



Memorandum

To: Board of Selectmen
Finance Committee

From: Martha White, Town Administrator
Michael Walters Young, Deputy Town Administrator/Finance Director

Date: Friday, September 14, 2012

Re: Financial Articles at the 2012 Fall Annual Town Meeting
(Articles 1, 2, 3, 4, 5, 6, 9, 12, 13, 17 and 27)

The attached pages provide detail regarding the proposed financial actions at the upcoming 2012 Fall Annual Town Meeting. To summarize, appropriations are requested under the following articles and in the following amounts:

Appropriations by Article for 2012 Fall Town Meeting

Article 1 FY 2013 Operating Budget	\$	502,357
Article 2 Stabilization Fund	\$	-
Article 3 Stabilization Fund – Operating/Rainy Day	\$	288,066
Article 4 Stabilization Fund – Capital	\$	3,275,551
Article 5 Capital Equipment	\$	1,177,340
Article 6 Capital Improvement	\$	1,627,000
Article 9 Collective Bargaining	\$	123,552
Article 12 Community Senior Center Project	\$	22,216
Article 13 High School Project	\$	15,858
Article 17 Transfer of Funds to Conservation Fund for Trails Construction and Improvement	\$	50,065
Article 27 Design of New Natick Center T Station	\$	80,000

Before providing detailed information for each of these appropriations, a brief narrative is warranted to explain the results of FY 2012 closing, the anticipated Free Cash Certification as of 7/1/2012, the major changes which have occurred since the 2012 SATM, the Administration's long term financial perspective, and the collective impact of these items on the broader 5-year capital plan and capital budgeting.

FY 2012: Preliminary Year in Review

The Town of Natick did well in Fiscal Year 2012 – a result of an improving economy, fiscal diligence, and conservative budgeting.

Article 4 - Capital Stabilization Fund

MOTION: (requires a 2/3 vote)

Move that the Town vote to appropriate the sum of \$3,275,551 from Free Cash for the purpose of supplementing the Capital Stabilization Fund established under Article 2 of the warrant for Fall Annual Town Meeting of 2010, as authorized by Chapter 40, Section 5B of the General Laws, as amended.

Article 5 - Capital Equipment - 2012 Fall Annual Town Meeting

#	<u>Department</u>	<u>Item</u>	<u>Funding Source</u>	<u>Cost</u>
1	Police Department	CRUISER REPLACEMENT	Capital SF	\$ 110,340
2	Police Department	PUBLIC SAFETY RADIO SYSTEM NARROWBANDING MANDATE	Capital SF	\$ 10,000
3	Fire Department	TURN OUT GEAR/ FIREFIGHTER PROTECTIVE CLOTHING	Capital SF	\$ 60,000
4	Public Works Building Maintenance	REPLACE B-1 (VEHICLE)	Capital SF	\$ 26,000
5	Public Works Highway	RECYCLING PACKERS (3 @ \$300,000 each)	G/F Debt	\$ 900,000
6	Public Works Highway	REPLACE DUMPSTERS	Capital SF	\$ 10,000
7	Public Works Highway	GUARDRAIL (VARIOUS LOCATIONS)	Capital SF	\$ 10,000
8	Public Works L,F & NR	SOIL CONDITIONING - DEEP TINE	Capital SF	\$ 27,000
9	Public Works L,F & NR	DAILY MAINTENANCE EQUIPMENT	Capital SF	\$ 14,000
10	Community Services	COMMUNITY SENIOR CENTER GYM FLOOR COVER	Capital SF	\$ 10,000
Total Article 5 - Capital Equipment				\$ 1,177,340
Funding Sources				
Capital Stabilization Fund				\$ 277,340
General Fund Debt				\$ 900,000
Total Funding for Appropriations under Article 5				\$ 1,177,340

Article 6 - Capital Improvements - 2012 Fall Annual Town Meeting

#	<u>Department</u>	<u>Item</u>	<u>Funding Source</u>	<u>Cost</u>
1	Natick Public Schools	KENNEDY-REPLACE LARGE HVAC UNITS	G/F Debt	\$ 300,000
2	Natick Public Schools	KENNEDY - REPLACE ELECTRICAL SERVICE	G/F Debt	\$ 150,000
3	Natick Public Schools	LILJA- REPLACE DOMESTIC HOT WATER HEATER	Capital SF	\$ 30,000
4	Natick Public Schools	BROWN-REPLACE DOMESTIC HOT WATER HEATER	Capital SF	\$ 30,000
5	Natick Public Schools	LILJA-REPLACE EXHAUST FANS	Capital SF	\$ 30,000
6	Natick Public Schools	BEN-HEM-REPLACE OFFICE CARPET	Capital SF	\$ 22,000
7	Public Works Engineering	ROADWAY IMPROVEMENTS COTTAGE STREET	G/F Debt	\$ 250,000
8	Public Works Engineering	ROADWAY IMPROVEMENTS PINE STREET	G/F Debt	\$ 250,000
9	Community Services	COLE NORTH FIELD RENOVATIONS	G/F Debt	\$ 450,000
10	Community Services	HISTORICAL MONUMENT RESTORATION	Capital SF	\$ 15,000
11	Town Clerk	PRESERVATION OF HISTORICAL RECORDS	Capital SF	\$ 100,000
Total Article 6 - Capital Improvement				\$ 1,627,000
Funding Sources				
Capital Stabilization Fund				\$ 227,000
General Fund Debt				\$ 1,400,000
Total Funding for Appropriations under Article 6				\$ 1,627,000

Article 9 - Collective Bargaining

MOTION A: (Requires a Majority Vote)

Move that the Town vote to appropriate from the Tax Levy the sum of \$80,114 to implement the Fiscal Year 2013 terms of the agreement reached between the Town of Natick and the Natick Patrol Officers' Association, said funds to be added to the Fiscal Year 2013 Salaries line item within the Police Department budget approved at the 2012 Spring Annual Town Meeting under Article 3, Motion B.

