



Town of Natick Finance Committee

To: Town Meeting Members
From: Natick Finance Committee
Date: April 25, 2013
Subject: *Article 3 – Capital Stabilization Fund*

Town Meeting members may be aware that the Town Administration originally intended to not propose any appropriations to the town's three Stabilization Funds. Currently, the Finance Committee is recommending that no action be taken on Articles 2, 3, or 4 (respectively, the General Stabilization Fund, the Capital Stabilization Fund, and the Operational/Rainy Day Stabilization Fund).

However, due to the additional projected local aid and additional proposed spending under Article 12 (please refer to the Finance Committee's memo to Town Meeting Members dated April 25, 2013 re: New Recommendation and Motions for Article 12 -- Fiscal 2014 Omnibus Budget Article), the Administration has requested that the Finance Committee reconsider its recommendation.

Specifically, the Administration is now recommending that the sum of \$465,575 be appropriated into the Capital Stabilization Fund under Article 3 for the purpose of ensuring its continued ability to fulfill the Town's commitment that the 2012 debt exclusion impact on Natick taxpayers would be the highest impact imposed. In addition, in light of the potential need of a future debt exclusion project in support of school building project(s), the Town Administration feels that additional appropriation onto the Capital Stabilization Fund is needed to mitigate future taxpayer impact.

The source of the proposed appropriation would be the remaining balance of available funds, as follows:

Item	Amount
Net local aid increase	\$636,604
Less: additional proposed appropriation for NPS and Benefits	\$(382,393)
Remaining unallocated Free Cash	\$211,364
Total: Available Revenue	\$465,575

Although this subject was on the Finance Committee's agenda for its meeting on April 23, 2013, the committee was not able to hear any information on this matter from the Town Administration due to time constraints.

Consequently, the Finance Committee will hold a public hearing on Thursday May 2, 2013 at 6:00 pm in the Natick High School Library for the purpose of determining whether to reconsider its current recommendation on Article 3. A written report will be provided to Town Meeting members on Tuesday May 7, 2013.