Section IX:
Shared Expenses

Benefits
- Employee Fringe Benefits & Insurance IX.3
- Property & Liability Insurance IX.13
- Contributory Retirement IX.15
- Non-Contributory Retirement IX.20

Debt Service IX.21
Reserve Fund IX.29
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Town of Natick

Home of Champions

Department: Employee Fringe

Appropriation Summary

	2010 Actual	2011 Actual	2012 Appropriated	2013 Appropriated	2012 vs. 2013 $	%
Other Personnel Services						
Worker's Compensation	420,334	456,741	550,000	530,000	-20,000	-3.64%
Unemployment	218,487	187,467	225,000	215,000	-10,000	-4.44%
FICA (All)	617,228	727,919	750,500	750,500	0	0.00%
Drug & Alcohol testing	2,866	4,199	4,000	4,500	500	12.50%
Medical Insurance (s)	12,148,818	12,425,155	12,931,233	12,947,459	16,226	0.13%
Public Safety Medical (111F)	83,890	116,927	160,000	200,000	40,000	25.00%
LIUNA	167,188	177,279	192,117	187,051	-5,066	-2.64%
Benefits Reserve	1,875	0	100,000	50,000	-50,000	-50.00%
Retirement Buy-Out Program	0	97,294	126,000	200,000	74,000	58.73%
Total Other Personnel Services	**13,660,686**	**14,192,982**	**15,038,850**	**15,084,510**	**45,660**	**0.30%**
Merit/Performance Raises	0	18,750	37,500	90,000	52,500	140%
Total Performance Plan	**0**	**18,750**	**37,500**	**90,000**	**52,500**	**140%**
Total Employee Fringe	**13,660,686**	**14,211,732**	**15,076,350**	**15,174,510**	**98,160**	**0.65%**

Budget Overview:

This budget covers all fringe benefits, insurances, testings and non-retirement system related pension contributions for all employees of the Town of Natick funded through the General Fund. It includes the following budget allocations:

- Unemployment - Worker's Compensation - FICA (payroll taxes) - Health Insurance - Life Insurance - LIUNA Pension Contributions - Retirement Buy-Outs - Drug & Alcohol Testing

Major Points for Health Care/Benefits for FY 2013:

- Higher Health Care Rates: Health care rates are forecast NOT to increase from FY 2012 rates to FY 2013 for then Rate Saver plans. Non-rate saver plans (PPO's) are increasing 10% A detailed summary of each HMO option is attached to this budget.
- Cushion for mid-year plan changes: Particularly with the continued downturn in the economy, it is certainly possible that employees who currently do not currently opt to take benefits may come onto the Town's plan either in an individual or family capacity. To that end we have budgeted 20 extra plans in the Insurance Group Health & Life categories to handle this increase.
- New Employee Hires: We are adding 18 new plans on top of the budget increases and plan changes and differentials for new employees to ensure that their benefits are accounted for. We may not need those appropriations. Any amount appropriated and unspent returns to Free Cash at year's end.

Town of Natick

Home of Champions

Department: Employee Fringe

Budget Detail:

	2010 Actual	2011 Actual	2012 Appropriated	2013 Appropriated	2012 vs. 2013 $	2012 vs. 2013 %
Worker's Compensation	420,334	456,741	550,000	530,000	-20,000	-3.64%
Insurance Unemployment	218,487	187,467	225,000	215,000	-10,000	-4.44%
FICA {Medicare}	617,228	727,919	750,000	750,000	0	0.00%
FICA {Social Security}	0	0	500	500	0	0.00%
DOT Testing	2,866	4,199	4,000	4,500	500	12.50%
Insurance Group Health & Life	12,148,818	12,425,155	12,931,233	12,947,459	16,226	0.13%
Public Safety C41 S111F Medical	83,890	116,927	160,000	200,000	40,000	25.00%
LIUNA Pension	167,188	177,279	192,117	187,051	-5,066	-2.64%
Employee Benefits Reserve	1,875	0	100,000	50,000	-50,000	-50.00%
-- Retirement Buy-out Program ---						
Fire Department	0	17,409	50,000	75,000	25,000	50.00%
Police Department	0	58,326	25,000	50,000	25,000	100.00%
DPW / Highway Division	0	10,780	51,000	75,000	24,000	47.06%
Other Personnel Services	**13,660,686**	**14,192,982**	**15,038,850**	**15,084,510**	**45,660**	**0.30%**
Merit/Performance Raises	0	18,750	37,500	90,000	52,500	140.00%
Performance Plan	**0**	**18,750**	**37,500**	**90,000**	**52,500**	**140.00%**
Total Employee Fringe	**13,660,686**	**14,211,732**	**15,076,350**	**15,174,510**	**98,160**	**0.65%**

Narrative:

Workers Compensation:
Line item contains the amount based on a premium assessed by our carrier MEGA as well as a portion for employees who have are currently on long term disability due to an injury during the performance of their job.

Unemployment Insurance:
Line item is set aside for any unforeseen lay offs or reduction in the work force. This amount is for both the School Department and the Municipal Departments. Estimate for Fiscal Year 2013 is comparable to expected utilization in FY 2010 and FY 2011. *Please see the following pages for more detail.*

FICA (Medicare):
The Consolidated Omnibus Budget Reconciliation Act of 1985 amended the Internal Revenue Code so that the hospital insurance (Medicare) portion of the Federal Insurance Contributions Act (FICA) applies to wages paid for services rendered after 3/31/86 by employees hired after 3/31/86. The tax is equal to 1.45% of the employee's pay. The employer is required to contribute an amount equal to that deducted from the employee's pay, an additional 1.45%. With no increase in salaries (no COLA) included in the budget, no increase in Medicare is necessary at this time. *Please see the following pages for more detail.*

FICA (Social Security):
Small percentage of the work force three (3) employees who are ineligible to join the retirement system as they started their employment with the town at age 60 and would not be eligible for a pension.

DOT Testing:
Drug and alcohol testing done on a random basis for certain departments who operate Motor Vehicles (excludes uniformed personnel) this is performed on a monthly basis.

Insurance Group Health & Life:
Coverage for all town employees both currently employed and retirees of the town both school and municipal departments who work greater than 20 hours on a regular basis. Percentages paid by the town vary from plan to plan from a low of 50% to a high of 90% depending on the coverage selected by the employee. Charts are included in this section to provide greater understanding. Estimates for FY 2013 are based upon Mar. 2012 enrollment counts assuming actual rates for FY 2013 from the West Suburban Health Group. *Please see the following pages for more detail.*

Public Safety Chapter 41 Section 111F:
This coverage is paid on a premium basis for the uniformed members of the Town of Natick's Police & Fire workforce who become injured while on duty. This pays hospital and medical bills for the injured officer. Increased cost driven by increased claim activity in FY 2009 & 2010. The Town does receive reimbursement from insurance companies for expenses incurred under this line-item, up to 75% of the total claim. Average reimbursements for the last three fiscal years have been around $90,000. That money flows to fund balance at the end of year. *Please see the following pages for more detail.*

LIUNA Pension:
Laborers' International Union of North America National (Industrial) Pension Fund., a pension provided to the following units of the Town of Natick's workforce:

Laborers Local 1116
Clerical Workers
Supervisors & Administrators (Public Works)
School Custodial
Librarian's of the Morse Library (Massachusetts Laborers Benefits).

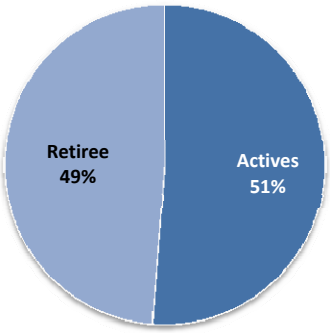
The contribution rate is set by the collective bargaining agreement or other agreement between the Employer and the Union. The rate must fall within the range of rates accepted by the Pension Fund. The rate may be cents, or dollars-and-cents, for each hour for which a covered employee is paid, or a fixed daily, weekly or monthly amount for each covered employee. The rate ranges from $.41 cents per hour to $.79 cents per hour. This provides these workers with an additional pension or annuity upon retirement. *Please see the following pages for more detail.*

Retirement Buyout:
This accounts for the provision in multiple contracts allowing retiring employees to buy-back accrued sick leave. It is only paid out if an individual declares and chooses to retire.

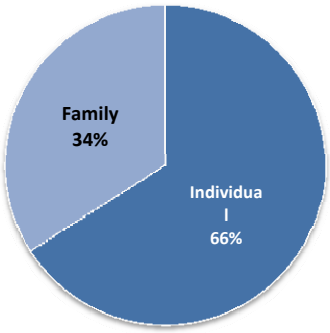
Employee Health Benefits Summary (*revised 3/1/2012*)

	FY 2012	FY 2013 - 1/1	FY 2013 - 3/22
Active			
- Traditional HMO's	$ 65,292	$ -	$ 16,551
- Rate Saver HMO's	$ 8,922,313	$ 9,337,242	$ 8,713,223
Tier #1 Safety Net	$ 101,317	$ 123,000	$ 123,000
Tier #2 Safety Net	$ 100,000	$ 100,000	$ 100,000
Tier #3 Safety Net	$ 250,000	$ 250,000	$ 250,000
Sentinel Benefits Administration Fee	$ 39,960	$ 40,932	$ 41,094
Reserves: Individual Plan Adds (Mid-Year)		$ 67,718	$ 63,288
Reserves: Family Plan Adds (Mid-Year)		$ 157,059	$ 146,784
New Position Adds (School : 7/ Town: 7)		$ 243,620	$ 213,016
Retiree			
- Retiree Health Plans	$ 3,355,789	$ 3,334,458	$ 3,162,242
Life Insurance ($4.25/mo. x Total Benefited Employees)	$ 39,882	$ 38,709	$ 38,862
Flu Shots	$ 7,500	$ 7,500	$ 7,500
Occupational Health Nurse	$ -	$ 20,000	$ 20,000
Sentinel Benefits ($65/MO)	$ 780	$ 780	$ 780
Cook & Co - Consultants ($1,500/QTR)	$ 6,000	$ 6,000	$ 6,000
Medicare Penalty Re: Section 18 (FY 2012 - $2,700/mo. Vs. FY 2013 - $2,510/MO)	$ 32,400	$ 30,120	$ 30,120
All other Miscellaneous Items: (Wellness Programming, Luncheon Seminars, Health Fair, etc.)	$ 10,000	$ 15,000	$ 15,000
Total Employee Health Benefits	**$ 12,931,233**	**$ 13,772,137**	**$ 12,947,459**

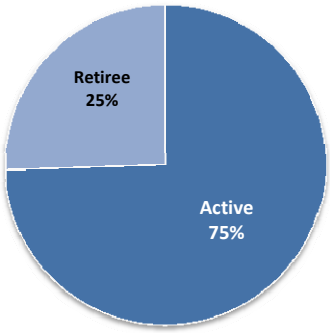
Participants - Actives vs. Retirees



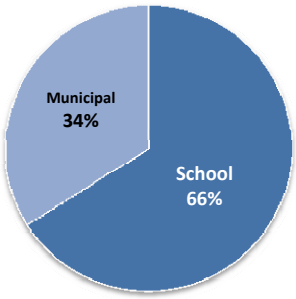
Participants - Individuals vs. Family



Cost - Actives vs. Retirees



Actives: School vs. Town Employees



Comparative Plan Usage	FY 2012	FY 2013
Actives		
Traditional		
- Single	1	0
- Family	3	1
Rate Savers		
- Single	319	315
- Family	439	446
Retirees		
Rate Savers/PPO		
- Single*	117	109
- Family	63	60
Retiree - Medicare Eligible	556	557
Total	**1498**	**1488**

*Remaining Traditional HMO participants are retirees; participants counted under retiree health counts

All counts revised as of March 2012 Invoice from West Suburban Health Group, Date 2/10/2012.

