



## *Memorandum*

To: Board of Selectmen  
Finance Committee

From: Martha White, Town Administrator  
Michael Walters Young, Deputy Town Administrator

Date: Tuesday, September 28, 2010

Re: Changes to Financial Articles being proposed at the Fall 2010 Annual Town Meeting

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As a result of further refinement, the amounts being requested under Articles 1 and 9 have been tweaked since original memorandum summarizing operating and capital requests were distributed. Please find attached a revised summary memo which outlines all proposed budgetary changes to the FY 2011 Operating and Capital Budgets under Articles 1, 3, 9, 10, 11 and 15.

This memorandum is designed to be a resource for Finance Committee Recommendations on Thursday Night for the articles listed above.

Please let us know if you have any questions.



# Town of Natick

Home of Champions

FY 2011 Budget Development

Amended - 9/27/10

## Fall 2010 Annual Town Meeting Articles

### Operating Budget Impacts

Article	Need	Amount	Source
<b>1</b>	<b><u>Omnibus Budget Reconciliation</u></b>		
	Police Salaries (Crossing Guards)	\$ 22,292	Free Cash
	Comptroller Salaries	\$ 15,000	Free Cash
	Various Municipal Line-Items (Per. Bd. Employees)	\$ 63,512	Free Cash
		\$ 98	W/S User Fees
		\$ 1,231	GC User Fees
<b>3</b>	<b><u>Capital Stabilization Fund</u></b>		
	Appropriation of FY 2010 Local Option Taxes	\$ 307,913	Free Cash
<b>9</b>	<b><u>Capital Equipment</u></b>		
	Replace NSD-81 (Vehicle)	\$ 21,000	Free Cash
	Police Crusiers(2)	\$ 62,360	Free Cash
	Rehab of Flaring Station @ Landfill	\$ 15,500	Free Cash
	Replace Guardrails (Various Locations)	\$ 15,000	Free Cash
	Replace Dumpsters (Various Locations)	\$ 10,000	Free Cash
	Irrigation Controller	\$ 25,000	Free Cash
	Replace Health-2 (Vehicle)	\$ 22,000	Free Cash
	Natick Common Electrical/Gazebo Renovations	\$ 18,000	Free Cash
	Preservation of Historical Records	\$ 100,000	Free Cash
	Replace CD-2 (Vehicle)	\$ 22,000	Free Cash
<b>11</b>	<b><u>Fire Station 4</u></b>		
	Land Purchase / Research	\$ 20,000	Free Cash
<b>15</b>	<b><u>East School Disposition</u></b>		
	Development of RFP & Due Diligence	\$ 25,000	Free Cash

### Total Operating Budget Impacts \$ 765,906

Operational Needs	\$ 102,133
Research & Land Purchase Needs	\$ 45,000
Capital Requests	\$ 310,860
Reserves (Capital)	\$ 307,913
<b>Total Expense Requests</b>	<b>\$ 765,906</b>

### Free Cash Changes

<b>Estimated Free Cash</b>	<b>\$ 3,018,888</b>
Reserve Set-aside (1/2% of G.F. Revenues)	\$ (541,007)
FY 2012 Operating Set-aside	\$ (1,500,000)

<b>Actual Estimated Available Free Cash</b>	<b>\$ 977,881</b>
Fall Town Meeting Use of Free Cash (requested)	\$ (764,577)

