



# *Town of Natick*

FY 2010 Budget

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## Appendices

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Financial Information: Financial Policies, Snow & Ice History, Statement on Reserves

Legal Information: Charter & By-Law governing creation of budget  
FY 2010-2015 Capital Plan

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Town Information



# *Town of Natick*

FY 2010 Budget

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**TOWN OF NATICK**  
**TOWN ADMINISTRATOR'S**  
**FINANCIAL MANAGEMENT PRINCIPLES**

**December 2008**

As per the Town Charter, Section 5-4, the Town Administrator is required to have proposed financial policies for the town each fiscal year. This list of policies has been presented to the Board of Selectmen, and an earlier version to the Financial Planning Committee.

**PART 1: GENERAL**

To protect the town's financial stability, to ensure the availability of adequate financial resources in times of emergency, to capitalize on high bond ratings (and thus low interest rates), it is essential that policies regarding the town's financial management be adopted and adhered to in the preparation and implementation of the town's operating and capital budgets.

**PART 2: PRINCIPLES**

**Reserves: Use and Recommended Balances**

- Reserves and one-time revenues should be used only for capital or other non-recurring expenses.
- The Town will strive to maintain unappropriated free cash at a minimum of 1% of revenues, and unappropriated free cash should never be less than ½ % of revenues.
- The stabilization fund should, at a minimum, be at a level equal to 2% of revenues, with the target being 5% of revenues; the stabilization fund should be replenished with surplus funds whenever possible.
- Existing reserves should be enhanced whenever possible.

**Capital Planning and Budgeting**

- A 5-Year capital plan should be developed and updated annually, per Section 5-7 of the Town's Charter.
- Whenever practical, capital funding should be done in the fall after free cash has been certified.
- A minimum of 8% of general fund revenues should be set aside annually to fund capital needs, inclusive of cash appropriations and the subject year's debt budget. Not included in this target are those capital improvements and equipment purchases funded through debt exclusion, Enterprise Fund or Intergovernmental or other sources such as Chapter 90, mitigation funds, etc. Ideally, this target should provide for a minimum of 10% of general fund revenues set aside in support of annual capital budget given the size of the Town's capital assets. However, the Town's current fiscal situation makes such a target unrealistic. This goal should be revisited at the earliest possible opportunity.

**Debt Issuance and Management**

- Capital projects should be carefully scheduled and monitored to minimize borrowing costs while optimizing investment opportunities.

- Large capital project, generally costing over \$1 million and having a useful life of ten years or more, are typically funded with debt to spread the cost out over many years. In order to prevent such projects from absorbing significant capacity within the levy, careful consideration should always be given to excluding these projects from the limits of Proposition 2 ½ through debt exclusion question to the voters.
- Whenever practical, the issuance of expensive short-term Bond Anticipation Notes should be avoided.

#### **Financial Planning and Forecasting**

- Revenue estimates should be realistic, yet conservative, to minimize the potential of shortfalls in the subsequent year's operating budgets and corresponding impacts on free cash.
- Three year revenue and expenditure forecasts should be updated annually.

#### **Cash Management**

- Balances in prior Town Meeting funding articles shall be reviewed annually and excess balances shall be closed out to free cash.
- Fees and charges will be reviewed regularly to ensure that – where appropriate – they cover direct and indirect costs associated with the related service.