Active Employees - Traditional HMO's

Active Employees

Active Employees Plans:	Individual			Family			
HEALTH PLANS:	Total	Town Share		Total	Town Share		Total Cost
	$	%	$	$	%	$	$
Network Blue							
Monthly Rates (Regular Members)	732.00	86.38%	632.30	1,963.00	77.30%	1,517.40	
Participants			**0**			**0**	
Annual Total			**$0**			**$0**	**$ -**
Harvard / Pilgrim PPO							
Rates (Regular Members)	1,562.00	50.00%	781.00	3,469.40	50.00%	1,734.70	
Participants			**0**			**0**	$ -
Annual Total			**$0**			**$0**	**$ -**
Harvard / Pilgrim EPO							
Monthly Rates (Regular Members)	690.00	84.96%	586.22	1,798.00	76.71%	1,379.25	
Participants Includes 25 N/H)			**0**			**1**	
Annual Total			**$0**			**$16,551**	**$ 16,551**
Tufts POS							
Monthly Rates (Regular Members)	1,562.00	50.00%	781.00	3,469.40	50.00%	1,734.70	
Participants			**0**			**0**	
Annual Total			**$0**			**$0**	**$ -**
Tufts EPO							
Monthly Rates (Regular Members)	730.00	88.73%	647.73	1,910.00	77.75%	1,485.03	
Participants			**0**			**0**	
Annual Total			**$0**			**$0**	**$ -**
Fallon Group Select Care							
Monthly Rates (Regular Members)	613.00	90.00%	551.70	1,651.00	80.00%	1,320.80	
Participants			**0**			**0**	
Annual Total			**$0**			**$0**	**$ -**
Fallon Group Direct Care							
Monthly Rates (Regular Members)	568.00	90.00%	511.20	1,535.00	80.00%	1,228.00	
Participants			**0**			**0**	
Annual Total			**$0**			**$0**	**$ -**

Premium Cost Summary	**Enrollments**		
	Single	**Family**	
Active Health Plans	0	1	
Total Premium			**$ 16,551**

Enrollments as of 3 / 2012
Rates set by West Suburban Health Group on 1 / 24 / 2012

Active Employees - Rate Saver HMO's

Active Employees

Active Employees Plans:	Individual			Family			
HEALTH PLANS:	Total	Town Share		Total	Town Share		Total Cost
	$	%	$	$	%	$	$
RATE SAVER EPO PLANS:							
Blue Choice							
Monthly Rates (Regular Members)	603.00	90.00%	542.70	1,620.00	80.00%	1,296.00	
			30			71	
Annual Total			**$195,372**			**$1,104,192**	**$ 1,299,564**
Fallon Group Direct Care							
Monthly Rates (Regular Members)	485.00	90.00%	436.50	1,305.00	80.00%	1,044.00	
Participants			0			1	
Annual Total			**$0**			**$12,528**	**$ 12,528**
Fallon Group Select Care							
Monthly Rates (Regular Members)	521.00	90.00%	468.90	1,404.00	80.00%	1,123.20	
Participants			27			33	
Annual Total			**$151,924**			**$444,787**	**$ 596,711**
Harvard / Pilgrim							
Monthly Rates (Regular Members)	586.00	90.00%	527.40	1,529.00	80.00%	1,223.20	
Participants			137			206	
Annual Total			**$867,046**			**$3,023,750**	**$ 3,890,796**
Tufts Navigator							
Monthly Rates (Regular Members)	620.00	90.00%	558.00	1,623.00	80.00%	1,298.40	
Participants			121			135	
Annual Total			**$810,216**			**$2,103,408**	**$ 2,913,624**

Premium Cost Summary		Enrollments		
		Single	Family	
Active Health Plans		315	446	**$ 8,713,223**
Tier #1 Safety Net				**$ 123,000**
Tier #2 Safety Net				**$ 100,000**
Tier #3 Safety Net				**$ 250,000**
Sentinel FSA Costs				**$ 41,094**
Individual Plan Reserve	*(Total Count) 10*			**$ 63,288**
Family Plan Reserve	*(Total Count) 10*			**$ 146,784**
Additional Plans (School / Town Position Ad	***(Total) 18***			***$ 213,016***
Total Appropriation Needed				**$ 9,650,404**

Enrollments as of 3 / 2012

Retiree Health Care

Retirees - Non Medicare Eligible

Active Employees Plans:	Individual			Family			
HEALTH PLANS:	Total	Town Share		Total	Town Share		Total Cost
	$	%	$	$	%	$	$
RATE SAVER EPO PLANS:							
Blue Choice							
Monthly Rates (Regular Members)	603.00	90.00%	542.70	1,620.00	80.00%	1,296.00	
			9			7	
Annual Total			**$58,612**			**$108,864**	**$ 167,476**
Fallon Group Select Care							
Monthly Rates (Regular Members)	521.00	90.00%	468.90	1,404.00	80.00%	1,123.20	
Participants			1			0	
Annual Total			**$5,627**			**$0**	**$ 5,627**
Harvard / Pilgrim							
Monthly Rates (Regular Members)	586.00	90.00%	527.40	1,529.00	80.00%	1,223.20	
Participants			56			37	
Annual Total			**$354,413**			**$543,101**	**$ 897,514**
Tufts Navigator							
Monthly Rates (Regular Members)	620.00	90.00%	558.00	1,623.00	80.00%	1,298.40	
Participants			33			14	
Annual Total			**$220,968**			**$218,131**	**$ 439,099**
Harvard / Pilgrim PPO							
Rates (Regular Members)	1,562.00	50.00%	781.00	3,469.40	50.00%	1,734.70	
Participants			8			2	
Annual Total			**$74,976**			**$41,633**	**$ 116,609**
Tufts POS							
Monthly Rates (Regular Members)	1,562.00	50.00%	781.00	3,469.40	50.00%	1,734.70	
Participants			2			0	
Annual Total			**$18,744**			**$0**	**$ 18,744**

Premium Cost Summary	Enrollments		
	Single	Family	
Active Health Plans	109	60	**$ 1,645,068**
Total Appropriation Needed			**$ 1,645,068**

Retirees - Medicare Eligible

Senior Plans:	Individual				Individual		
HEALTH PLANS:	Total	Town Share		**HEALTH PLANS:**	Total	Town Share	
	$	%	$		$	%	$
HPHC Medicare Enhancement				**Medex III**			
Monthly Rates (Senior Care)	378.00	62.75%	237.20	Monthly Rates (Senior Care)	424.00	61.37%	260.21
Monthly Rates (Senior Care)	415.80	62.75%	260.91	Monthly Rates (Senior Care)	466.40	61.37%	286.23
Participants			168	Participants			217
Total			**$502,094**	**Total**			**$711,463**
Fallon Senior Plan				**Tufts Medicare Plus**			
Monthly Rates (Senior Care)	267.00	68.05%	181.69	Monthly Rates (Senior Care)	317.00	65.20%	206.68
Monthly Rates (Senior Care)	293.70	68.05%	199.86	Monthly Rates (Senior Care)	348.70	65.20%	227.35
Participants			3	Participants			77
Total			**$6,868**	**Total**			**$95,488**
Tufts Medicare Preferred HMO				**BCBS Managed Blue for Seniors**			
Monthly Rates (Senior Care)	226.00	71.32%	161.18	Monthly Rates (Senior Care)	402.00	61.99%	249.20
Monthly Rates (Senior Care)	248.60	71.32%	177.30	Monthly Rates (Senior Care)	442.20	61.99%	274.12
Participants			79	Participants			13
			$160,442	**Total**			**$40,819**

Medicare Eligible Retirees	Enrollments		
	Single	Family	
	557	**0**	
Total Medicare Eligible Employees (Senior Plans)			**$1,517,174**

Total Retiree Health Care	**$3,162,242**

Unemployment Estimates

Unemployment Insurance is available for any employee who has worked for the Town of Natick - either as a result of being laid off or reduced hours. Historically, the Town of Natick averaged less than $100,000 in total unemployment expenses until the most recent recession, when in recent years expenses have hovered close to $200,000 annually. Natick has been fortunate that wholesale reductions in force have not been necessary; but changes within Federal unemployment laws have resulted in much higher long-term benefits being paid to employees eligible to take unemployment from the Town. The estimate for FY 2012 is detailed below.

Fiscal Year 2012 Unemployment		
Original Appropriation	**$**	**215,000**
Amount Spent through February 2012	*$*	*129,246*
Balance	**$**	**85,754**
Average Monthly Expenses	$	16,156
Amount Needed through end of year assuming same rate of expense	$	64,623
Estimated Balance @ end of year	**$**	**21,131**

The Town of Natick is self-insured for purposes of unemployment insurance. The Town receives monthly invoices from the Commonwealth as to who has filed claims, the value of those claims and the duration of those claims. The Town pays those invoices to the state directly, who distributes unemployment checks to those who have filed and qualified for U/I benefits. Current unemployment laws allow for maximum benefit of 26 weeks. Additional 'emergency' or 'extended' benefits can be passed by the Congress at any time forcing the municipality (and any business) to continue providing the unemployed with extended benefits. The Town also employs a third party vendor, to handle direct claims between unemployed individuals and the Town of Natick, as well as reviews the claim requests from the state and assists in management of the Town's liability.

Estimates for FY 2013

At this time, we are proposing a lump-sum of $215,000 be budgeted for unemployment benefits for FY 2013. If necessary, we will revise this number if reductions in force or layoffs occur prior to the Fall Annual Town Meeting.

Worker's Compensation

	FY08	FY09	FY10	FY11	FY12 (5 mos.)	FY13 Budget
CLAIMS ADMIN	$ 6,000	$ 6,000	$ 4,000	$ 4,000	$ 1,000	$ 4,000
ON SITE NURSE	$ 19,344	$ 19,344	$ 19,344	$ 4,914	$ -	$ -
PREMIUMS	$ 309,408	$ 356,642	$ 320,586	$ 381,481	$ 185,716	$ 425,000
CLAIMS	$ 192,002	$ 137,527	$ 76,404	$ 66,346	$ 15,979	$ 101,000
TOTAL	$ 526,754	$ 519,513	$ 420,334	$ 456,741	$ 202,695	$ 530,000

Chapter 111F Medical (Police/Fire Worker's Compensation)

	FY08	FY09	FY10	FY11	FY12 (5 mos.)	FY13 Budget
CLAIMS	$ 44,998	$ 48,320	$ 4,376	$ 8,941	$ 4,559	$ 25,000
PREMIUMS	$ 37,937	$ 52,949	$ 79,514	$ 107,986	$ 85,175	$ 175,000
TOTAL	$ 82,935	$ 101,269	$ 83,890	$ 116,927	$ 89,733	$ 200,000

Town of Natick

Home of Champions

Medicare Analysis/LIUNA Details

FY 2010 Actuals

Appropriated Budget **$ 759,501.00**

Month		Medicare	Monthly	Cumulative
July	$	22,219	2.93%	2.93%
August	$	29,102	3.83%	6.76%
September	$	61,567	8.11%	14.86%
October	$	56,768	7.47%	22.34%
November	$	55,917	7.36%	29.70%
December	$	86,376	11.37%	41.07%
January	$	57,943	7.63%	48.70%
February	$	58,896	7.75%	56.46%
March	$	64,548	8.50%	64.96%
April	$	58,172	7.66%	72.61%
May	$	56,820	7.48%	80.10%
June	$	8,901	1.17%	81.27%
Total	**$**	**617,228**	**81.27%**	

