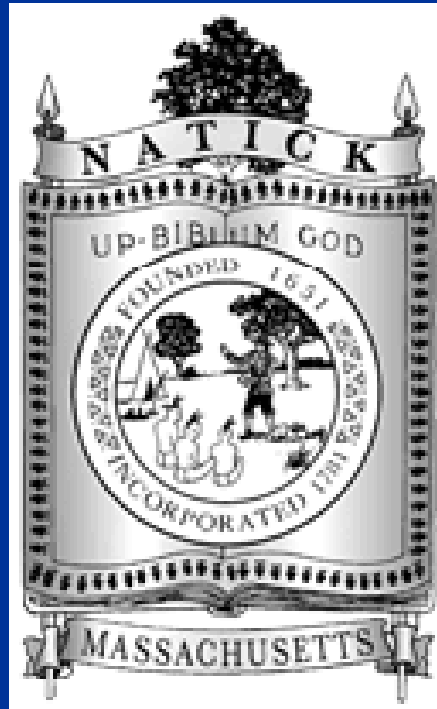


Town of Natick



Reserves

Martha White, Town Administrator



Town of Natick

Reserves Status

Introduction

The Town of Natick, as per its adopted Financial Management Principles, maintains a portfolio of permanent reserves in the form of Stabilization Funds. Established by Town Meeting under Chapter 40, Section 5b of the Massachusetts General Laws, stabilization funds act as the Town's savings account, providing resources for one-time and limited recurring expenses when and if necessary.

The Town maintains three Stabilization Funds:

General: For the purpose of unforeseen and catastrophic emergencies

Operational: For the purpose of augmenting operations in case of sustained economic downturn

Capital: For the purpose of funding any capital related project, piece of capital equipment or debt-service payment related thereto.

Balances for each are shown on the successive slides



Town of Natick

Reserves Status

Reserves

General Stabilization Fund

Current Balance:	\$ 4,271,457
<u>Target (5% of G.F. Revenues):</u>	<u>\$ 5,861,169</u>
Percent Funded:	% 73

Operational Stabilization Fund

Current Balance:	\$ 856,478
<u>Target (3-year % of state & local rev.):</u>	<u>\$ 5,150,011</u>
Percent Funded:	% 17

Capital Stabilization Fund

Current Balance:	\$ 1,478,084
Target:	None*

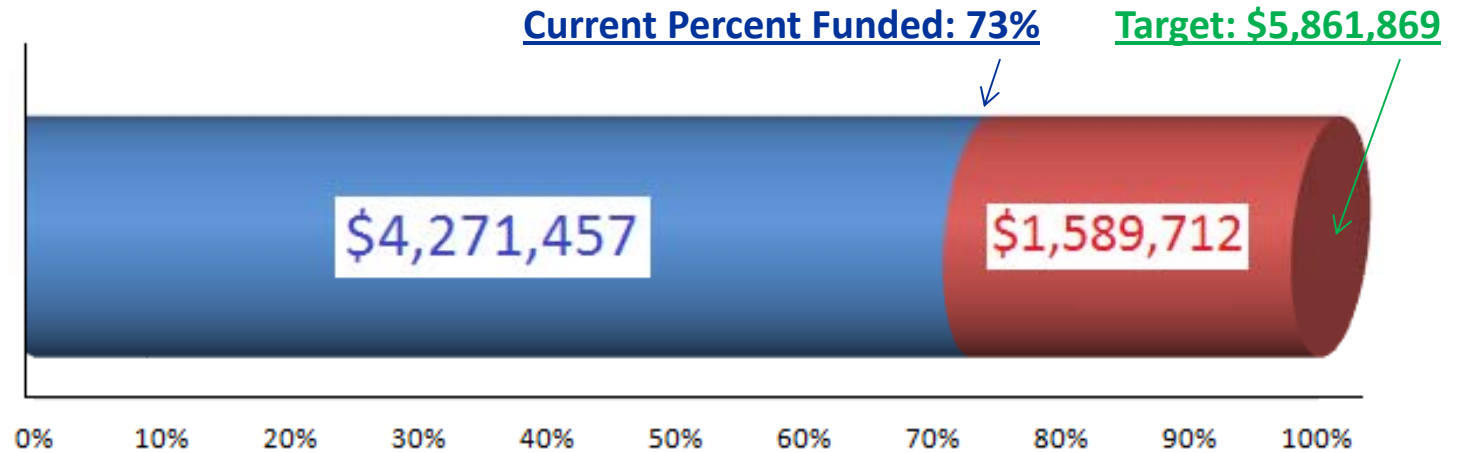
**Capital Stabilization Fund has no target; to be spent only on Capital and Debt Service payments.*