# Town of Natick

Home of Champions

Department: 10-Year Snow & Ice History

## Town of Natick Department of Public Works History of Snow and Ice Removal

	FY98	FY99	FY00	FY01	FY02	FY03
Budgeted Amount	150,000	150,000	150,000	150,000	150,000	150,000
Emergency Funding (FEMA)				58,660		
<b>Total Expenses</b>	<b>231,073</b>	<b>279,750</b>	<b>220,944</b>	<b>546,000</b>	<b>232,386</b>	<b>595,726</b>

	FY04	FY05	FY06	FY07	FY08
Budgeted Amount	150,000	150,000	150,000	150,000	150,000
Emergency Funding (FEMA)	115,049	175,514			
<b>Total Expenses</b>	<b>449,538</b>	<b>895,551</b>	<b>449,627</b>	<b>352,978</b>	<b>882,779</b>

	3 Year Average	5 Year Average	10 Year Average	5 Year Low	5 Year High
<b>Total Expenses</b>	<b>\$ 561,794</b>	<b>\$ 606,094</b>	<b>\$ 490,528</b>	<b>\$ 352,978</b>	<b>\$ 895,551</b>

# Status of Municipal Reserves

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## *Overlay Surplus:*

The purpose of the overlay surplus account is to fund property tax abatements and exemptions that may be granted in a particular fiscal year. Each fiscal year has an associated Overlay Reserve account; once all exemption and abatement requests for a particular fiscal year have been resolved or can be reliably predicted, the funds remaining in the Overlay Reserve may be declared by the Assessors as Overlay Surplus. Typically the Overlay Surplus is released incrementally, and is often used to fund Capital or other one-time expenses. For FY 2008, the Assessors were asked to and did release all potential Overlay Surplus from FY 2006 and all earlier years, thus limiting this funding source in future years until the reserve is replenished. No overlay surplus was used in building the FY 2009 budget. \$500,000 is being forecast for usage in FY 2010, subject to the approval and release by the Board of Assessors.

## *Stabilization Fund:*

The Stabilization Fund current balance is \$2.9 million with \$600,000 proposed to be used to balance the FY 2010 budget. The National Advisory Council on State and Local Budgeting recommends that Stabilization Funds be used to address temporary cash flow shortages, emergencies, unanticipated economic downturns, and one-time opportunities. A prudent level of financial resources is recommended to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unpredicted one-time expenditures. Thus, Natick appropriately used Stabilization Funds in response to what was hoped to be a temporary downturn in state aid, but the persistent and ongoing use of these funds is contrary to recommended practice. Many communities have established a target of 5% of general fund revenues for the Stabilization Fund; this target would suggest maintaining a balance of just over \$5.6 million.

## *Free Cash:*

Free Cash is cyclical, as a new amount is certified by the Department of Revenue each year based upon remaining funds from operations of the previous fiscal year and actual receipts in excess of revenue estimates, with offsets applied such as unpaid property taxes and certain deficits, all as based on the Town's balance sheet as of June 30. That is, Free Cash is, to some extent, replenished at the end of each fiscal year, but the extent cannot be accurately predicted until the subject fiscal year is "closed out." The MA Department of Revenue recommends that "A community should maintain a free cash balance to provide a hedge against unforeseen expenditures and to ensure there will be an adequate reserve to prevent sharp fluctuations in the tax rate. Maintenance of an adequate free cash level is not a luxury but a necessary component of sound local fiscal management. Credit rating agencies and other members of the financial community expect municipalities to maintain free cash reserves and make judgments regarding a community's fiscal stability, in part, on the basis of free cash." One unofficial target for unappropriated Free Cash (the balances remaining after all appropriations are made from the fund during the fiscal year) is that it should not go below 1/2% of general fund revenues, or approximately \$510,000 for Natick. The proposed amount to be used for funding articles at Town Meeting - \$2,247,667 will drop the remaining free cash balance to close to \$163,000 – or well below the suggested target.

# Legal

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Governance of the Town of Natick is set forth under the Charter of the Town of Natick. So too is the budget process in the Town of Natick. It is governed by several sections of the Charter of the Town of Natick and the By-Laws of the Town of Natick. This section provides the important excerpts of those documents.

## **TOWN OF NATICK CHARTER: ARTICLE 5: FISCAL PROCEDURES**

### **Section 5-1 Fiscal Year**

The fiscal year of the town shall begin on the first day of July and shall end on the thirtieth day of June, unless another provision is made by general law.