Budget Balance @ year-end	**$**	**142,273**

FY 2011 Actuals

Appropriated Budget **$ 759,501.00**

Month		Medicare	Monthly	Cumulative
July	$	20,239	2.66%	2.66%
August	$	35,874	4.72%	7.39%
September	$	56,853	7.49%	14.87%
October	$	59,701	7.86%	22.73%
November	$	83,583	11.00%	33.74%
December	$	60,429	7.96%	41.70%
January	$	56,900	7.49%	49.19%
February	$	60,607	7.98%	57.17%
March	$	67,871	8.94%	66.10%
April	$	58,862	7.75%	73.85%
May	$	81,167	10.69%	84.54%
June	$	85,835	11.30%	95.84%
Total	**$**	**727,919**	95.84%	

Budget Balance @ year-end	**$**	**31,582**

Medicare Analysis/LIUNA Details

FY 2012 Y-T-D & Forecast		
(1) Appropriated Budget	**$**	**750,000**
Through December 15	***$***	***315,434***
(2) Forecast	**$**	**736,069**
(1-2) Surplus / (Deficit) @ year-end (*estimated*)	**$**	**13,931**
Budget Request for FY 2013	**$**	**750,000**

LIUNA Contribution for Fiscal Year 2013 Budget

General Fund	#Employees	Total Hrs	Rate	Amount
Laborers	**41**	85,280	0.781	66,603.68
Clerical	**24**	46,800	0.671	31,402.80
Supervisors/Adm	**8**	16,640	0.781	12,995.84
School Custodians	**37**	76,960	0.77	59,259.20
Morse Library	**21**	40,950	0.41	16,789.50
			Total	$187,051.02

Water & Sewer Enterprise				
Laborers	**19**	39,520	0.781	30,865.12
Clerical	**2**	3,900	0.671	2,616.90
Supervisors/Adm	**4**	8,320	0.781	6,497.92
			Total	$39,979.94

Town of Natick

Home of Champions

Department: Property & Liability Insurance

Appropriation Summary

	2010 Actual	2011 Actual	2012 Appropriated	2013 Appropriated	2012 vs. 2013 $	%
Operating Expenses						
Purchase of Services	431,162	451,853	520,958	553,175	32,218	6.18%
Total Operating Expenses	**431,162**	**451,853**	**520,958**	**553,175**	**32,218**	**6.18%**
Total Property & Liability Insurance	**431,162**	**451,853**	**520,958**	**553,175**	**32,218**	**6.18%**

Budget Overview:

I. Main Purpose of the Department

To provide property insurance on approximately $235 million dollars of buildings and $40 million in contents. Provide $3 million in general liability coverage plus an additional $2 million in an umbrella liability policy. Provide commercial fleet auto insurance including collision, comprehensive, and liability coverage. We are insured for boiler & machinery for $75 million. There are also separate specialty liability policies for public officials liability, school board legal liability, and law enforcement coverage.

II. Recent Developments

The escalating costs for property insurance in the "post 9/11 era" have subsided and increases are now tracking in the 5% - 8% range. Thru continually monitoring and bidding our insurance, we believe that we will be able to hold an increase to the 6.2% requested in FY2013.

III. Current Challenges

Continuing to provide the current level of overage within the budget limits imposed by Proposition 2 ½.

IV. Significant Proposed Changes for the Upcoming Fiscal Year and Budget Impact

None

V. On the Horizon

Continue to monitor and sample the market to determine that the Town has solid insurance coverage while avoiding sharp premium increases.

Budget Detail:

	2010 Actual	2011 Actual	2012 Appropriated	2013 Appropriated	2012 vs, 2013 $	%
Package Policy Property/Liability	248,054	297,989	317,783	350,000	32,218	10.1%
Motor Vehicle	153,897	18,419	157,500	157,500	0	0.0%
Boiler {Steam Vessels}	17,842	135,445	19,425	19,425	0	0.0%
Insurance Deductibles	11,369	0	26,250	26,250	0	0.0%
Purchased Services	**431,162**	**451,853**	**520,958**	**553,175**	**32,218**	**6.2%**
Total Property & Liability Ins.	**431,162**	**451,853**	**520,958**	**553,175**	**32,218**	**6.2%**

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Town of Natick

Home of Champions

Department: Contributory Retirement

Appropriation Summary

	2010 Actual	2011 Actual	2012 Appropriated	2013 Appropriated	2012 vs 2013 $	%
Operating Expenses						
Funding Schedule - Completion 2030	5,152,503	5,384,366	5,626,663	6,082,991	456,328	8.11%
Total Operating Expenses	**5,152,503**	**5,384,366**	**5,626,663**	**6,082,991**	**456,328**	**8.11%**
Total Contributory Retirement	**5,152,503**	**5,384,366**	**5,626,663**	**6,082,991**	**456,328**	**8.11%**

Budget Overview:

I. Main Purpose of the Department

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 2010, there were 1012 participants in the Natick Retirement System - 559 active, 93 inactive and 360 retired participants and beneficiaries. Eligibility in the system is determined upon your employment status with the Town. If an employee is employed on a permanent basis and works 20 or more hours a week , then that employee is eligible. Enrollment is mandatory for all employees who qualify.

Employees are eligible to apply for a pension benefit when they have completed either ten years of creditable service and have reached the age of 55, or have 20 years of creditable service regardless of your age. Recipients receive a defined benefit plan. The pension allowance is calculated using an employees years of creditable service, their age at retirement and their highest average salary for 36 consecutive months.

Employees are required by M.G.L. Ch. 32 to contribute a set percentage of their salary and an additional 2% on any salary over $30,000.00 by regular payroll deductions. The rate of contribution is determined by the date on which an employee first became eligible for membership in a Massachusetts Contributory Retirement System and maintained your funds on deposit.

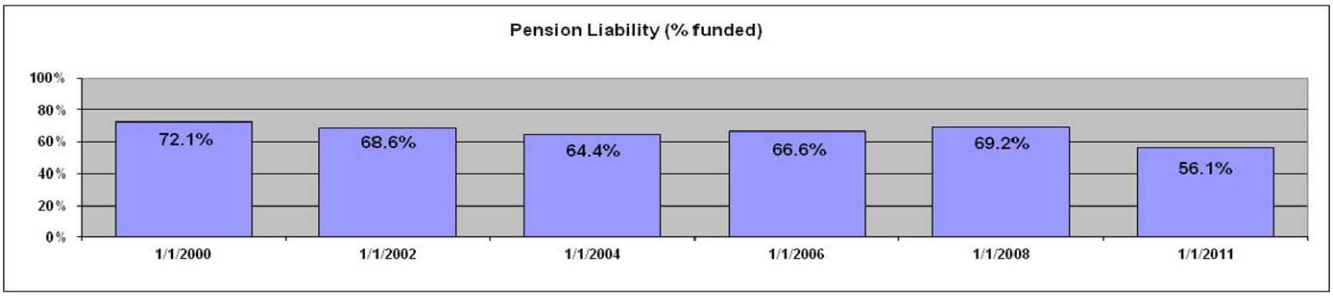
Before January 1, 1975 - 5%
January 1, 1975 - December 31, 1983 - 7%
January 1, 1984 - June 30, 1996 - 8%
July 1, 1996 - or after - 9%

Employees who were members before January 1, 1979 are NOT subject to the additional 2%, while employees who became members after January 1, 1979 are subject to 2%.

Pension Liability

Indicator 8

The chart below shows the percent funded amounts for the Natick Retirement System since 2000.



Department: Contributory Retirement

Budget Overview: (con't)

II. Recent Developments
The latest actuarial report, conducted by The Segal Group effective January 1, 2011, found that the Natick Retirement System was funded at a ratio of 55.73%, with actuarial value of assets totaling $82,431,048 while the actuarial accrued liability totaled $147,904,433. This is a decrease from the last actuarial, dated January 1, 2008 where the system was 69.24% funded, though it is still less than in 1997 when the system was 73.91% funded. The next actuarial will be completed effective January 1, 2014 and should likely be available sometime in 2014.

III. Current Challenges
The funding schedule as shown in the FY 2013 budget . It has been approved by the Public Employees Retirement Advisory Commission (PERAC)

IV. Significant Proposed Changes for the Upcoming Fiscal Year and Budget Impact
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.

V. On the Horizon
Though formal state regulations mandating the funding of other post-employment benefits (such as retiree health care costs) have not been implemented, accounting regulations (GASB 45) require that municipalities disclose their OPEB liabilities on their year-end balance sheets. While not directly part of the retirement system, these benefits for pensioners will have to be funded somehow in the future, and the Town of Natick will have to develop strategies to manage this liability.

Budget Detail:

	2010 Actual	2011 Actual	2012 Appropriated	2013 Appropriated	2012 vs. 2013 $	2012 vs. 2013 %
Funding Schedule - Completion 2030	5,152,503	5,384,366	5,626,663	6,082,991	456,328	8.1%
Personnel Services	**5,152,503**	**5,384,366**	**5,626,663**	**6,082,991**	**456,328**	**8.1%**
Total Contributory Retirement	**5,152,503**	**5,384,366**	**5,626,663**	**6,082,991**	**456,328**	**8.1%**

Note: The amount shown under funding schedule is a net amount: less those pension assessments for the Natick Housing Authority, the Sassamon Trace Golf Course and the Water/Sewer Enterprise fund. The math is shown below.

Total Assessment for FY 2013	$	6,390,096
less NHA Assessment	$	(97,455)
less Golf Course Assessment	$	(9,691)
less Water/Sewer Assessment	$	(199,959)
Net Retirement Assessment (General Fund)	**$**	**6,082,991**

Line-Item Detail

Personnel Services: Funding Schedule: The annual contribution required under law to meet the Town's pension obligations to its pensioners. The Natick Retirement System is on pace to be fully funded by 2030. Under the most current Massachusetts General Law, the Retirement Board has the discretion to extend the deadline up to 2040.

This amount is **net** of the assessment for the Natick Housing Authority.

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

DOMENIC J. F. RUSSO, *Chairman* JOSEPH E. CONNARTON, *Executive Director*

Auditor SUZANNE M. BUMP | ALAN MACDONALD | JAMES M. MACHADO | DONALD R. MARQUIS | ROBERT B. McCARTHY | GREGORY R. MENNIS

RECEIVED

DEC 21 2011

BOARD OF SELECTMEN
NATICK, MA

MEMORANDUM

TO: Natick Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Appropriation for Fiscal Year 2013

DATE: December 19, 2011

Required Fiscal Year 2013 Appropriation: **$6,390,096**

This Commission is hereby furnishing you with the amount to be appropriated for your retirement system for Fiscal Year 2013 which commences July 1, 2012.

Attached please find summary information based on the present funding schedule for your system and the portion of the Fiscal Year 2013 appropriation to be paid by each of the governmental units within your system. The allocation by governmental unit was determined by Segal as part of their January 1, 2011 actuarial valuation.

The current schedule is/was due to be updated by Fiscal Year 2015.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446 Extension 921.

JEC/jrl
Attachments

cc: Board of Selectmen
Town Meeting
c/o Town Clerk

FIVE MIDDLESEX AVENUE, SUITE 304 | SOMERVILLE, MA 02145
PH 617 666 4446 | FAX 617 628 4002 | TTY 617 591 8917 | WWW.MASS.GOV/PERAC

Natick Retirement Board

Projected Appropriations

Fiscal Year 2013 - July 1, 2012 to June 30, 2013

Aggregate amount of appropriation: **$6,390,096**

Fiscal Year	Estimated Cost of Benefits	Funding Schedule (Excluding ERI)	ERI	Total Appropriation	Pension Fund Allocation	Pension Reserve Fund Allocation	Transfer From PRF to PF
FY 2013	$8,132,145	$6,390,096	$0	$6,390,096	$6,390,096	$0	$1,742,049
FY 2014	$8,553,859	$6,901,304	$0	$6,901,304	$6,901,304	$0	$1,652,555
FY 2015	$8,997,268	$7,453,409	$0	$7,453,409	$7,453,409	$0	$1,543,859
FY 2016	$9,463,490	$8,049,681	$0	$8,049,681	$8,049,681	$0	$1,413,809
FY 2017	$9,953,696	$8,693,656	$0	$8,693,656	$8,693,656	$0	$1,260,040

The Total Appropriation column shown above is in accordance with your current funding schedule and the scheduled payment date(s) in that schedule. Whenever payments are made after the scheduled date(s), the total appropriation should be revised to reflect interest at the rate assumed in the most recent actuarial valuation. Payments should be made before the end of the fiscal year.