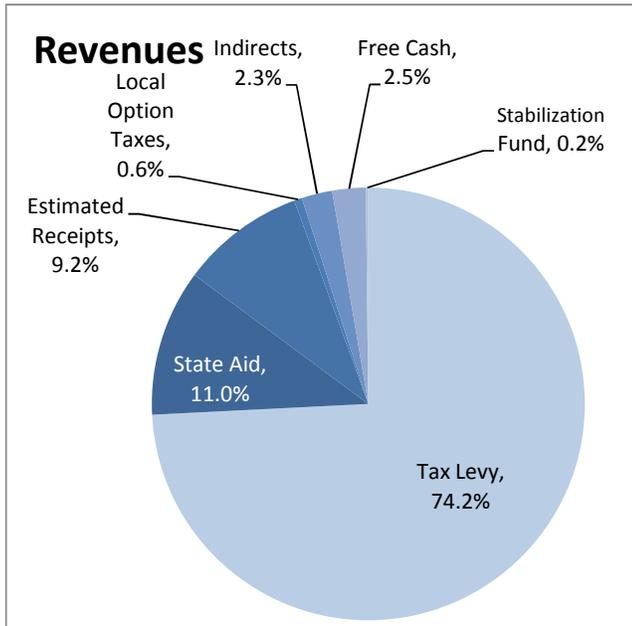
### Balance \$ 213,304

# General Fund Revenue/Expenditure Summary

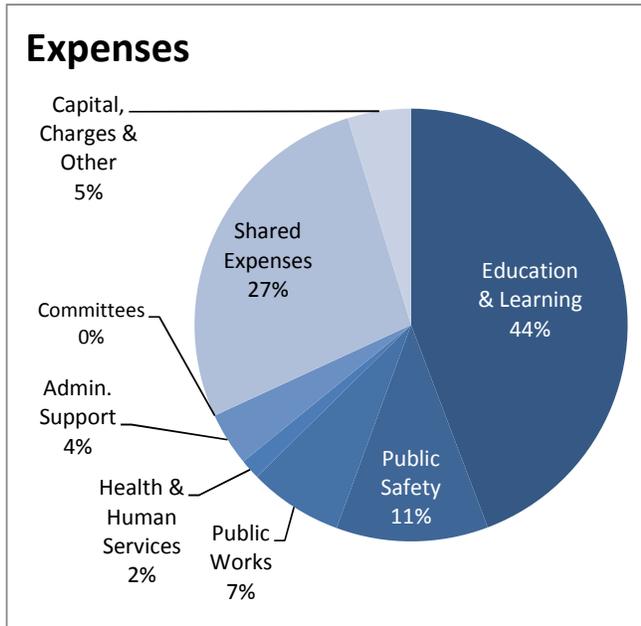
	2009 Actual	2010 Appropriated	2011 Appropriated	2011 Fall Town Meeting	2010 vs. 2011 \$	2010 vs. 2011 %
<b>General Fund Revenues</b>						
Tax Levy	\$ 72,696,077	\$ 76,971,074	\$ 79,283,758	\$ 79,283,758	2,312,684	3.00%
State Aid	\$ 11,216,189	\$ 10,619,913	\$ 11,719,198	\$ 11,719,198	1,099,285	10.35%
Estimated Receipts	\$ 11,735,232	\$ 9,497,772	\$ 9,915,900	\$ 9,915,900	418,128	4.40%
Local Option Taxes	\$ -	\$ -	\$ 640,000	\$ 640,000	640,000	#DIV/0!
Other Local Receipts						
Indirects	\$ 2,546,345	\$ 2,506,416	\$ 2,449,757	\$ 2,449,757	-56,659	-2.26%
<b>Free Cash ①</b>	\$ 3,247,997	\$ 2,147,380	\$ 2,660,759	\$ 3,425,336	1,277,956	59.51%
Stabilization Fund	\$ 600,000	\$ 950,751	\$ 98,550	\$ 98,550	-852,201	-89.63%
Overlay Surplus	\$ -	\$ 1,000,000			-1,000,000	-100.00%
Other Available Funds	\$ 210,851	\$ 210,851	\$ 190,851	\$ 190,851	-20,000	-9.49%
<b>Total General Fund Revenues</b>	<b>102,252,691</b>	<b>103,904,157</b>	<b>106,958,773</b>	<b>107,723,350</b>	<b>3,819,193</b>	<b>3.68%</b>
<b>General Fund Expenses</b>						
Education & Learning						
Natick Public Schools	\$ 43,578,812	\$ 42,141,517	\$ 44,005,754	\$ 44,005,754	1,864,237	4.42%
Keefe Tech	\$ 1,135,347	\$ 1,283,158	\$ 1,469,598	\$ 1,469,598	186,440	14.53%
Morse Institute Library	\$ 1,742,249	\$ 1,729,807	\$ 1,728,070	\$ 1,728,070	-1,737	-0.10%
Bacon Free Library	\$ 116,309	\$ 115,896	\$ 105,805	\$ 105,805	-10,091	-8.71%
<b>Public Safety ②</b>	\$ 11,568,696	\$ 11,687,361	\$ 12,047,835	\$ 12,070,127	382,766	3.28%
Public Works	\$ 7,178,630	\$ 7,322,776	\$ 7,286,168	\$ 7,286,168	-36,608	-0.50%
Health & Human Services	\$ 1,595,987	\$ 1,556,215	\$ 1,557,891	\$ 1,557,891	1,676	0.11%
<b>Administrative Support Services ③</b>	\$ 3,911,867	\$ 4,056,112	\$ 4,074,109	\$ 4,089,109	32,997	0.81%
