipped out to the California gold rush in 1849 and 1850, returning with enough capital to start independent businesses in the town. The shoe industry dominated the community by the early 19th century, with the first shoe sole manufacturer established in 1827 and shoes shipped to the southern and western markets by 1830. The town's products, including baseballs manufactured in Natick, were shipped to Boston on the Boston and Worcester Railroad. The town saw rapid growth including an Irish, English, Nova Scotian, Italian and Armenian immigrant population which came to take jobs in the shoe plants and by the 1880's, Natick was the third largest shoe production community in the country.

Demographic & Geographic Information

Settlement Date: 1651

Incorporation Date: Natick was incorporated as a Town on February 19, 1781.

County: Middlesex

Location: Eastern Massachusetts, bordered by Framingham on the west, Wayland and Weston on the north, Wellesley and Dover on the east, and Dover and Sherborn on the south. Natick is 18 miles southwest of Boston; 25 miles east of Worcester; 35 miles north of Providence, Rhode Island; and about 201 miles from New York City.

Total Area: 16.06 sq. miles

Land Area: 15.09 sq. miles

2010 Population: 33,006 (*U.S. Census*)

2011 Labor Force: 18,654 (*Mass Dept. of Revenue*)

Per Capita Income: (2007-2011 5 year ACS Estimate): 49,012 (*U.S. Census*)

2010 Population Per Square Mile: 2,055.2

2009 Housing Units Per Square Mile: 886.47 (Mass Dept. of Revenue)

2009 Road Miles: 155.88 (Mass Dept. of Revenue)

Principal Employers (1)

Other than the Town itself, the following are the principal employers located in the Town:

| Company | Nature of Business | Current Employees |
|--|---|--------------------------|
| MathWorks, Inc. | Software Dev/Sales | 1,900 |
| U.S. Army Natick Research, Development & Engineering Ctr. | Government/Food Research | 1,300 |
| Natick Mall | Retail | 1,200 |
| Metro West Medical Center Leonard Morse Campus | General Medical & Surgical Hospital | 600 |
| Boston Scientific | Medical Instrumentation/Administration | 500 |
| Klockner-Moeller | Motor Controls & Switchgear Equipment | 200 |
| Cognex | Manufacturers of Vision Instrumentation/Administration | 180 |
| Whitney Place | Assisted Living | 170 |
| Crowne Plaza Hotel | Hotel | 150 |
| Middlesex Savings Bank | Bank | 100 |
| Vision Sciences | Medical Instrumentation | 80 |
| Stop & Shop | Supermarket | 70 |

Government & Elections Information

School Structure: K-12

Form of Government: Town Administrator-Selectmen-Representative Town Meeting

Registered Voters: (as of December 21, 2012) 22,455

Partisan Affiliation:

| | | |
|-------------------------------|--------------------------------|-------------------------|
| Democrat: 7,516 | Republican: 2,685 | Unenrolled: 12,145 |
| Libertarian: 64 | Green Rainbow:25 | Reform:2 |
| We The People: 1 | Constitution Party: 1 | Socialist:1 |
| American Independent Party: 6 | Inter 3 rd Party: 7 | MA Independent Party: 2 |

Town Offices: Town Hall, 13 East Central Street

US Senators: Edward J. Markey & Elizabeth Warren

Representative in Congress: *vacant*

State Senators: Karen Spilka, Precincts 1-5, & 8
Richard J. Ross, Precincts 6-7 & 9-10

State Representatives:

David Paul Linsky, Precincts 1-10

Voting Qualifications: Must be 18 years of age on or before Election Day, born in the United States or fully naturalized; a resident of Natick.

Registration of Voters: Town Clerk's Office, 13 East Central Street, Monday –Wednesday from 8:00 a.m. to 5:00 p.m; Thursday from 8:00 a.m.-8:00 p.m.; Friday from 8:00a.m-12:30 p.m.

Where to Vote (Precinct Numbers):

- Kennedy Middle School, 163 Mill Street (1)
- Cole Recreational Center, 179 Boden Lane (2)
- Kennedy Middle School, 163 Mill Street (3)
- Wilson Middle School, 24 Rutledge Road (4)
- Wilson Middle School, 24 Rutledge Road (5)
- Lilja School, 41 Bacon Street at Oak Street (6)
- Lilja School, 41 Bacon Street at Oak Street (7)
- Morse Institute Library, 14 East Central St. (8)
- Morse Institute Library, 14 East Central St. (9)
- Memorial School, 107 Eliot Street (10)

Natick 360

Honoring Our Past. Planning Our Future.