For illustration, we have shown the amount to be transferred from the Pension Reserve Fund to the Pension Fund to meet the estimated Cost of Benefits for each year. If there are sufficient assets in the Pension Fund to meet the Cost of Benefits, this transfer is optional.

EXHIBIT G

Department Results as of January 1, 2011

Category	Housing	Public Safety	Water & Sewer Enterprise Fund	Sassamon Trace Enterprise Fund	All Others	Total
1. Demographics						
Actives	13	149	25	2	370	559
Inactives	1	6	1	1	84	93
Retired	0	132	15	0	220	367
Total	14	287	41	3	674	1,019
2. Total normal cost	$78,449	$1,884,155	$130,964	$15,378	$2,279,170	4,388,116
3. Administrative expenses	3,933	94,463	6,566	771	114,267	220,000
4. Expected employee contributions	52,477	983,685	117,582	7,539	1,323,676	2,484,959
5. Employer normal cost: (2) + (3) - (4)	29,905	994,933	19,948	8,610	1,069,761	2,123,157
6. Employer normal cost as a percent of payroll	4.4%	9.4%	1.5%	11.5%	7.1%	7.7%
7. Actuarial accrued liability	$2,441,587	$73,265,629	$6,558,496	$94,091	$65,544,630	$147,904,433
8. Actuarial value of assets	1,562,696	46,892,426	4,197,654	94,091	41,950,733	94,697,600
9. Unfunded actuarial accrued liability: (7) – (8)	$878,891	$26,373,203	$2,360,842	$0	$23,593,897	$53,206,833
10. Payroll	673,966	10,541,427	1,357,758	75,024	14,979,000	27,627,175
11. Fiscal year 2012 appropriation	92,351	2,872,898	185,147	8,973	2,757,387	5,916,756
12. Fiscal year 2013 appropriation	99,739	3,102,730	199,959	9,691	2,977,978	6,390,096
13. Fiscal year 2014 appropriation	107,718	3,350,948	215,955	10,466	3,216,216	6,901,304

Notes: Recommended contributions are assumed to be paid on July 1 and December 31.

Town of Natick

Home of Champions

Department: Non - Contributory Retirement

Appropriation Summary

	2010 Actual	2011 Actual	2012 Appropriated	2013 Appropriated	2012 vs. 2013 $	2012 vs. 2013 %
Other Personnel Services						
Pensions - Non-Contributory	90,744	91,373	90,369	67,209	-23,160	-25.63%
Total Other Personnel Services	**90,744**	**91,373**	**90,369**	**67,209**	**-23,160**	**-25.63%**
Total Non-Contributory Retirement	**90,744**	**91,373**	**90,369**	**67,209**	**-23,160**	**-25.63%**

Budget Overview:

Nearly all employees who have worked for the Town of Natick are part of the Natick Retirement System and have been required to contribute part of their weekly earnings towards the pension system. However a few employees and their beneficiaries have not been required to contribute. Prior to January 1, 1939, employees were not required to contribute into the retirement system. This budget provides for the pensions for those beneficiaries.

Budget Detail:

	2010 Actual	2011 Actual	2012 Appropriated	2013 Appropriated	2012 vs. 2013 $	2012 vs. 2013 %
Pensions Police	3,975	4,618	0	4,757	4,757	100.0%
Pensions Fire	53,139	52,404	55,299	40,902	-14,397	-26.0%
Pensions School	33,630	34,350	35,070	21,550	-13,520	-38.6%
Other Personnel Services	**90,744**	**91,373**	**90,369**	**67,209**	**-23,160**	**-25.6%**
Total Non-Contributory Retirement	**90,744**	**91,373**	**90,369**	**67,209**	**-23,160**	**-25.6%**

Line-Item Detail:

Other Personnel Services:

Pensions - Fire: Pays for 2 pensions to beneficiaries of retired firemen.
Pensions - Schools: Pays for 2 pensions of retired school employees.
Pensions - Police: Shares the pension of one retiree with the Commonwealth of Massachusetts.

Town of Natick

Home of Champions

Department: Debt Service

Appropriation Summary

	2010 Actual	2011 Actual	2012 Appropriated	2013 Appropriated	2012 vs. 2013 $	%
Operating Expenses						
Leased Equipment	30,690	38,066	40,000	82,000	42,000	105.00%
Principal	4,822,367	4,685,812	7,627,886	7,411,031	-216,855	-2.84%
Interest	1,870,553	2,063,373	3,300,353	2,778,884	-521,469	-15.80%
Total Operating Expenses	**6,723,610**	**6,787,251**	**10,968,239**	**10,271,915**	**-696,323**	**-6.35%**
Total Debt Service	**6,723,610**	**6,787,251**	**10,968,239**	**10,271,915**	**-696,323**	**-6.35%**

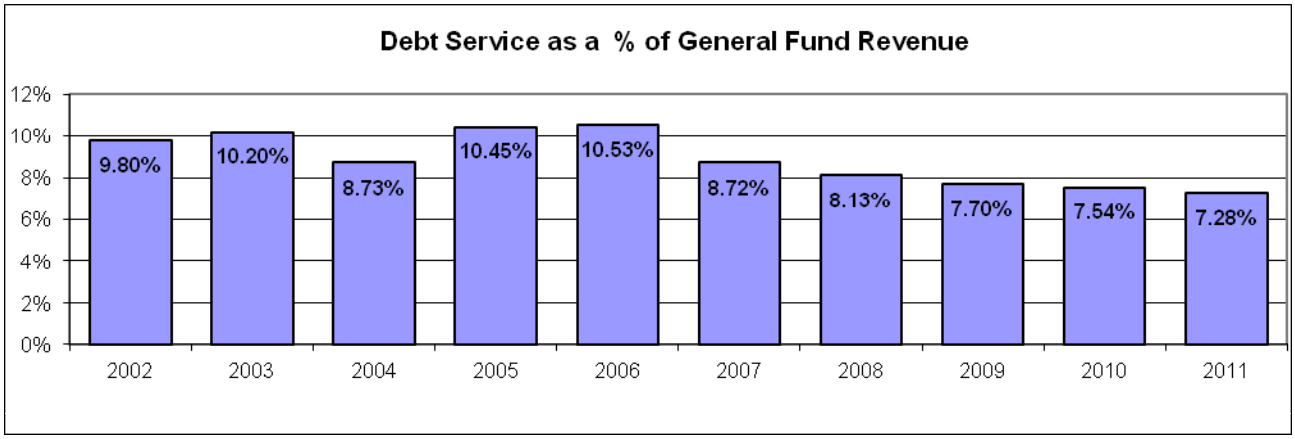
Budget Overview:

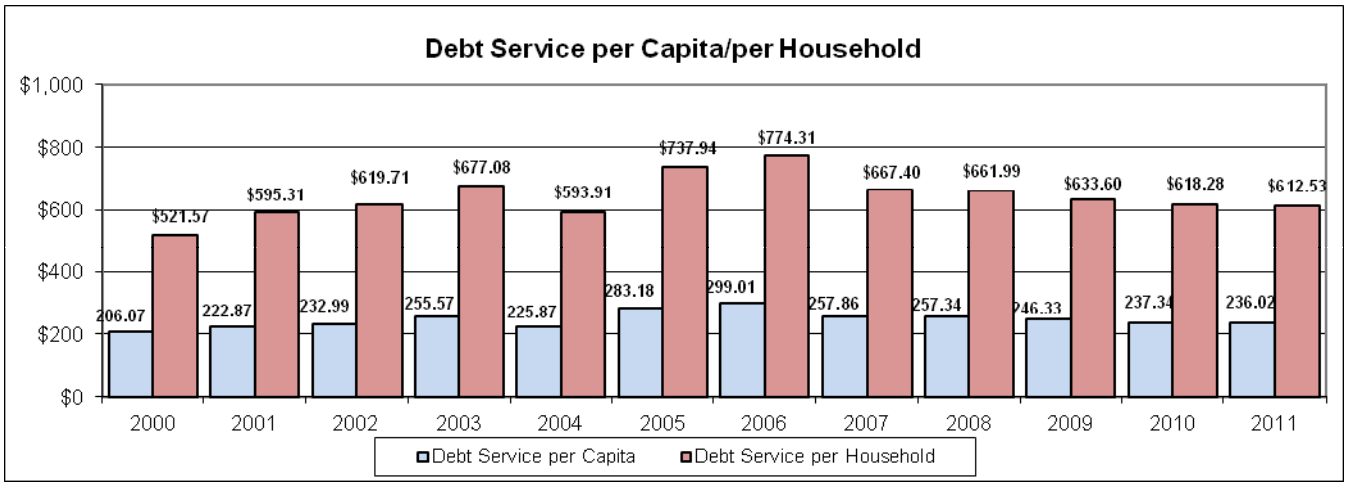
The Town assumes debt to finance many capital projects. Natick's debt is funded through bond issues. State statutes permit maximum terms of bond issues to vary from 5 to 20 years, depending on the purpose of the issue. The Town can only issue new debt with the approval of two-thirds of Town Meeting.

Debt service includes general fund principal and interest payments for both exempt and non-exempt debt as well as temporary borrowing. Also included in these figures are debt issuance costs and leased equipment costs.

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.

Debt Service is one of the Town's twelve Financial Indicators checked annually for fiscal health.



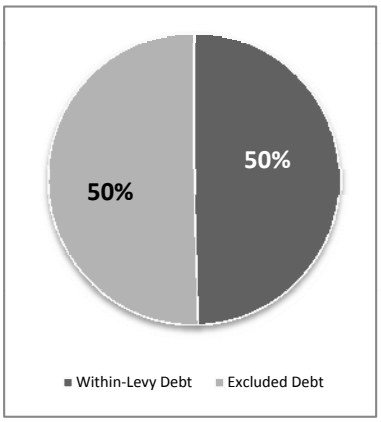


Positively for Natick, the community fares well on this indicator. Not only has debt service per capita remained well within recommended levels at between 8%-10.5% - debt service of 20% of operating revenues is considered a problem and 10% is considered acceptable - but has been decreasing since FY 2006. 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 has grown significantly since 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 has been 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.

Within-Levy vs. Excluded Debt

	Principal	Interest	Total
Within-Levy Debt	$ 4,318,531	$ 726,590	$ 5,045,120
Excluded Debt	$ 3,092,500	$ 2,052,294	$ 5,144,794
Total	**$ 7,411,031**	**$ 2,778,884**	**$ 10,189,914**



Debt Limit

As per M.G.L. Ch. 44, Sec. 10, the Town of Natick can authorize indebtedness up to 5% of the equalized value of the Town.

Current Equalized Value	**$**	**6,215,335,586**
Current Debt Limit	**$**	**310,766,779**
Current Authorized Debt	**$**	**102,393,833**

M.G.L. Chapter 44, Section 10: "Except as otherwise provided by law, a city or town shall not authorize indebtedness to an amount exceeding 5 per cent of the equalized valuation of the city or town. A city or town may authorize indebtedness in excess of 5 per cent but not in excess of 10 per cent, of the aforesaid equalized valuation; provided, however, that the amount of indebtedness so authorized shall be subject to the approval of the members of the municipal finance oversight board, which approval may be given either before or after such authorization."