Committees	\$ 17,522	\$ 18,510	\$ 25,010	\$ 25,010	6,500	35.12%
Shared Expenses						
<b>Fringe Benefits ④</b>	\$ 12,293,905	\$ 14,245,784	\$ 15,300,839	\$ 15,364,351	1,118,567	7.85%
Prop & Liab. Insurance	\$ 410,799	\$ 496,150	\$ 496,150	\$ 496,150	0	0.00%
Retirement	\$ 5,154,961	\$ 5,271,467	\$ 5,472,935	\$ 5,472,935	201,468	3.82%
Debt Services	\$ 6,895,992	\$ 7,158,728	\$ 7,017,319	\$ 7,017,319	-141,409	-1.98%
Reserve Fund	\$ 73,847	\$ 400,000	\$ 400,000	\$ 400,000	0	0.00%
<b>General Fund Oper. Expenses</b>	<b>\$ 95,674,923</b>	<b>\$ 97,483,480</b>	<b>\$ 100,987,483</b>	<b>\$ 101,088,287</b>	<b>3,604,807</b>	<b>3.70%</b>
<b>Capital Improvements ⑦</b>	\$ 293,900	\$ 300,940	\$ 232,260	\$ 543,120	242,180	80.5%
School Bus Transportation	\$ 302,122	\$ 311,186	\$ 320,522	\$ 320,522	9,336	3.0%
State & County Assessments	\$ 1,552,943	\$ 1,540,299	\$ 1,387,158	\$ 1,387,158	-153,141	-9.9%
Cherry Sheet Offsets	\$ 68,029	\$ 56,369	\$ 133,420	\$ 133,420	77,051	136.7%
Tax Title	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	0	0.0%
Snow Removal Supplement	\$ 650,000	\$ 749,655	\$ 448,991	\$ 448,991	-300,664	-40.1%
Overlay	\$ 1,039,144	\$ 1,321,477	\$ 1,100,000	\$ 1,100,000	-221,477	-16.8%
Golf Course Deficit	\$ 355,000	\$ 355,000	\$ 334,500	\$ 334,500	-20,500	-5.8%
Stablization Fund		\$ 800,000	\$ 1,634,439	\$ 1,634,439	834,439	104.3%
<b>Capital Stabilization Fund ⑧</b>				\$ 307,913	307,913	#DIV/0!
FLSA Settlement		\$ 950,751	\$ 315,000	\$ 315,000	-635,751	-66.9%
<b>Misc. Articles ⑨</b>		\$ 10,000	\$ -	\$ 45,000	35,000	350.0%
Funding for Economic Devel.			\$ 40,000	\$ 40,000	40,000	#DIV/0!
Contract Settlements (Mun. & Sch.)			TBD	TBD		
<b>Total General Fund Expenses</b>	<b>\$ 99,961,061</b>	<b>\$ 103,904,157</b>	<b>\$ 106,958,773</b>	<b>\$ 107,723,350</b>	<b>3,819,193</b>	<b>3.68%</b>
<b>Net Excess / (Deficit)</b>	<b>2,291,630</b>	<b>0</b>	<b>0</b>	<b>0</b>		