Final Recommendations to Sponsoring Boards from the Strategic Planning Oversight Committee

“Some communities allow the future to happen to them. Successful communities recognize the future is something they can create. These communities take the time to produce a vision of the future they desire and employ a process that helps them achieve their goals.”
- National Civic League, 2000

Place Strategic Planning Action Items on your Agenda

The strategic plan contains value and vision statements and more than 200 action items. Many of these action items have been broadly defined and leave many options open for implementation.

Suggested Approach: As you add items to your agendas and record items in your minutes that relate to specific Natick 360 action items, consider placing a text marker such as “<<Natick 360>>” next to each action item. This will flag the item as playing a role in moving toward a strategic goal in the plan.

Review Progress Toward Goals Quarterly

Time passes very quickly and five years will only seem like a long time looking forward. To keep measuring and monitoring progress against the strategic plan, try to schedule a quarterly review.

Suggested Approach: Consider creating a grid of your strategic plan action items from the Strategic Plan Appendix and update each action item with a status code quarterly. Codes may include “A – accomplished”, “D – Defer”, “P - In Progress”, “R – Removed”

Collaborate with Other Boards at least Annually

Many boards have taken on action items to work toward common strategic goals. It will be very beneficial to get together once per year to review progress and identify areas for continued collaboration.

Suggested Approach: Have the Board of Selectmen host a joint meeting annually (perhaps after Spring Town Meeting) of various Boards to review progress against the Strategic Plan and to identify areas for collaboration over the next year. Consider using professional facilitation at these meetings.

Continue to Engage the Public

Public engagement has been an essential component of this planning process. Continued public engagement is one of the strategic goals in the Natick 360 plan.

Suggested Approach: Consider creating periodic public forums to inform and further engage the public in this process.

Make it happen

The Natick 360 Strategic Plan reflects 2 years of excellent work by hundreds of volunteers and contributions of visions, values, and ideas by almost 2,000 people (more than 10% of Natick households) in the process.

The process has yielded a common vision for the future of our community and an integrated plan with 12 strategic goals.

Individual sponsoring boards and committees have identified more than 200 different individual actions that can be taken over the next 5 years to move the community closer to its long-range vision.

This document lists some suggestions for keeping the strategic plan “alive” as a vital and integral part of Natick’s governance.

We invite each Board and Committee to adopt these suggestions, or other procedures as they see fit, to leverage Natick’s investment in this planning process.