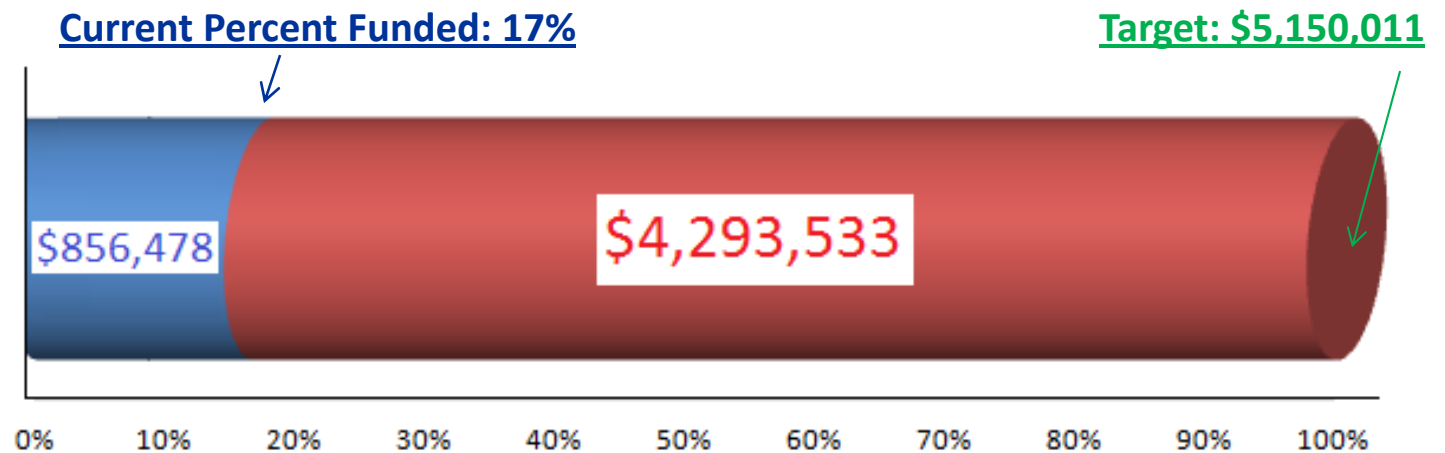
Town of Natick

Reserves Status

General Stabilization Fund



Operational Stabilization Fund





Town of Natick

Reserves Status

Summary

As resources allow, it is the intent of Town Administration to build the Operational Stabilization Fund over the coming years to prepare for the next economic downturn. The balance of the General Stabilization Fund is adequate to meet most any unforeseen or catastrophic emergency at this point in time.

The Capital Stabilization Fund already has a dedicated revenue source – local option sales taxes. These taxes are recurring annually and provide a solid base of support for funding capital projects and debt service payments.

To see comparative communities and AAA Bond-rated communities reserve levels, please go to the end of this presentation.



Town of Natick

Reserves Status

Summary

Other funds, such as Free Cash (the amount left over at the end of a given fiscal year) and Overlay Surplus (the amount left over from the Overlay Reserve once all tax abatements have been granted and cases settled) have in the past been used and can be counted towards the Town's overall reserves. These funds are not available until certified on an annual basis, and in the case of the Overlay Surplus dependent upon any funds being left over once cases and abatements are granted. It is for that reason the Town does not include those balances when reporting on reserves.

At the conclusion of the 2011 Fall Annual Town Meeting, the remaining amount of unallocated Free Cash was \$1,479,430. There was no Overlay Surplus available.