Department: General Fund Debt Service - Principal

Year of Issue	Project	Amount Issued	Fiscal Year 2012 Principal	Fiscal Year 2013 Principal	Fiscal Year 2014 Principal	Fiscal Year 2015 Principal	Fiscal Year 2016 Principal	Fiscal Year 2017 Principal	Issue Balance	Total Outstanding Principal
1996	Morse Institute Library	$ 2,814,028	$ 155,000	$ 155,000	$ 155,000	$ 130,000	$ -	$ -	$ -	$ 440,000
1998	Landfill Capping	$ 2,500,000	$ 125,000	$ 125,000	$ 125,000	$ 125,000	$ 125,000	$ 125,000	$ 250,000	$ 875,000
1998	Morse Institute Library	$ 2,250,000	$ 125,000	$ 125,000	$ 125,000	$ 125,000	$ 125,000	$ 125,000	$ -	$ 625,000
1998	Municipal Complex (Town Hall / Safety)	$ 9,000,000	$ 500,000	$ 500,000	$ 500,000	$ 500,000	$ 500,000	$ 500,000	$ -	$ 2,500,000
1999	Municipal Complex (Town Hall / Safety)	$ 9,020,000	$ 500,000	$ 500,000	$ 500,000	$ 500,000	$ 500,000	$ 495,150	$ 465,175	$ 2,960,325
1999	Landfill Capping (Net of Surplus to G.C.)	$ 2,456,916	$ 114,070	$ 114,070	$ 110,212	$ 110,212	$ 110,212	$ 108,653	$ 325,566	$ 878,925
2001	Septic Title V (MWPAT) T5-97-1026	$ 145,813	$ 7,735	$ 7,735	$ 7,735	$ 7,735	$ 7,597	$ 7,597	$ 22,791	$ 61,190
2002	Storm Water (MWPAT)	$ 287,297	$ 22,954	$ 22,999	$ -	$ -	$ -	$ -	$ -	$ 22,999
2003	Land Acquisition *Refunded	$ 812,000	$ 87,000	$ 81,200	$ 72,500	$ -	$ -	$ -	$ -	$ 153,700
2003	Fuel Storage (Residential) *Refunded	$ 490,000	$ 52,500	$ 49,000	$ 43,750	$ -	$ -	$ -	$ -	$ 92,750
2003	Fuel Storage (Municipal) *Refunded	$ 98,000	$ 10,500	$ 9,800	$ 8,750	$ -	$ -	$ -	$ -	$ 18,550
2004	Septic Title V (MWPAT) T5-97-1026-1	$ 92,122	$ 5,127	$ 4,975	$ 5,102	$ 5,102	$ 5,102	$ 5,102	$ 30,850	$ 56,233
2005	Septic Title V (MWPAT)	$ 150,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 90,000	$ 140,000
2006	Capital Equipment (FY2007) ATM 2006	$ 130,000	$ 22,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2006	Capital Equipment (FY2007) ATM 2006	$ 15,000	$ 3,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2008	Landfill Capping *Refunded	$ 90,370	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 5,000	$ -	$ -	$ 35,000
2008	Oil Tank Removal / Remediation *Refunded	$ 306,254	$ 45,000	$ 45,000	$ 40,000	$ 40,000	$ -	$ -	$ -	$ 125,000
2008	Morse Institute Library *Refunded	$ 1,511,188	$ 220,000	$ 210,000	$ 205,000	$ 200,000	$ -	$ -	$ -	$ 615,000
2008	Municipal Complex (Town Hall / Safety) *Re	$ 341,398	$ 50,000	$ 50,000	$ 45,000	$ 35,000	$ -	$ -	$ -	$ 130,000
2009	Glen Street Drainage	$ 1,065,000	$ 110,000	$ 110,000	$ 105,000	$ 105,000	$ 105,000	$ 105,000	$ 80,000	$ 610,000
2009	Glen Street Sidewalk	$ 355,000	$ 70,000	$ 70,000	$ -	$ -	$ -	$ -	$ -	$ 70,000
2009	Municipal Bldg Improvements	$ 158,000	$ 15,917	$ 15,917	$ 15,917	$ 15,917	$ 15,917	$ 15,080	$ 15,080	$ 93,828
2009	Capital Equipment - Fire Pumper	$ 400,000	$ 45,000	$ 45,000	$ 45,000	$ 45,000	$ 45,000	$ 40,000	$ -	$ 220,000
2009	Capital Equipment - Trash Packers	$ 525,000	$ 85,000	$ 85,000	$ 85,000	$ -	$ -	$ -	$ -	$ 170,000
2009	Capital Equipment - Catch Basin Cleaner	$ 190,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 15,000	$ 15,000	$ 110,000
2009	Capital Equipment - S-2 DPW Highway	$ 50,000	$ 10,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2009	Capital Equipment - H-40 DPW Highway	$ 45,000	$ 10,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2009	Capital Equipment - LF-2 DPW LF&NR	$ 41,000	$ 10,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2010	Trash Packer	$ 150,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ -	$ 125,000
2010	Municipal Complex HVAC	$ 410,000	$ 45,000	$ 40,000	$ 40,000	$ 40,000	$ 40,000	$ 40,000	$ 120,000	$ 320,000
2010	Sidewalk Tractor	$ 117,000	$ 15,000	$ 15,000	$ 15,000	$ 15,000	$ 10,000	$ 10,000	$ 20,000	$ 85,000
2011	Community Senior Center	$ 8,850,000	$ 445,000	$ 445,000	$ 445,000	$ 445,000	$ 445,000	$ 445,000	$ 6,180,000	$ 8,405,000
2011	Roads - Oak St	$ 2,000,000	$ 135,000	$ 135,000	$ 135,000	$ 135,000	$ 135,000	$ 135,000	$ 1,190,000	$ 1,865,000
2011	Roads - Pave Rt27	$ 120,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 20,000	$ -	$ -	$ 95,000
2011	Storage Bldg - Oak St Gravel Pit	$ 100,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 40,000	$ 90,000
2011	Ambulance	$ 130,000	$ 30,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ -	$ -	$ 100,000
2011	Fire - Departmental Equipment	$ 150,000	$ 30,000	$ 30,000	$ 30,000	$ 30,000	$ 30,000	$ -	$ -	$ 120,000
2011	Fire - Engine Replacement	$ 400,000	$ 40,000	$ 40,000	$ 40,000	$ 40,000	$ 40,000	$ 40,000	$ 160,000	$ 360,000
2011	Dept Equip - Fire C2 / DPW H52	$ 100,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ -	$ -	$ 80,000
2011	Bldg Remodel - Police Dispatch	$ 150,000	$ 15,000	$ 15,000	$ 15,000	$ 15,000	$ 15,000	$ 15,000	$ 60,000	$ 135,000
2011	Replace DPW Dump Truck H-44	$ 180,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 60,000	$ 160,000
2011	Replace DPW Dump Truck H-53	$ 180,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 60,000	$ 160,000
Estimated	Community Senior Center	$ 1,150,000	$ -	$ 57,500	$ 57,500	$ 57,500	$ 57,500	$ 57,500	$ 862,500	$ 1,150,000
Estimated	Capital Equipment (2011 ATM Auth.)	$ 983,000	$ -	$ 139,000	$ 139,000	$ 139,000	$ 139,000	$ 139,000	$ 288,000	$ 983,000
Estimated	Capital Improvements (2011 ATM Auth.)	$ 1,230,000	$ -	$ 152,300	$ 152,300	$ 152,300	$ 152,300	$ 152,300	$ 468,500	$ 1,230,000
Sub-Total (Gen'l Gov)			**$ 3,315,803**	**$ 3,579,497**	**$ 3,447,766**	**$ 3,197,766**	**$ 2,777,628**	**$ 2,660,382**	**$ 10,803,462**	**$ 26,466,500**

Department: General Fund Debt Service - Principal

Year of Issue	Project	Amount Issued	Fiscal Year 2012 Principal	Fiscal Year 2013 Principal	Fiscal Year 2014 Principal	Fiscal Year 2015 Principal	Fiscal Year 2016 Principal	Fiscal Year 2017 Principal	Issue Balance	Total Outstanding Principal
1998	Lilja School	$ 475,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 150,000
1998	Lilja School	$ 7,490,000	$ 391,000	$ 167,486	$ 146,450	$ 131,300	$ 111,100	$ 90,900	$ 75,000	$ 722,236
1999	Lilja School	$ 300,000	$ 15,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2000	Bennett-Hemenway School	$ 13,200,000	$ 660,000	$ 351,665	$ 323,200	$ 292,900	$ 257,550	$ 222,200	$ 536,206	$ 1,983,722
2004	Wilson Middle School	$ 9,850,000	$ 495,000	$ 495,000	$ 495,000	$ 490,000	$ 490,000	$ 490,000	$ 3,430,000	$ 5,890,000
2004	Wilson Middle School	$ 1,300,000	$ 65,000	$ 65,000	$ 65,000	$ 65,000	$ 65,000	$ 65,000	$ 455,000	$ 780,000
2004	Kennedy Middle School	$ 1,000,000	$ 100,000	$ 100,000	$ 100,000	$ -	$ -	$ -	$ -	$ 200,000
2008	Lilja School *Refunded	$ 135,555	$ 15,000	$ 15,000	$ 15,000	$ 15,000	$ 15,000	$ 5,000	$ 5,000	$ 70,000
2008	Brown School *Refunded	$ 469,310	$ 70,000	$ 55,000	$ 45,000	$ 40,000	$ -	$ -	$ -	$ 140,000
2009	School Bldg Improvements	$ 785,000	$ 79,083	$ 79,083	$ 79,083	$ 79,083	$ 79,083	$ 74,920	$ 74,920	$ 466,171
2010	Kennedy Renovations	$ 1,200,000	$ 120,000	$ 120,000	$ 120,000	$ 120,000	$ 120,000	$ 120,000	$ 360,000	$ 960,000
2010	Memorial Renovations	$ 1,670,000	$ 170,000	$ 170,000	$ 170,000	$ 165,000	$ 165,000	$ 165,000	$ 495,000	$ 1,330,000
2011	High School - Construction	$ 38,500,000	$ 1,925,000	$ 1,925,000	$ 1,925,000	$ 1,925,000	$ 1,925,000	$ 1,925,000	$ 26,950,000	$ 36,575,000
2011	High School - Plans	$ 947,000	$ 52,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 645,000	$ 895,000
2011	High School - Design	$ 520,000	$ 30,000	$ 30,000	$ 30,000	$ 30,000	$ 25,000	$ 25,000	$ 350,000	$ 490,000
2011	High School - Feasibility Study	$ 118,000	$ 28,000	$ 25,000	$ 25,000	$ 20,000	$ 20,000	$ -	$ -	$ 90,000
2011	Johnson Boilers	$ 247,000	$ 27,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 95,000	$ 220,000
2011	Memorial Fire Alarm System	$ 275,000	$ 30,000	$ 30,000	$ 30,000	$ 30,000	$ 30,000	$ 25,000	$ 100,000	$ 245,000
2011	Johnson Exterior Windows	$ 110,000	$ 15,000	$ 15,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 40,000	$ 95,000
Estimated	High School - Construction	$ 2,500,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,500,000	$ 2,500,000
Estimated	Capital Improvements	$ 588,000	$ -	$ 88,300	$ 88,300	$ 88,300	$ 88,300	$ 88,300	$ 146,500	$ 588,000
Sub-Total (Schools)			**$ 4,312,083**	**$ 3,831,534**	**$ 3,767,033**	**$ 3,601,583**	**$ 3,501,033**	**$ 3,406,320**	**$ 36,282,626**	**$ 54,390,128**
General Fund Total			**$ 7,627,886**	**$ 7,411,031**	**$ 7,214,799**	**$ 6,799,349**	**$ 6,278,661**	**$ 6,066,702**	**$ 47,086,088**	**$ 80,856,629**
Total Amount Remaining				**$ 80,856,629**	**$ 73,445,598**	**$ 66,230,799**	**$ 59,431,450**	**$ 53,152,789**	**$ 47,086,088**	$ -