### **Section 5-2 School Committee Budget**

(a) **Submission to Town Administrator** - The budget as adopted by the school committee shall be submitted to the town administrator in sufficient time to enable him to consider its effect on the total town budget he is required to submit under this article.

(b) **Public Hearing** - At least seven days before the meeting at which the school committee is to vote on its final budget request, the school committee shall cause to be published in a local newspaper a general summary of its proposed budget. The summary shall specifically indicate any major variations from the current budget, and the reasons for such changes. They shall also indicate the times and places at which copies of their complete draft budget are available for public examination, and the date, time and place, not less than seven days following such publication, when a public hearing will be held by the school committee on the proposed budget.

### **Section 5-3 Submission of Proposed Budget**

Within a time fixed by by-law, before the date on which the representative town meeting is to meet in its spring session, the town administrator shall submit to the finance committee a proposed budget for the ensuing year, with an accompanying budget message and supporting documents. He shall, simultaneously, provide for the publication in a local newspaper of a general summary of the proposed budget. The summary shall specifically indicate any major variations from the current fiscal year budget and the reasons for such changes. The notice shall also indicate the times and places at which complete copies of the proposed budget and accompanying materials are available for examination by the public.

### **Section 5-4 Budget Message**

The budget message submitted by the town administrator shall explain the proposed budget for all town agencies, both in fiscal terms and in terms of work programs. It shall outline proposed financial policies of the town for the ensuing fiscal year; describe important features of the proposed budget; indicate any major variations from the current budget in financial policies, expenditures and revenues, together with the reasons for such changes; summarize the town's debt position; and it shall include such additional information as the town administrator deems desirable or the board of selectmen may reasonably require.

### **Section 5-5 The Proposed Budget**

The proposed budget shall provide a complete financial plan of all town funds and activities, including the budget as requested by the school committee. Except as may otherwise be required by general law, or by the charter, it shall be in the form the town administrator deems desirable, or as the board of selectmen may require. In his presentation of the proposed budget, the town administrator shall make use of modern concepts of fiscal presentation so as to furnish a maximum amount of information and the best financial controls. The budget shall be arranged to show the actual and estimated income and expenditures for the previous, current, and ensuing fiscal years and shall indicate, in separate sections:

- (a) Proposed expenditures for current operations during the ensuing fiscal year, detailed by town agency, function and work programs, and the proposed methods of financing such expenditures.
- (b) Proposed capital expenditures during the ensuing fiscal year, detailed by town agency, and the proposed methods of financing such expenditures.
- (c) Estimated surplus revenue and free cash at the end of the current fiscal year, including estimated balances in any special accounts established for specific purposes.

### **Section 5-6 Action on the Proposed Budget**

- (a) **Public Hearing** - The finance committee shall forthwith, upon receipt of the proposed budget, provide for the publication in a local newspaper of a notice stating the date, time and place, not less than seven nor more than fourteen days following such publication, when a public hearing will be held by the finance committee on the proposed budget.
- (b) **Review** - The finance committee shall consider, in open public meetings, the detailed expenditures proposed by each town agency and may confer with representatives of any town agency in connection with its review and consideration. The finance committee may require the town administrator, or any other town agency, to furnish it with such additional information as it may deem necessary to assist it in its review of the proposed budget.
- (c) **Presentation to the Representative Town Meeting** - The finance committee shall file a report containing its recommendations for actions on the proposed budget which shall be available at least seven days prior to the date on which the town meeting acts on the proposed budget. When the proposed budget is before the town meeting for action it shall first be subject to amendment, if any, by the finance committee.

### **Section 5-7 Capital Improvement Program**

The town administrator shall submit a capital improvement program to the board of selectmen and to the finance committee at least thirty days prior to the date fixed by by-law for the submission of the proposed operating budget. The capital improvement program shall include, but need not be limited to the following:

- (a) A clear, concise, general summary of its contents.
- (b) A listing of all capital expenditures proposed to be made, by years, during the five fiscal years next ensuing, with supporting information as to the need for each such expenditure.
- (c) Cost estimates methods of financing and recommended time schedules.
- (d) The estimated annual cost of operating and of maintaining any new facility or piece of major equipment involved.