Areas of Interest

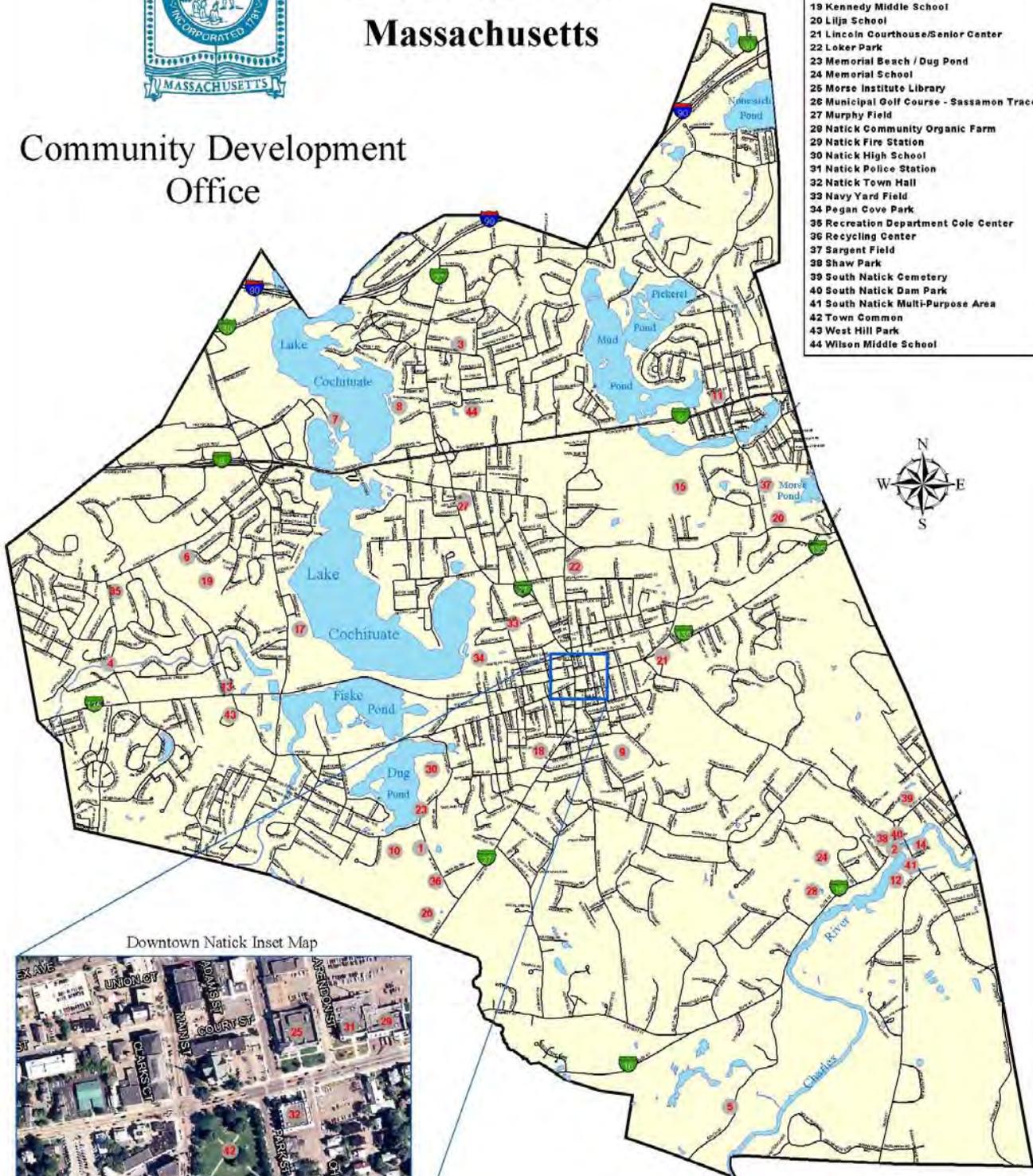


Town of Natick Massachusetts

Community Development
Office

Key to Areas of Interest

- 1 Track around NHS Football Field
- 2 Bacon Free Library
- 3 Bennet Hemenway School
- 4 Boden Lane Cemetery
- 5 Broadmoor Sanctuary
- 6 Brown School
- 7 Camp Arrowhead
- 8 Camp Mary Bunker
- 9 Coolidge Field/Woods
- 10 Department of Public Works
- 11 East Natick School
- 12 Grove Park
- 13 Henry Wilson Memorial
- 14 Hunnewell Fields
- 15 Hunnewell Town Forest
- 16 Indian Burial Ground
- 17 John J. Lane Park
- 18 Johnson School
- 19 Kennedy Middle School
- 20 Lija School
- 21 Lincoln Courthouse/Senior Center
- 22 Loker Park
- 23 Memorial Beach / Dug Pond
- 24 Memorial School
- 25 Morse Institute Library
- 26 Municipal Golf Course - Sassamon Trace
- 27 Murphy Field
- 28 Natick Community Organic Farm
- 29 Natick Fire Station
- 30 Natick High School
- 31 Natick Police Station
- 32 Natick Town Hall
- 33 Navy Yard Field
- 34 Pegan Cove Park
- 35 Recreation Department Cole Center
- 36 Recycling Center
- 37 Sargent Field
- 38 Shaw Park
- 39 South Natick Cemetery
- 40 South Natick Dam Park
- 41 South Natick Multi-Purpose Area
- 42 Town Common
- 43 West Hill Park
- 44 Wilson Middle School



Downtown Natick Inset Map



0 0.25 0.5 1 1.5 Miles



**Town of Natick
13 E. Central Street
Natick, MA 01760**

IMPORTANT TOWN BUSINESS