Comparable Communities

Stabilization Fund & Free Cash as a Percentage of the Budget

Municipality	FY Budget & Free Cash	Total Budget	Free Cash	Free Cash as % of Budget	FY Stabilization	Stabilization Fund	Stabilization Fund as % of Budget	Composite Reserves	Composite Reserves as % of Budget
NATICK	2011	\$ 119,367,560	\$ 5,899,906	4.94%	2010	\$ 2,730,062	2.29%	\$ 8,629,968	7.23%
ANDOVER	2011	\$ 139,893,172	\$ 1,609,894	1.15%	2010	\$ 4,433,139	3.17%	\$ 6,043,033	4.32%
BEVERLY	2011	\$ 114,419,309	\$ 1,634,295	1.43%	2010	\$ 550,000	0.48%	\$ 2,184,295	1.91%
BILLERICA	2011	\$ 136,301,402	\$ 2,349,787	1.72%	2010	\$ 3,916,642	2.87%	\$ 6,266,429	4.60%
BRAINTREE	2011	\$ 115,807,079	\$ 6,886,442	5.95%	2010	\$ 2,082,933	1.80%	\$ 8,969,375	7.75%
CHELMSFORD	2011	\$ 110,331,495	\$ 676,791	0.61%	2010	\$ 3,140,550	2.85%	\$ 3,817,341	3.46%
FRANKLIN	2011	\$ 109,664,957	\$ 2,133,006	1.95%	2010	\$ 5,177,905	4.72%	\$ 7,310,911	6.67%
LEXINGTON	2011	\$ 185,082,080	\$ 7,125,000	3.85%	2010	\$ 10,461,218	5.65%	\$17,586,218	9.50%
MILTON	2011	\$ 88,343,671	\$ 568,531	0.64%	2010	\$ 1,406,900	1.59%	\$ 1,975,431	2.24%
NEEDHAM	2011	\$ 133,119,698	\$ 3,380,269	2.54%	2010	\$ 4,665,095	3.50%	\$ 8,045,364	6.04%
NORTH ANDOVER	2011	\$ 89,712,389	\$ 690,952	0.77%	2010	\$ 2,222,033	2.48%	\$ 2,912,985	3.25%
NORWOOD	2011	\$ 154,938,705	\$ 1,078,711	0.70%	2010	\$ 4,016,459	2.59%	\$ 5,095,170	3.29%
SHREWSBURY	2011	\$ 97,532,515	\$ 5,845,970	5.99%	2010	\$ 182,966	0.19%	\$ 6,028,936	6.18%
WELLESLEY	2011	\$ 138,350,803	\$ 9,471,751	6.85%	2010	\$ 3,022,255	2.18%	\$12,494,006	9.03%
AVERAGE		\$ 124,115,175	\$ 3,342,415	2.69%		\$ 3,482,930	2.81%	\$ 6,825,346	5.50%

Notes:

Source: Mass. Dept. of Revenue, Division of Local Services, Municipal Databank/Local Aid Section. Data shown most recent year available.