The information is to be annually revised with regard to all items still pending, or in the process of being acquired, improved or constructed.

## **TOWN BY-LAWS**

### **ARTICLE 20: TOWN ADMINISTRATOR**

#### **Section 2 Dates of Submission of Fiscal Documents**

As required by Section 5-3 of the Charter, the Town Administrator shall submit the proposed budget for the next fiscal year on or before the first business day in January.

As required by Section 5-7 of the Charter, the Town Administrator shall submit updates of the capital plan on or before the first business day in March and September.

### **ARTICLE 23: THE FINANCE COMMITTEE**

#### **Section 4 Report, Recommendations**

The Finance Committee shall consider all matters of business included within the articles of any warrant for a Town Meeting, and shall, after due consideration, report thereon, in print, its recommendation as to each article. The Finance Committee shall distribute its said report to each of the Town Meeting Members at least ten (10) days in advance of a Town Meeting, except where compliance with this provision would defeat the purpose of a Special Town Meeting. The said recommendations shall be those of a majority of the appointed Committee at the time of the vote, but this shall not be construed to prevent recommendations by a minority as such. The Committee Report shall also state the total amount of the appropriations recommended by them on the entire Warrant and the approximate tax rate based on such recommendations. Said report for the Annual Town Meeting shall also contain a statement of the doings of the Committee during the year, with any such recommendations or suggestions as it may deem advisable on any matters pertaining to the welfare of the Town.

#### **Section 5 Audits**

The Finance Committee shall have the authority at any time to investigate the books, accounts and management of any department of the Town, and to employ such expert and other assistance as it may deem advisable for that purpose, and the books and accounts of all departments and officers of the Town shall be open to the inspection of the Committee and any person employed by it for the purpose. The Committee may appoint subcommittees and delegate to them such of its power as it deems expedient.

# Capital

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*Updated in accordance with Section 5-7 of the Charter of the Town of Natick and Article 20, Section 2 of the By-Laws of the Town of Natick. This document serves as the update to the capital plan originally submitted on January 5, 2009.*

## INTRODUCTION

Everything the Town does, from providing services to its residents and citizens, to equipping employees to effectively perform their jobs, requires the existence of certain basic physical assets. These assets include streets, water mains, parks, buildings, large equipment and technology. They must be purchased, maintained and replaced on a timely basis or their usefulness in providing public services will diminish. The Town's five-year Capital Improvements Program and annual Capital Budget are developed to ensure adequate capital investment in the Town's assets.

## FIVE-YEAR CAPITAL PROGRAM

A five-year capital improvement plan is an important part of any organizations overall budgeting process. Multi-year planning allows proper staging and sequencing of capital projects to even out spikes and make funding needs more predictable. Capital investment requirements can be uneven, sometimes involving unique large projects such as a new fire engine or a new school building. Other capital investment needs are recurring. Natick will continue to refine the five-year planning process in an attempt to determine an appropriate annual level of capital investment.

The five-year Capital Improvement Program includes all capital projects identified by school and municipal departments over the next five years.

The following are potential funding sources for financing the Town's capital investments:

- **Available Funds (Free Cash)** – The town regularly appropriates monies from the general fund and the enterprise funds to finance short-term, small capital investment projects. Examples of available funds are free cash and enterprise fund retained earnings.
- **Stabilization Fund** – Appropriations to the stabilization at a town meeting getting be voted out of the stabilization fund at a subsequent town meeting as a funding source for operating or capital costs.
- **Debt Service** – The Town has traditionally financed large capital projects with debt. Debt can be appropriated under the General Fund Tax Levy (either within the levy limit or from a voter approved debt exclusion) or from Enterprise Funds.
- **Other Sources** – The Town uses dedicated state aid and grant funding to finance capital investment when these funds are available.