Town of Natick

Home of Champions

Department: General Fund Debt Service - Interest

Year of Issue	Project	Amount Issued	Fiscal Year 2012 Interest	Fiscal Year 2013 Interest	Fiscal Year 2014 Interest	Fiscal Year 2015 Interest	Fiscal Year 2016 Interest	Fiscal Year 2017 Interest	Issue Balance	Total Outstanding Interest
1996	Morse Institute Library	$ 2,814,028	$ 28,903	$ 20,300	$ 11,620	$ 3,640	$ -		$ -	$ 35,560
1998	Landfill Capping	$ 2,500,000	$ 45,875	$ 26,533	$ 19,088	$ 16,488	$ 8,938	$ 1,488	$ 2,063	$ 74,596
1998	Morse Institute Library	$ 2,250,000	$ 33,375	$ 17,681	$ 13,700	$ 6,150	$ 3,650	$ -	$ -	$ 41,181
1998	Municipal Complex (Town Hall / Safety)	$ 9,000,000	$ 133,500	$ 75,532	$ 49,550	$ 29,350	$ 4,400	$ -	$ -	$ 158,832
1999	Municipal Complex (Town Hall / Safety)	$ 9,020,000	$ 165,563	$ 93,290	$ 70,300	$ 44,950	$ 19,900	$ -	$ -	$ 228,440
1999	Landfill Capping (Net of Surplus to G.C.)	$ 2,456,916	$ 48,459	$ 24,706	$ 16,005	$ 10,023	$ 4,174	$ -	$ -	$ 54,907
2002	Storm Water (MWPAT)	$ 287,297	$ 376	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2003	Land Acquisition *Refunded	$ 812,000	$ 7,888	$ 4,524	$ 1,450	$ -	$ -	$ -	$ -	$ 5,974
2003	Fuel Storage (Residential) *Refunded	$ 490,000	$ 4,760	$ 2,730	$ 875	$ -	$ -	$ -	$ -	$ 3,605
2003	Fuel Storage (Municipal) *Refunded	$ 98,000	$ 952	$ 546	$ 175	$ -	$ -	$ -	$ -	$ 721
2006	Capital Equipment (FY2007) ATM 2006	$ 130,000	$ 440	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2006	Capital Equipment (FY2007) ATM 2006	$ 15,000	$ 60	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2008	Landfill Capping *Refunded	$ 90,370	$ 1,500	$ 1,175	$ 850	$ 525	$ 175	$ -	$ -	$ 2,725
2008	Oil Tank Removal / Remediation *Refunded	$ 306,254	$ 5,625	$ 4,163	$ 2,700	$ 1,400	$ -	$ -	$ -	$ 8,263
2008	Morse Institute Library *Refunded	$ 1,511,188	$ 27,638	$ 20,488	$ 13,663	$ 7,000	$ -	$ -	$ -	$ 41,150
2008	Municipal Complex (Town Hall / Safety) *Re	$ 341,398	$ 5,938	$ 4,313	$ 2,688	$ 1,225	$ -	$ -	$ -	$ 8,225
2009	Glen Street Drainage	$ 1,065,000	$ 27,900	$ 22,400	$ 18,688	$ 15,013	$ 11,206	$ 7,269	$ 10,469	$ 85,044
2009	Glen Street Sidewalk	$ 355,000	$ 5,863	$ 2,363	$ -	$ -	$ -	$ -	$ -	$ 2,363
2009	Municipal Bldg Improvements	$ 158,000	$ 4,252	$ 3,456	$ 2,919	$ 2,361	$ 1,784	$ 1,188	$ 1,791	$ 13,498
2009	Capital Equipment - Fire Pumper	$ 400,000	$ 10,213	$ 7,963	$ 6,444	$ 4,869	$ 3,238	$ 1,550	$ 1,550	$ 25,613
2009	Capital Equipment - Trash Packers	$ 525,000	$ 10,094	$ 5,844	$ 2,975	$ -	$ -	$ -	$ -	$ 8,819
2009	Capital Equipment - Catch Basin Cleaner	$ 190,000	$ 5,031	$ 4,031	$ 3,356	$ 2,656	$ 1,931	$ 1,181	$ 1,781	$ 14,938
2009	Capital Equipment - S-2 DPW Highway	$ 50,000	$ 500	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2009	Capital Equipment - H-40 DPW Highway	$ 45,000	$ 500	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2009	Capital Equipment - LF-2 DPW LF&NR	$ 41,000	$ 500	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2010	Trash Packer	$ 150,000	$ 3,000	$ 2,500	$ 1,938	$ 1,313	$ 688	$ -	$ -	$ 6,438
2010	Municipal Complex HVAC	$ 410,000	$ 9,900	$ 9,000	$ 8,100	$ 7,100	$ 6,100	$ 5,000	$ 7,700	$ 43,000
2010	Sidewalk Tractor	$ 117,000	$ 2,588	$ 2,288	$ 1,950	$ 1,575	$ 1,200		$ -	$ 7,013
2011	Community Senior Center	$ 8,850,000	$ 301,900	$ 293,000	$ 279,650	$ 266,300	$ 252,950	$ 230,700	$ 1,402,450	$ 2,725,050
2011	Roads - Oak St	$ 2,000,000	$ 64,325	$ 61,625	$ 57,575	$ 53,525	$ 49,475	$ 42,725	$ 165,725	$ 430,650
2011	Roads - Pave Rt27	$ 120,000	$ 3,750	$ 3,250	$ 2,500	$ 1,750	$ 1,000	$ -	$ -	$ 8,500
2011	Storage Bldg - Oak St Gravel Pit	$ 100,000	$ 3,200	$ 3,000	$ 2,700	$ 2,400	$ 2,100	$ 1,600	$ 3,500	$ 15,300
2011	Ambulance	$ 130,000	$ 4,100	$ 3,500	$ 2,750	$ 2,000	$ 1,250	$ -	$ -	$ 9,500
2011	Fire - Departmental Equipment	$ 150,000	$ 4,800	$ 4,200	$ 3,300	$ 2,400	$ 1,500	$ -	$ -	$ 11,400
2011	Fire - Engine Replacement	$ 400,000	$ 12,800	$ 12,000	$ 10,800	$ 9,600	$ 8,400	$ 6,400	$ 14,000	$ 61,200
2011	Dept Equip - Fire C2 / DPW H52	$ 100,000	$ 3,200	$ 2,800	$ 2,200	$ 1,600	$ 1,000	$ -	$ -	$ 7,600
2011	Bldg Remodel - Police Dispatch	$ 150,000	$ 4,800	$ 4,500	$ 4,050	$ 3,600	$ 3,150	$ 2,400	$ 5,250	$ 22,950
2011	Replace DPW Dump Truck H-44	$ 180,000	$ 5,750	$ 5,350	$ 4,750	$ 4,150	$ 3,550	$ 2,550	$ 6,300	$ 26,650
2011	Replace DPW Dump Truck H-53	$ 180,000	$ 5,750	$ 5,350	$ 4,750	$ 4,150	$ 3,550	$ 2,550	$ 6,300	$ 26,650
Estimated	Community Senior Center	$ 1,150,000	$ -	$ 40,250	$ 38,238	$ 36,225	$ 34,212	$ 32,199	$ 241,425	$ 422,549
Estimated	Capital Equipment (2011 ATM Auth.)	$ 983,000	$ -	$ 34,405	$ 29,540	$ 24,675	$ 19,810	$ 14,945	$ 14,945	$ 138,320
Estimated	Capital Improvements (2011 ATM Auth.)	$ 1,230,000	$ -	$ 43,050	$ 37,720	$ 32,389	$ 27,058	$ 21,727	$ 45,329	$ 207,271
	BANs and Issue Costs	$ -	$ 60,000	$ 60,000	$ 60,000	$ 60,000	$ 60,000	$ 60,000	$ -	$ 300,000
	Bond Refunding (2)	$ -	$ 70,000	$ -	$ -	$ -			$ -	$ -
Sub-Total (Gen'l Gov)			**$ 1,005,564**	**$ 872,103**	**$ 729,553**	**$ 600,400**	**$ 476,387**	**$ 375,471**	**$ 1,930,577**	**$ 4,984,491**

Town of Natick

Home of Champions

Department: General Fund Debt Service - Interest

Year of Issue	Project	Amount Issued	Fiscal Year 2012 Interest	Fiscal Year 2013 Interest	Fiscal Year 2014 Interest	Fiscal Year 2015 Interest	Fiscal Year 2016 Interest	Fiscal Year 2017 Interest	Issue Balance	Total Outstanding Interest
1998	Lilja School	$ 475,000	$ 7,925	$ 6,763	$ 5,575	$ 4,363	$ 3,125	$ 1,875	$ 625	$ 22,325
1998	Lilja School	$ 7,490,000	$ 123,947	$ 11,188	$ 8,288	$ 5,688	$ 3,488	$ 1,688	$ 844	$ 31,181
1999	Lilja School	$ 300,000	$ 6,542	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2000	Bennett-Hemenway School	$ 13,200,000	$ 328,680	$ 34,113	$ 27,713	$ 21,913	$ 16,813	$ 12,413	$ 15,125	$ 128,088
2004	Wilson Middle School	$ 9,850,000	$ 289,088	$ 269,288	$ 249,488	$ 229,688	$ 205,188	$ 180,688	$ 613,113	$ 1,747,450
2004	Wilson Middle School	$ 1,300,000	$ 38,269	$ 35,669	$ 33,069	$ 30,469	$ 27,219	$ 23,969	$ 81,331	$ 231,725
2004	Kennedy Middle School	$ 1,000,000	$ 12,000	$ 8,000	$ 4,000	$ -	$ -		$ -	$ 12,000
2008	Lilja School *Refunded	$ 135,555	$ 2,700	$ 2,213	$ 1,725	$ 1,238	$ 713	$ 188	$ -	$ 6,075
2008	Brown School *Refunded	$ 469,310	$ 6,925	$ 4,650	$ 2,863	$ 1,400	$ -	$ -	$ -	$ 8,913
2009	School Bldg Improvements	$ 785,000	$ 21,123	$ 17,169	$ 14,500	$ 11,732	$ 8,866	$ 5,900	$ 2,997	$ 61,164
2010	Kennedy Renovations	$ 1,200,000	$ 29,400	$ 27,000	$ 24,300	$ 21,300	$ 18,300	$ 15,000	$ 23,100	$ 129,000
2010	Memorial Renovations	$ 1,670,000	$ 40,763	$ 37,363	$ 33,538	$ 29,288	$ 25,163	$ 20,625	$ 31,763	$ 177,738
2011	High School - Construction	$ 38,500,000	$ 1,313,813	$ 1,275,313	$ 1,217,563	$ 1,159,813	$ 1,102,063	$ 1,005,813	$ 7,454,563	$ 13,215,125
2011	High School - Plans	$ 947,000	$ 32,203	$ 31,163	$ 29,663	$ 28,163	$ 26,663	$ 24,163	$ 175,263	$ 315,075
2011	High School - Design	$ 520,000	$ 17,613	$ 17,013	$ 16,113	$ 15,213	$ 14,313	$ 13,063	$ 96,813	$ 172,525
2011	High School - Feasibility Study	$ 118,000	$ 3,660	$ 3,100	$ 2,350	$ 1,600	$ 1,000	$ -	$ -	$ 8,050
2011	Johnson Boilers	$ 247,000	$ 7,890	$ 7,350	$ 6,600	$ 5,850	$ 5,100	$ 3,850	$ 7,400	$ 36,150
2011	Memorial Fire Alarm System	$ 275,000	$ 8,800	$ 8,200	$ 7,300	$ 6,400	$ 5,500	$ 4,000	$ 8,000	$ 39,400
2011	Johnson Exterior Windows	$ 110,000	$ 3,450	$ 3,150	$ 2,700	$ 2,400	$ 2,100	$ 1,600	$ 3,200	$ 15,150
Estimated	High School - Construction	$ 2,500,000	$ -	$ 87,500	$ 87,500	$ -	$ -	$ -	$ -	$ 175,000
Estimated	Capital Improvements	$ 588,000		$ 20,580	$ 17,490	$ 14,399	$ 11,309	$ 8,218	$ 10,782	$ 82,777
Sub-Total (Schools)			**$ 2,294,789**	**$ 1,906,781**	**$ 1,774,844**	**$ 1,576,514**	**$ 1,465,609**	**$ 1,314,831**	**$ 8,514,134**	**$ 16,552,713**
General Fund Total			**$ 3,300,353**	**$ 2,778,884**	**$ 2,504,397**	**$ 2,176,914**	**$ 1,941,997**	**$ 1,690,302**	**$ 10,444,712**	**$ 21,537,204**
Total Amount Remaining				**$ 21,537,204**	**$ 18,758,321**	**$ 16,253,924**	**$ 14,077,010**	**$ 12,135,013**	**$ 10,444,712**	$ -