# General Fund Revenue/Expenditure Summary

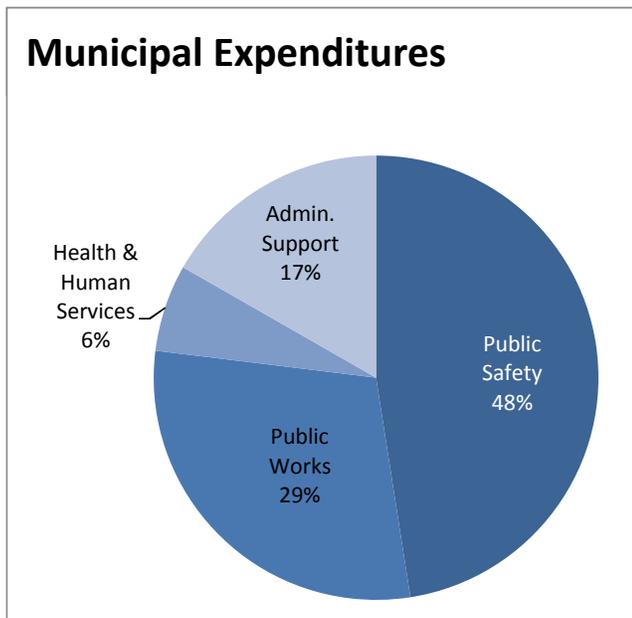
General Fund Revenues - FY 2011



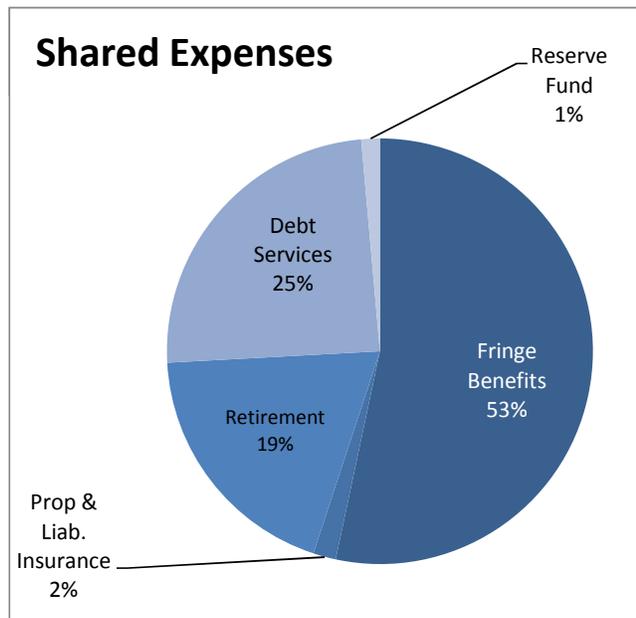
General Fund Expenditures - FY 2011



Municipal Expenditures - FY 2011



Shared Expenditures - FY 2011



# Enterprise Fund Revenue/Expenditure Summary

	2009 Actual	2010 Appropriated	2011 Appropriated	2011 Fall Town Meeting	2010 vs. 2011 \$	2010 vs. 2011 %
<b>Water/Sewer Enterprise Fund</b>						
<b>Revenues</b>						
User Charges	13,068,730	12,314,366	12,434,497	12,434,595	120,229	0.98%
Connection Fees	95,193	95,000	170,000	170,000	75,000	78.95%
Other Departmental Income	1,000,186	700,000	750,000	750,000	50,000	7.14%
Investment Income	48,798	45,000	45,000	45,000	-	0.00%
Capital Article Closeouts/Trans.	-	162,304	150,000	150,000	(12,304)	-7.58%
Retained Earnings	-	213,696	-	-	(213,696)	-100.00%
<b>Total Revenues</b>	<b>14,212,907</b>	<b>13,530,366</b>	<b>13,549,497</b>	<b>13,549,595</b>	<b>19,229</b>	<b>0.14%</b>
<b>Expenses</b>						
Sewer	4,823,607	5,218,449	5,253,221	5,253,221	34,772	0.67%
Water	1,830,313	2,013,391	2,078,060	2,078,060	64,669	3.21%
<b>Utility Billing</b> ⑤	172,061	219,282	221,648	221,746	2,464	1.12%
Fringe Benefits	610,046	607,776	636,395	636,395	28,619	4.71%
Debt Service	2,177,270	2,415,052	2,398,416	2,398,416	-16,636	-0.69%
Reserve Fund	0	200,000	200,000	200,000	0	0.00%
**Indirects** (included in G/F)	2,546,346	2,506,416	2,449,757	2,449,757	-56,659	-2.26%
**Capital**	746,635	350,000	312,000	312,000	-38,000	-10.86%
<b>Total Expenses</b>	<b>12,906,278</b>	<b>13,530,366</b>	<b>13,549,497</b>	<b>13,549,595</b>	<b>19,229</b>	<b>0.14%</b>
<b>Sassamon Trace Enterprise Fund</b>						
<b>Revenues</b>						
User Charges	413,518	385,000	395,600	395,600	10,600	2.8%
Other Departmental Revenue	160,001	145,000	145,000	146,231	1,231	0.8%
Retained Earnings	76,232	41,430	56,422	56,422	14,992	36.2%
Town Subsidy	355,001	355,000	334,500	334,500	(20,500)	-5.8%
<b>Total Revenues</b>	<b>1,004,752</b>	<b>926,430</b>	<b>931,522</b>	<b>932,753</b>	<b>6,323</b>	<b>0.68%</b>
<b>Expenses</b>						
<b>Operations</b> ⑥	570,281	590,532	602,292	603,523	12,991	2.20%
Reserve Fund	0	0	0	0	0	#DIV/0!
Fringe Benefits	30,100	23,111	25,075	25,075	1,964	8.50%
Debt Service	321,288	312,787	304,155	304,155	-8,632	-2.76%
<b>Total Expenses</b>	<b>921,669</b>	<b>926,430</b>	<b>931,522</b>	<b>932,753</b>	<b>6,323</b>	<b>0.68%</b>