## **FY 2010 CAPITAL FINANCING STRATEGY & FY 2010-2015 CIP**

The FY 2010-2015 is attached on the following pages. All told, there are requests for just under \$52,800,000 of capital improvements, equipment and infrastructure. This amount of money is necessary to maintain the hundreds of millions of dollars the Town has invested in its properties, equipment and operations.

Even as recent as a year ago, efforts were being made to strengthen annual capital spending and dedicate more resources annually towards capital projects. Unfortunately, given the state of the economy and the significant operating deficit which the Town finds itself in, it will be impossible to maintain progress at this point in time. In fact, only \$253,560 of the most essential equipment & infrastructure is being recommended from funding from the General Fund for FY 2010. Several projects are being recommended to be funded from the Water/Sewer Enterprise for FY 2010. Important projects for both the Public Schools and the Municipal Government, cannot be funded at this point in time because the additional debt service costs should not be incurred in the current fiscal climate.

Those projects which are being deferred, however, cannot be forgotten because failure to replace and renew capital assets in a timely manner leads to costlier replacements in the future. We hope that this deferral is only for one-year – and that the capital equipment and infrastructure of the community can sustain longer than previously intended. As funds become more available, replacing capital items on a more frequent and cyclical basis will be a key to maximizing the protection of Natick's assets.

**FY 2010 Capital Financing Strategy**

**General Fund**

Revenues

Amount of Tax Levy set aside for Capital Projects:		\$350,000
Amount of Debt Service set aside for Capital Projects:	\$	-
Amount of Reserve Fund set aside for High School Extraordinary Repairs		\$100,000
<b>Total Revenues for General Fund Capital</b>		<b>\$450,000</b>

Expenses

Natick High School Extraordinary Repairs		\$100,000
Replacement of Streetlights	\$	25,000
Replacement of Fire Hose	\$	25,000
Replacement of Police Radios	\$	10,400
Replacement of Police Firearms	\$	17,600
Replacement of Police Cruisers:	\$	75,560
Design Money – Senior/Community Center	\$	TBD
Design Money – Natick High School	\$	TBD
<b>Total Expenses for General Fund Capital</b>		<b>\$253,560</b>

**Balance (to be dedicated to other Shared or Operating Expenses\*)** **\$196,440** \*

**Other Financing Sources** \*

Revenues

Chapter 90 Road Assistance:		\$740,000
<b>Total Revenues</b>		<b>\$740,000</b>

Expenses

Road Projects		\$740,000
<b>Total Expenses</b>		<b>\$740,000</b>

**Balance** **\$ -** \*

**Water/Sewer Enterprise Fund** \*

Revenues

Amount of Water/Sewer Rates:		\$532,000
<b>Total Revenues for Water/Sewer Capital</b>		<b>\$532,000</b>

Expenses

Upgrade SCADA:		\$100,000
Sewer Main Relining		\$150,000
WTP/Elm Bank Security Rehab		\$100,000
<i>Replace W-30 (Sewer Vac/Truck) (\$250,000)</i>		
<i>Replace Springvale #1 Well (\$250,000)</i>		
<i>Broad's Hill Town Forest Renovations (\$500,000)</i>		
<i>Sewer Pump Station Replacement &amp; Upgrade (\$300,000)</i>		
<b>Sub-total cost of all Debt Funded Projects in FY 2010</b>		<b>\$182,000</b>

**Total Expenses for Water/Sewer Capital** **\$532,000**

**Balance** **\$ -**

Total Requests – All Funds (All Project & Equipment Costs) \$2,643,560

**Total Requests – All Funds (Cost to Town - borrowing and cash)** **\$1,525,560**

Although \$2,643,560 of capital projects are proposed to be funded in FY 2010, original requests totaled \$19,190,824. Those requests which were moved into 2011 have been marked with an asterisk.\* It may be that necessity mandates funding of some of the items at the Fall 2009 Annual Town Meeting. Should that be the case, such requests would appear in the next update to the Capital Plan on September 1, 2009.