MOTION B: (Requires a Majority Vote)

Move that the Town vote to appropriate from the Tax Levy the sum of \$17,473 to implement the Fiscal Year 2013 terms of the agreement reached between the Town of Natick and the Public Employees Local Union 1116 of the Laborers International Union of North America - Library Employees, said funds to be added to the Fiscal Year 2013 Salaries and Expenses line-item within the Morse Institute Library budget approved at the 2012 Spring Annual Town Meeting under Article 12.

MOTION C: (Requires a Majority Vote)

Move that the Town vote to appropriate from the Tax levy the sum of \$25,965 to implement the Fiscal Year 2013 terms of the agreement reached between the Town of Natick and the Public Employees Local Union 1116 of the Laborers International Union of North America – Clerical Employees, said funds to be added to the Fiscal Year 2013 departmental budgets as shown in the table attached hereto and incorporated by reference.

Motion - Budget Changes	Amount to be added	
General Fund		
Police Salaries (Article 3, Motion B)	\$	1,219
Fire Salaries (Article 3, Motion B)	\$	2,206
DPW Administration Salaries	\$	2,920
Community Services Salaries	\$	4,825
Board of Health Salaries	\$	1,319
Finance Salaries	\$	4,893
Town Clerk Salaries	\$	2,356
Community Development Salaries	\$	6,227
General Fund Impacts	\$	25,965

Article 12 - Community-Senior Center Project

MOTION: (Requires a Majority Vote)

Move that the Town vote to appropriate from Free Cash the sum of \$22,216 to the Community-Senior Center Project, said sum consisting of: (1) \$8,308 of reimbursement provided to the Town by Ameresco for additional costs incurred by the Project associated with the installation of the solar panels, (2) \$554 provided to the Town by the Metropolitan Area Planning Agency for costs incurred by the Project associated with the purchase of bicycle racks, and (3) \$13,354 provided to the Town as the NSTAR Energy Efficiency Incentive Payment for the Community-Senior Center.

Article 13 - High School Project

MOTION: (Requires a Majority Vote)

Move that the Town vote to appropriate from Free Cash the sum of \$15,585 to the High School Project, said sum of money representing the amount raised from the sale of surplus goods and equipment from the old Natick High School.

Article 17 - Transfer of Funds to Conservation Fund for Trails Construction and Improvement

MOTION: (Requires a Majority Vote)

Move that the vote to appropriate from Free Cash the sum of \$50,065 to the Conservation Fund restricted for use in trails construction and improvements. Said funds being the receipts of citations issued to developments subject to the Planning Board's Site Plan Review and/or Special Permits.

Article 27 - Design of New Natick Center "T" Station

Move that the Town appropriate \$80,000 from the Capital Stabilization Fund for the development of a conceptual design study for a Natick Center passenger rail station, to be expended under the direction of the Board of Selectmen, or otherwise act thereon.

Local Option Tax Collections - from Inception through FY 2012

Breakout:								
Local Option Taxes	FY 2010 Actual	FY 2010 Actual	FY 2011 Recap	FY 2011 Actual	Difference	FY 2012 Recap	FY 2012 Actual	Difference
Hotel Motel Taxes - State Portion (4%)	\$ 678,411	\$ 678,411	\$ 550,000	\$ 769,807	\$ 219,807	\$ 550,000	\$ 864,948	\$ 314,948
Hotel Motel Taxes - Town Portion (2%)*	\$ 70,296	\$ 70,296	\$ 275,000	\$ 384,904	\$ 109,904	\$ 350,000	\$ 432,474	\$ 82,474
Local Option Meals Taxes - Town Portion (.75%)**	\$ 237,617	\$ 305,860	\$ 475,000	\$ 718,924	\$ 243,924	\$ 650,000	\$ 843,077	\$ 193,077
Amount Appropriated into CSF from Local Option 2010	\$ 307,913	\$ 376,156						
			\$ 750,000					
Amount from FY 2011 Receipts Appropriated into CSF under Article 7 - 2011 FATM***				\$ 1,103,828				
Amount from FY 2010 Receipts Appropriated into CSF under Article 7 - 2011 FATM***				\$ 68,243				
Amount to be Appropriated into CSF from Local Option FY 2012							\$ 1,275,551	
Notes:								
* FY 2010 Actual collected for only one quarter - April-June 2010								
** FY 2010 Actual collected for two quarters - January-June 2010								
*** Supplemental collection from FY 2010 came in after the end of the Fiscal Year. Closed to free cash in FY 2011 and as per policy, was appropriated under Art. 7								

Capital Stabilization Fund

Initial Balance	\$ 307,913
Balance After 2011 Spring ATM	\$ 995,353
Use @ 2011 FATM (Articles 9 and 10)	\$ (689,340)
Amount Appropriated from Free Cash under Article 7	\$ 1,172,071
Balance After 2011 Fall ATM	\$ 1,478,084
Use @ 2012 Spring ATM	\$ (369,532)
Balance After 2012 Spring ATM	\$ 1,108,552
Use @ 2012 Fall ATM	\$ (584,340)
Amount Recommended to be Appropriated from Free Cash under Article 4	\$ 1,275,551
Balance After 2012 Fall ATM	\$ 1,799,763