All AAA Rated Communities*

Stabilization Fund & Free Cash as a Percentage of the Budget

Municipality	FY Budget & Free Cash	Total Budget	Free Cash	Free Cash as % of Budget	FY Stabilization	Stabilization Fund	Stabilization Fund as % of Budget	Composite Reserves	Composite Reserves as % of Budget
NATICK	2011	\$ 119,367,560	\$ 5,899,906	4.94%	2010	\$ 2,730,062	2.29%	\$ 8,629,968	7.23%
ACTON	2011	\$ 85,551,488	\$ 4,650,574	5.44%	2010	\$ -	0.00%	\$ 4,650,574	5.44%
ARLINGTON	2011	\$ 127,089,727	\$ 770,498	0.61%	2010	\$ 2,546,031	2.00%	\$ 3,316,529	2.61%
BARNSTABLE	2011	\$ 165,297,176	\$ 10,746,572	6.50%	2010	\$ 11,638,017	7.04%	\$ 22,384,589	13.54%
BEDFORD	2011	\$ 78,961,108	\$ 2,394,874	3.03%	2010	\$ 3,403,858	4.31%	\$ 5,798,732	7.34%
BELMONT	2011	\$ 78,961,108	\$ 2,394,874	3.03%	2010	\$ 3,403,858	4.31%	\$ 5,798,732	7.34%
BROOKLINE	2011	\$ 224,592,464	\$ 7,105,288	3.16%	2010	\$ 5,398,393	2.40%	\$ 12,503,681	5.57%
CAMBRIDGE	2011	\$ 507,351,045	\$ 89,315,773	17.60%	2010	\$ 20,606,658	4.06%	\$ 109,922,431	21.67%
CANTON	2011	\$ 82,342,676	\$ 990,878	1.20%	2010	\$ 3,234,212	3.93%	\$ 4,225,090	5.13%
CHATHAM	2011	\$ 41,155,574	\$ 814,322	1.98%	2010	\$ 1,760,452	4.28%	\$ 2,574,774	6.26%
CONCORD	2011	\$ 81,263,870	\$ 8,635,340	10.63%	2010	\$ 3,331,060	4.10%	\$ 11,966,400	14.73%
DOVER	2011	\$ 30,770,257	\$ 4,433,983	14.41%	2010	\$ 779,332	2.53%	\$ 5,213,315	16.94%
DUXBURY	2011	\$ 62,902,478	\$ 3,649,573	5.80%	2010	\$ 1,414,693	2.25%	\$ 5,064,266	8.05%
HINGHAM	2011	\$ 82,926,379	\$ 8,707,991	10.50%	2010	\$ -	0.00%	\$ 8,707,991	10.50%
LEXINGTON	2011	\$ 185,082,080	\$ 7,125,000	3.85%	2010	\$ 10,461,218	5.65%	\$ 17,586,218	9.50%
LINCOLN	2011	\$ 33,033,271	\$ 3,340,722	10.11%	2010	\$ -	0.00%	\$ 3,340,722	10.11%
MARBLEHEAD	2011	\$ 73,802,693	\$ 4,595,434	6.23%	2010	\$ -	0.00%	\$ 4,595,434	6.23%
NEEDHAM	2011	\$ 133,119,698	\$ 3,380,269	2.54%	2010	\$ 4,665,095	3.50%	\$ 8,045,364	6.04%
NEWTON	2011	\$ 348,955,882	\$ 8,018,399	2.30%	2010	\$ -	0.00%	\$ 8,018,399	2.30%
NORWELL	2011	\$ 43,855,476	\$ 1,359,573	3.10%	2010	\$ 2,165,141	4.94%	\$ 3,524,714	8.04%
SHERBORN	2011	\$ 23,581,371	\$ 1,109,546	4.71%	2010	\$ 514,239	2.18%	\$ 1,623,785	6.89%
SUDBURY	2011	\$ 82,296,930	\$ 249,418	0.30%	2010	\$ 1,910,114	2.32%	\$ 2,159,532	2.62%
WAYLAND	2011	\$ 69,073,564	\$ 8,536,596	12.36%	2010	\$ 1,526,907	2.21%	\$ 10,063,503	14.57%
WELLESLEY	2011	\$ 138,350,803	\$ 9,471,751	6.85%	2010	\$ 3,022,255	2.18%	\$ 12,494,006	9.03%
WESTON	2011	\$ 78,982,781	\$ 4,255,473	5.39%	2010	\$ -	0.00%	\$ 4,255,473	5.39%
WESTWOOD	2011	\$ 69,671,948	\$ 985,616	1.41%	2010	\$ 1,216,019	1.75%	\$ 2,201,635	3.16%
WINCHESTER	2011	\$ 92,677,725	\$ 5,761,181	6.22%	2010	\$ 8,190,784	8.84%	\$ 13,951,965	15.05%
AVERAGE		\$ 116,217,291	\$ 7,799,981	6.71%		\$ 3,507,244	3.02%	\$ 11,307,225	9.73%

Notes*

Source: Mass. Dept. of Revenue, Division of Local Services, Municipal Databank/Local Aid Section. Data shown most recent year available.

Does not include Boston due to extreme size of annual budget. See Boston below.

BOSTON	2011	\$ 2,471,239,212	\$ 117,830,784	4.77%	2010	\$ -	0.00%	\$ 117,830,784	4.77%
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