# Town of Natick

Home of Champions

## Capital Plan - FY 2010-2015

Department/Project	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	Beyond	Total
<b>Natick Public Schools</b>								
KENNEDY-REFURBISH AUDITORIUM	0	0	100,000	0	0	0	0	100,000
KENNEDY-INSTALL FIRE SPRINKLER SYSTEM	0	0	700,000	0	0	0	0	700,000
MEMORIAL- REMOVE INCINERATOR	0	0	45,000	0	0	0	0	45,000
KENNEDY- REPLACE STEAM CONVERTERS AND HOT WTR PUMP	0	220,000	0	0	0	0	0	220,000
KENNEDY-REPLACE CLASSROOM UNIVENTS + DDC	0	425,000	0	0	0	0	0	425,000
KENNEDY-REPLACE EXTERIOR WINDOWS	0	500,000	0	0	0	0	0	500,000
KENNEDY- REPLACE EXTERIOR DOORS	0	0	120,000	0	0	0	0	120,000
KENNEDY-REPLACE LARGE HVAC UNITS	0	300,000	300,000	0	0	0	0	600,000
KENNEDY- REPLACE VAT FLOOR TILE	0	0	300,000	300,000	0	0	0	600,000
MEMORIAL- REPLACE GYM AND CAFE HVAC UNITS	0	165,000	0	0	0	0	0	165,000
MEMORIAL- REPLACE FIRE ALARM SYSTEM	0	250,000	0	0	0	0	0	250,000
MEMORIAL- REPLACE BOILERS	0	400,000	0	0	0	0	0	400,000
MEMORIAL-REPAVE REAR DRIVE AND PARKING AREA	0	65,000	0	0	0	0	0	65,000
LILJA- REPLACE DOMESTIC HOT WATER HEATER	0	30,000	0	0	0	0	0	30,000
BROWN-REPLACE DOMESTIC HOT WATER HEATER	0	30,000	0	0	0	0	0	30,000
LILJA- REPLACE CLASSROOM AND LIBRARY CARPET	0	20,000	0	0	0	0	0	20,000
LILJA- ROOF REPLACEMENT	0	0	300,000	0	0	0	0	300,000
BROWN- ROOF REPLACEMENT	0	420,000	0	0	0	0	0	420,000
JOHNSON- REPLACE EXTERIOR WINDOWS	0	150,000	0	0	0	0	0	150,000
JOHNSON- REPAVE DRIVEWAYS	0	75,000	0	0	0	0	0	75,000
JOHNSON- REPLACE BOILERS	0	375,000	0	0	0	0	0	375,000
MEMORIAL-INSTALL FIRE SPRINKLER SYSTEM	0	0	0	500,000	0	0	0	500,000
WILSON-REPLACE A/C COMPRESSORS	0	0	50,000	0	0	0	0	50,000
WILSON-REPLACE DOMESTIC WATER HEATERS	0	0	0	80,000	0	0	0	80,000
MEMORIAL-REPLACE EXTERIOR WINDOWS	0	0	500,000	0	0	0	0	500,000
LILJA-REPLACE A/C UNITS	0	50,000	0	0	0	0	0	50,000
JOHNSON-REFURBISH HALL CEILINGS	0	100,000	0	0	0	0	0	100,000
BROWN-REPLACE LIBRARY CARPET*	0	24,000	0	0	0	0	0	24,000
BROWN-REPLACE EXHAUST FANS	0	0	30,000	0	0	0	0	30,000
BROWN	0	25,000	0	0	0	0	0	25,000
BEN-HEM-REPLACE HOT WATER HEATER	0	0	10,000	0	0	0	0	10,000
BEN-HEM-REBUILD/REPLACE A/C COMPRESSORS	0	40,000	0	0	0	0	0	40,000
BEN-HEM-REPLACE OFFICE CARPET	0	0	22,000	0	0	0	0	22,000
JOHNSON-REMOVE VAT	0	0	150,000	0	0	0	0	150,000
LILJA-REPLACE EXHAUST FANS	0	0	30,000	0	0	0	0	30,000
HIGH SCHOOL-EXTRAORDINARY REPAIRS	100,000	100,000	100,000	100,000	100,000	0	0	500,000
MEMORIAL- REPLACE EXTERIOR WINDOWS	0	0	500,000	0	0	0	0	500,000
HIGH SCHOOL-DESIGN	TBD	0	0	0	0	0	0	0
<b>Total Natick Public Schools</b>	<b>100,000</b>	<b>3,764,000</b>	<b>3,257,000</b>	<b>980,000</b>	<b>100,000</b>	<b>0</b>	<b>0</b>	<b>8,201,000</b>