# Town of Natick

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FY 2011 Budget Development

## Changes to Revenue/Expenditure Summary

### Revenues

#### 1) Free Cash

2010 Spring ATM Amount	\$	2,660,759
2010 Fall ATM Amount	\$	3,425,336

<b>Difference</b>	<b>Increase of \$</b>	<b>764,577</b>
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Reason: Amount requested to fund Operating/capital requests for Articles 1, 3, 9, 10, 11 and 15

### Expenses

#### Article 1

#### 2) Public Safety

2010 Spring ATM Amount	\$	12,047,835
2010 Fall ATM Amount	\$	12,070,127

<b>Difference</b>	<b>Increase of \$</b>	<b>22,292</b>
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Reason: Restoration and addition of 2 crossing guards to Police Department Salaries

#### 3) Administrative Support Services

2010 Spring ATM Amount	\$	4,074,109
2010 Fall ATM Amount	\$	4,089,109

<b>Difference</b>	<b>Increase of \$</b>	<b>15,000</b>
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Reason: Difference between budgeted and actual amount in Comptroller's Salaries.

#### 4) Fringe Benefits

2010 Spring ATM Amount	\$	15,300,839
2010 Fall ATM Amount	\$	15,364,351

<b>Difference</b>	<b>Increase of \$</b>	<b>63,512</b>
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Reason: Amount requested to fund 2% one-time payments to Personnel Board Employees

#### 5) Water/Sewer Enterprise Fund - Utility Billing Salaries

2010 Spring ATM Amount	\$	100,948
2010 Fall ATM Amount	\$	101,046

<b>Difference</b>	<b>Increase of \$</b>	<b>98</b>
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Reason: Amount requested to fund 2% one-time payments to Personnel Board Employees

#### 6) Sassamon Trace Enterprise Fund Salaries

2010 Spring ATM Amount	\$	144,294
2010 Fall ATM Amount	\$	145,525

<b>Difference</b>	<b>Increase of \$</b>	<b>1,231</b>
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Reason: Amount requested to fund 2% one-time payments to Personnel Board Employees

#### Articles 9 & 10

#### 7) Capital Improvements

2010 Spring ATM Amount	\$	232,260
2010 Fall ATM Amount	\$	543,120

<b>Difference</b>	<b>Increase of \$</b>	<b>310,860</b>
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Reason: Amount requested to fund Capital Equipment Purchases under Article 9



# Town of Natick

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FY 2011 Budget Development

## Changes to Revenue/Expenditure Summary

### Article 3

#### 8) Capital Stabilization Fund

2010 Spring ATM Amount	\$	-
2010 Fall ATM Amount	\$	307,913
<b>Difference</b>	<b>Increase of \$</b>	<b>307,913</b>

*Reason: Requested to fund a new Capital Stabilization Fund (Amount = last year's local option tax collections)*

### Articles 11 & 15

#### 9) Misc. Articles

2010 Spring ATM Amount	\$	-
2010 Fall ATM Amount	\$	45,000
<b>Difference</b>	<b>Increase of \$</b>	<b>45,000</b>

*Reason: \$20,000 requested under Article 11 and \$25,000 requested under Article 15*

<b>Total Increase/Change to G/F</b>	<b>\$</b>	<b>764,577</b>
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