Summary of Debt - General Fund

	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Issue	Total
General Fund Principal	$ 7,627,886	$ 7,411,031	$ 7,214,799	$ 6,799,349	$ 6,278,661	$ 6,066,702	$ 47,086,088	$ 80,856,629
General Fund Interest	$ 3,300,353	$ 2,778,884	$ 2,504,397	$ 2,176,914	$ 1,941,997	$ 1,690,302	$ 10,444,712	$ 21,537,204
Total Annual Debt Service	**$ 10,928,239**	**$ 10,189,914**	**$ 9,719,196**	**$ 8,976,263**	**$ 8,220,658**	**$ 7,757,003**	**$ 57,530,799**	**$ 102,393,833**
Total Amount Remaining	**$ -**	**$ 102,393,833**	**$ 92,203,919**	**$ 82,484,723**	**$ 73,508,460**	**$ 65,287,803**	**$ 57,530,799**	**$ -**

Town of Natick

Home of Champions

Department: Debt Service

Leased Equipment

	2010 Actual	2011 Actual	2012 Appropriated	2013 Appropriated	2012 vs. 2013 $	2012 vs. 2013 %
Police Motorcycles	$ 14,220	$ 14,220	$ 15,000	$ 15,000	0	0.00%
Motor Vehicle Excise Tax	$ -	$ -	$ 750	$ 750	0	0.00%
Mailing Equipment	$ 16,470	$ 23,846	$ 24,250	$ 24,250	0	0.00%
Copiers	$ -	$ -	$ -	$ 42,000	42,000	100.00%
Purchased Services	**$ 30,690**	**$ 38,066**	**$ 40,000**	**$ 82,000**	**42,000**	**105.00%**
Total Leased Equipment	**$ 30,690**	**$ 38,066**	**$ 40,000**	**$ 82,000**	**42,000**	**105.00%**

Department: Debt Service Line-Item Detail

Narrative:

Principal Payments:
The requested budget amount of **$7,411,031** represents repayment of principal for multiple land acquisition, building projects, and capital improvements. *Reduction form January 1 due to refinancing of eligible bonds from 1998, 1999 and 2000.*

Interest Payments:
The requested budget amount of **$2,778,884** represents the respective interest payments associated with general obligation bonds issued for the projects referenced above. *Reduction form January 1 due to refinancing of eligible bonds from 1998, 1999 and 2000.*

Bond Anticipation Notes:
The requested budget amount of $**60,000** represents the estimated amount of interest associated potential short term borrowing. This amount also includes issue costs (bond counsel, financial advisor, rating agency fees, etc.) for authorized borrowings. (included within Interest payments total).

Leased Equipment:
Motorcycle leases for the Police Department $15,000, Excise Tax for leased motorcycles $750, leased postage / mail room equipment $24,250, copier equipment for the copy center $42,000. Total leased equipment budget $82,000.

Town of Natick

Home of Champions

Department: Reserve Fund

Appropriation Summary

	2010 Actual	2011 Actual	2012 Appropriated	2013 Appropriated	2012 vs. 2013 $	%
Other Charges						
Reserve for Appropriation	0	0	400,000	400,000	0	0.00%
Total Operating Expenses	**0**	**0**	**400,000**	**400,000**	**0**	**0.00%**
Total Reserve Fund	**0**	**0**	**400,000**	**400,000**	**0**	**0.00%**

Budget Overview:

As provided for under M.G.L. Ch. 40, Section 6, every city or town in Massachusetts is allowed to maintain a reserve account or fund within their respective operating budget for "extraordinary or unforeseen expenditures." The Reserve Fund is under the control of the Finance Committee. Disbursements are made by department heads and/or the Town Administrator or the Superintendent requesting transfers be made to their respective budgets.

Reserve Fund History Summary - FY 2005 through 2011

	2005	2006	2007	2008	2009	2010	2011
Appropriations							
Spring Town Meeting	$ 250,000	$ 300,000	$ 250,000	$ 300,000	$ 400,000	$ 400,000	$ 400,000
Fall Town Meeting		$ 250,000	$ 63,500		$ 76,000	$ -	$ -
Total Approriation	**$ 250,000**	**$ 550,000**	**$ 313,500**	**$ 300,000**	**$ 476,000**	**$ 400,000**	**$ 400,000**
Total Transfers	**$ (222,274)**	**$ (403,606)**	**$ (225,408)**	**$ (220,912)**	**$ (402,153)**	**$ (208,774)**	**$ (213,518)**
Ending Balance	**$ 27,726**	**$ 146,394**	**$ 88,092**	**$ 79,088**	**$ 73,847**	**$ 191,226**	**$ 186,482**

A detailed description of individual transfers is on the following page.

Town of Natick

Home of Champions

Department: Reserve Fund

Budget Detail:

	2010 Actual	2011 Actual	2012 Appropriated	2013 Appropriated	2012 vs. 2013 $	%
Reserve for Appropriation	-	-	400,000	400,000	0	0.00%
Other Charges	**-**	**-**	**400,000**	**400,000**	**0**	**0.00%**
Total Reserve Fund	**$ -**	**$ -**	**$ 400,000**	**$ 400,000**	**0**	**0.00%**

Reserve Fund History

This sheet shows the Reserve Fund transfers for FY 2007-FY 2011.

	2007	2008	2009	2010	2011
Original Appropriation	$ 250,000	$ 300,000	$ 400,000	$ 400,000	$ 400,000
Revised Appropriation	$ 313,500	$ 300,000	$ 476,000	$ 400,000	$ 400,000
Clerk - Salaries	$ (1,500)			$ (13,500)	
Clerk - Election Coding		$ (2,700)			
Comptroller - Audit (W-2)					$ (30,000)
Comptroller - Audit (School Activity)					$ (32,000)
DPW - Facility Repairs/Maintenance	$ (50,000)	$ (134,000)	$ (45,793)		$ (2,518)
DPW - Gasoline/Diesel	$ (51,450)				
DPW - Engineering - Plesant Street			$ (50,000)		
DPW - Street Lighting	$ (46,000)				
DPW - Charles River Dam Project			$ (100,000)		
DPW - Town Hall & Fire/Police Boilers				$ (105,653)	
Finance Committee - Salaries		$ (2,700)			
Finance Committee - Printing				$ (9,621)	
Fire - Overtime			$ (23,000)	$ (35,000)	$ (120,000)
Fire - Radios		$ (6,559)			
Fire - Settlement (Labor)		$ (16,181)			
IT - Software Systems Upgrade/Replacement	$ (0.48)				
IT - Telephone Upgrade	$ (16,626)				
Legal - FLSA Accounting Services		$ (3,500.00)			
Legal - Judgments	$ (10,000)				
Parks & Rec - East School Tennis Courts	$ (18,543)				
School Department - HS Emergency Repairs			$ (87,129.89)		
Selectmen - Town Administrator Search	$ (17,500)				
Veterans - Financial Assistance	$ (13,789)	$ (55,272.20)	$ (96,229.89)	$ (45,000)	$ (29,000)
Year-End Balance	**$ 88,091.52**	**$ 79,088.10**	**$ 73,847.22**	**$ 191,225.66**	**$ 186,482.00**

Town of Natick

Home of Champions

Department: Facilities Management

Appropriation Summary

	2010 Actual	2011 Actual	2012 Appropriated	2013 Appropriated	2012 vs. 2013 $ (+/-)	% (+/-)
Salaries						
Personnel Services	$ -	$ -	$ -	$ 2,324,809	$ 2,324,809	100.00%
Total Salaries	**$ -**	**$ -**	**$ -**	**$ 2,324,809**	**$ 2,324,809**	**100.00%**
Operating Expenses						
Other Services (Misc.)	$ -	$ -	$ -	$ 14,350	$ 14,350	100.00%
Tech/Professional Services	$ -	$ -	$ -	$ 110,634	$ 110,634	100.00%
Total Operating Expenses	**$ -**	**$ -**	**$ -**	**$ 124,984**	**$ 124,984**	**100.00%**
Total Facilities Management	$ -	$ -	$ -	$ 2,449,793	$ 2,449,793	100.00%

Purpose:

The Department of Facilities Management (DFM) shall be responsible for the coordination and care of all Town-owned buildings inclusive of those under the control of the Board of Selectmen, Library Trustees and School Committee. It shall coordinate for each building, except where noted, the following:

- custodial care/cleaning
- maintenance and repairs
- landscaping maintenance and pedestrian snow removal (landscaping in courtyards and to approx 20 feet from building and snow removal on walks to the property line)
- capital improvements
- procurement of necessary goods and services; such procurement shall be done in collaboration with the DPW director

Goals:

- Develop realistic budgets on maintaining all town assets while striving to achieve level funded guidelines.
- Continue to protect and preserve the levels of cleanliness and service as expected by the general public and employees.
- Investigate and institute cost saving equipment, environmental friendly purchases, supplies and labor saving techniques in a combined effort to reduce operational costs.
- Explore renewable energy sources.

Department: Facilities Management

Budget Overview:

I. Main Purpose of the Department

As provided by section 37M of the Massachusetts General Laws the Natick School Committee and Board of Selectmen have agreed to the creation of a joint municipal and school facilities management department that will be known as the Department of Facilities Management (DFM). A Memorandum of Agreement was signed between the two boards on March 12, 2012; the DFM will become officially established effective July 1, 2012.

The Department of Facilities Management is the combination of the Custodial and Facilities Department of the Natick Public Schools and the Building Maintenance Division of the Department of Public Works. It is responsible for maintaining all 34 Town facilities 26 municipal buildings & facilities and 8 schools. This budget includes all personnel costs - including all custodians, trades people and supervisors. In addition, expenses related to contracted custodial cleaning are included. NOT included are any other type of building related expense - supplies, trades contracts, capital costs and energy are still budgeted separately within the Natick Public schools and the Department of Public Works as applicable.

The Department is governed by the Facilities Management Board (FMB) which is comprised of the Town Administrator and the Superintendent of Public Schools or their designee. They appoint a Director of Facilities Management who is responsible for running day-to-day operations of the Department and developing Operating and Capital budgets. The FMB sets the goals and direction for the DFM.

II. Recent Developments

This department has gradually come into being. Effective December 1, 2011, all personnel within the respective School and Municipal Building Maintenance functions began to be "shared" prior to formal consolidation. Effective July 1, 2012 (with Town Meeting approval at the upcoming 2012 Spring Annual Town Meeting), this consolidated department as described here will go into effect.

III. Current Challenges

As of this writing, interviews for a new Director of Facilities Management are being conducted, as the current Director has announced his retirement. Filling this position with a skilled professional facilities manager is of the utmost importance to the success of this ambitious initiative. Additional staff (Maintenance Manager, Custodial Manager and Data Analyst) must also be hired. Achieving a cohesive and efficient consolidated Department of Facilities Management will, in and of itself, be a challenge for the new Director. In addition, two new buildings will be coming on line late summer – the new Natick High School and the Community/Senior Center. Both of these facilities have state-of-the-art building systems with which existing maintenance personnel are not expert.

IV. Significant Proposed Changes for the Upcoming Fiscal Year and the Budget Impact

The Fiscal 2013 budget for the consolidated department is greater than it would have been without the consolidation. It will be incumbent on the new Director to find innovative ways to introduce efficiencies while enhancing the maintenance of the Town's facilities.

V. On the Horizon

Going forward, the budgeting methodology will continue to be evaluated to determine if further consolidation would be advantageous and/or more efficient. In addition, the Director, in conjunction with the FMB, will be tasked with development of Service Level Agreements for each facility.

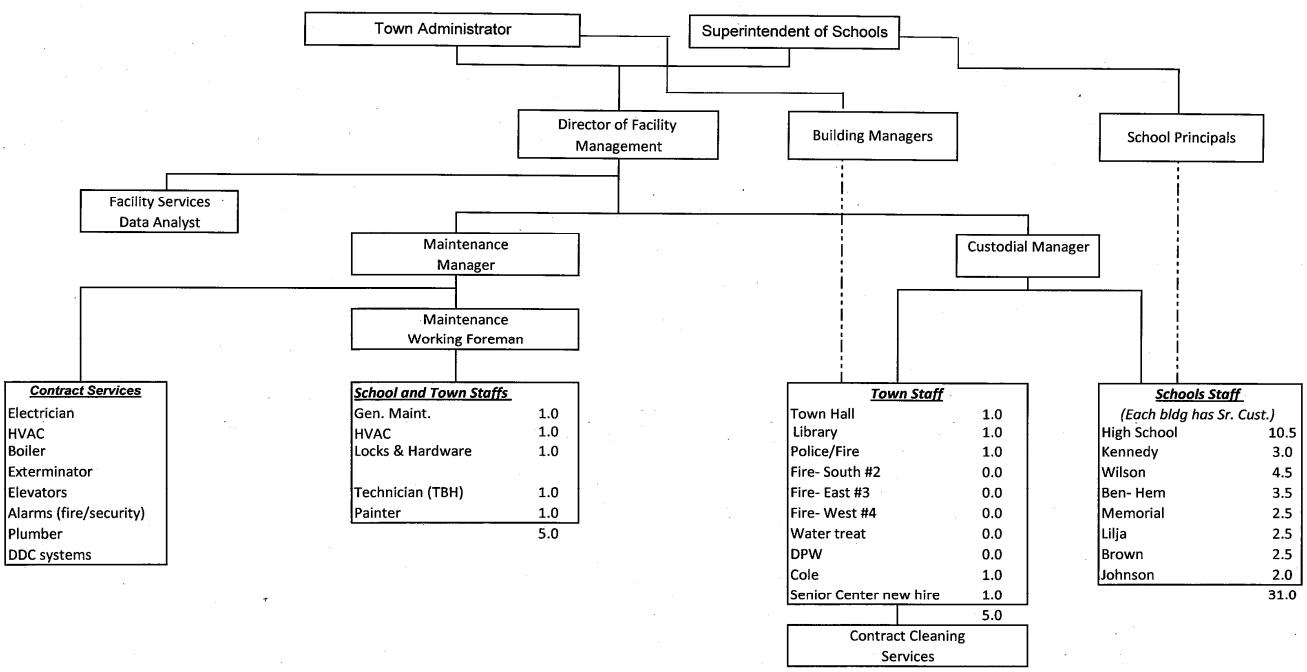
Town of Natick

Home of Champions

Department: Facilities Management

Staffing	2013
Director of Facility Maintenance	1
Custodial Manager	1
Maintenance Manager	1
Data Analyst	1
Assistant Senior Custodian	1
Senior Custodian III	1
Senior Custodian II	1
Senior Custodian I	6
Junior Custodian II	7
Junior Custodian I	15
Plumber	1
Maintenance Foreman	1
Maintenance IV	1
Maintenance III	2
General Foreman	1
Custodian	4
Painter	1
Total FTE	**46**
Total FT/PT	**46 FT/0PT**

Organizational Chart



Roles and responsibilities of each position:

Director of Facility Management:

Capital Planning
Project Management
Purchasing
Bids, Specs & Quotes
AHERA Coordinator

Facility Services Data Analyst:

Data Analysis
Work Order System
Accounting (invoices, PO's)
Payroll/ Vacation schedules
Rental of facilities

Maintenance Manager:

Building Systems Operations & Repair
Personnel Scheduling
Contractor Scheduling
New Building Systems and Training
(High School & Senior Center)

Custodial Manager:

Manage Cleaning & Moving Services
Personnel Scheduling
Contractor Scheduling
IPM Coordinator
Supplies & Equipment

Town of Natick

Home of Champions

Department: Facilities Management

Natick Buildings Systems Summary

	#	% of buildings
Overall		
Total Number of Buildings/Properties Managed & Maintained	**34**	
- Municipal Buildings/Properties	26	
- School Buildings/Properties	8	
Total Square Footage of all Buildings	**1,160,943**	
- Municipal Square Footage	387,943	
- School Square Footage	773,000	
Utility Consumption (annual)		
- Electric (kWH)	8,245,653	
- Natural Gas (therms)	308,919	
- Heating Oil (gallons)	195,412	
- Water* (HCF) **(partial - Municipal only)*	4,916	
Building Systems		
Climate		
- Heat		
Oil	8	24%
Gas	19	56%
None	5	15%
Other	2	6%
- Air Conditioning		
Central	14	41%
Unit	11	32%
None	9	26%
- Digital Controls (DDC) (Y/N)	14	41%
Electric		
Single Phase	12	35%
Three-Phase	13	38%
Unknown	9	26%
Solar Systems (# of buildings which <u>have</u> systems)	4	12%
Security Systems (# of buildings which <u>have</u> systems)	20	59%
Windows		
Excellent	6	18%
Good	13	38%
Fair/Average	9	26%
Poor	6	18%
Roof		
Excellent	7	21%
Good	10	29%
Fair	16	47%
Poor	1	3%
Fire Suppression/ Sprinklers (# of buildings which have Sprinklers)	16	47%
Users		
Individuals in all School Buildings (average daily)	5973	
Average Hours of Operation (schools) (daily)	12.5	

Town of Natick

Home of Champions

Department: Facilities Management

Budget Detail:	2010 Actual	2011 Actual	2012 Appropriated	2013 Appropriated	2012 vs. 2013 $ (+/-)	% (+/-)
Salaries Supervisory	$ -	$ -	$ -	$ 255,600	$ 255,600	100.00%
Salaries Technical & Professional	$ -	$ -	$ -	$ 48,000	$ 48,000	100.00%
Salaries Operational Staff	$ -	$ -	$ -	$ 1,819,082	$ 1,819,082	100.00%
Salaries Part-Time Operational	$ -	$ -	$ -	$ 35,015	$ 35,015	100.00%
Operational Staff Add. Comp	$ -	$ -	$ -	$ 41,370	$ 41,370	100.00%
Operational Staff Overtime	$ -	$ -	$ -	$ 125,742	$ 125,742	100.00%
Personnel Services	**$ -**	**$ -**	**$ -**	**$ 2,324,809**	**$ 2,324,809**	**100.00%**
Clothing Allowance Oper. Staff	$ -	$ -	$ -	$ 14,350	$ 14,350	100.00%
Other Services (Misc.)	**$ -**	**$ -**	**$ -**	**$ 14,350**	**$ 14,350**	**100.00%**
Contractual Svs - Cleaning	$ -	$ -	$ -	$ 110,634	$ 110,634	100.00%
Tech/Professional Services	**$ -**	**$ -**	**$ -**	**$ 110,634**	**$ 110,634**	**100.00%**
Total - Facilities Management	**$ -**	**$ -**	**$ -**	**$ 2,449,793**	**$ 2,449,793**	**100.00%**

Line-Item Detail

Personnel Services:

Salaries: Supervisory: To fund three (3) the positions of Director of Facilities Maintenance, Custodial Manager and Maintenance Manager who oversees this division.
Salaries: Technical/Professional: To fund one (1) position of Data Analyst.
Salaries: Operational Staff: To fund forty-two (42) employees who maintain and care for town buildings.
Salaries: Part Time Operational: This fund is for extra help during summer vacations and for Police Details for Municipal buildings and Summer Maintenance Personnel for the Natick Public Schools.
Operational Staff Additional Compensation: This fund is for longevity and temporary upgrades per union contract.
Operational Staff Overtime: This fund is for emergencies and callbacks after normal operating hours for Municipal buildings, and Building Security & Substitutes and Rental of Facilities Overtime for the Natick Public Schools.

Other Services (Misc.):

Clothing Allowance/Operational Staff: This fund is for the clothing allowance per union agreement.

Technical & Professional Services:

Contractual Services – Custodian: This fund is for the cleaning, set-ups and maintenance of the Senior Center, Fire Station, Police Station, Morse Library, Town Hall and Public Works complex by the outside contractor.

Town of Natick

Home of Champions

Department: Facilities Management

The following table shows the comparative budget for those items currently in the Public Schools and Public Works vs. the FY 2013 Budget request for Facilities Management.

Comparative Budget Detail:	**2010 Actual**	**2011 Actual**	**2012 Appropriated**	**2013 Appropriated**	**2012 vs. 2013 $ (+/-)**	**% (+/-)**
Salaries Supervisory	$ 227,410	$ 259,682	$ 217,334	$ 255,600	$ 38,266	17.61%
Salaries Technical & Professional	$ -	$ -	$ -	$ 48,000	$ 48,000	#DIV/0!
Salaries Operational Staff	$ 1,801,887	$ 1,777,151	$ 1,841,868	$ 1,819,082	$ (22,786)	-1.24%
Salaries Part-Time Operational	$ -	$ -	$ 3,460	$ 35,015	$ 31,555	911.99%
Supervisory Staff Add'l Comp	$ 8,352	$ 8,435	$ 6,500	$ -	$ (6,500)	-100.00%
Operational Staff Add. Comp	$ 4,992	$ 2,450	$ 7,600	$ 41,370	$ 33,770	444.34%
Operational Staff Overtime	$ 141,031	$ 148,455	$ 121,940	$ 125,742	$ 3,802	3.12%
Personnel Services	**$ 2,183,672**	**$ 2,196,173**	**$ 2,198,702**	**$ 2,324,809**	**$ 126,107**	**100.00%**
Clothing Allowance Oper. Staff	$ 2,100	$ 2,100	$ 2,100	$ 14,350	$ 12,250	583.33%
Other Services (Misc.)	**$ 2,100**	**$ 2,100**	**$ 2,100**	**$ 14,350**	**$ 12,250**	**100.00%**
Contractual Svs - Cleaning	$ 85,542	$ 95,938	$ 95,800	$ 110,634	$ 14,834	15.48%
Tech/Professional Services	**$ 85,542**	**$ 95,938**	**$ 95,800**	**$ 110,634**	**$ 14,834**	**15.48%**
Total - Facilities Management	**$ 2,271,314**	**$ 2,294,211**	**$ 2,296,602**	**$ 2,449,793**	**$ 153,191**	**6.67%**