# Town of Natick

Home of Champions

## Capital Plan - FY 2010-2015

Department/Project	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	Beyond	Total
<b>Morse Institute Library</b>								
LIBRARY SECURITY SYSTEM*	0	55,000	0	0	0	0	0	55,000
LIBRARY COLLECTION DEVELOPMENT*	0	20,000	20,000	20,000	0	0	0	60,000
FURNITURE REPLACEMENT*	0	12,500	12,500	0	0	0	0	25,000
PHOTO SERVER AND MICROFILM READER	0	26,000	0	0	0	0	0	26,000
MATERIALS AND EQUIPMENT ACCESSABILITY EQUIPMENT	0	25,000	0	0	0	0	0	25,000
LIBRARY SECURITY SYSTEM*	0	55,000	0	0	0	0	0	55,000
<b>Total Morse Institute Library</b>	<b>0</b>	<b>193,500</b>	<b>32,500</b>	<b>20,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>246,000</b>
<b>Public Works - Building Maintenance</b>								
COURT HOUSE BOILER	0	95,000	0	0	0	0	0	95,000
CARPETS (MUNICIPAL BUILDINGS)*	0	16,000	0	0	0	0	0	16,000
AIR HANDLER UNITS (COLE)	0	48,000	0	0	0	0	0	48,000
ROOF TOP UNIT (SENIOR CENTER)	0	65,000	0	0	0	0	0	65,000
BOILER REMOVAL (COLE)*	0	25,000	0	0	0	0	0	25,000
7 PASSAGE DOORS (DPW)*	0	28,500	0	0	0	0	0	28,500
LOBBY (SENIOR CENTER)	0	31,500	0	0	0	0	0	31,500
BATHROOMS (SENIOR CENTER)	0	21,500	0	0	0	0	0	21,500
EXTERIOR PAINTING (ELIOT SCHOOL)*	0	44,000	0	0	0	0	0	44,000
ROOF (90 OAK STREET)	0	0	135,000	0	0	0	0	135,000
DOORS (ELIOT SCHOOL)*	0	27,500	0	0	0	0	0	27,500
5 ROOF TOP UNITS (DPW)	0	48,500	0	0	0	0	0	48,500
<b>Public Works - Engineering</b>								
CH90 ROAD IMPROVEMENTS	740,000	740,000	740,000	740,000	740,000	0	0	3,700,000
REHAB. - CHARLES RIVER BRIDGE*	0	750,000	0	0	0	0	0	750,000
WILLOW ST. DRAINAGE IMPROVEMENTS*	0	118,737	200,000	450,000	0	0	0	768,737
MIDDLE ST. DRAINAGE IMPROVEMENTS	0	21,252	790,000	0	0	0	0	811,252
ROADS (COLLECTOR/ARTERIAL)*	0	1,500,000	1,500,000	1,500,000	1,500,000	0	0	6,000,000
REHAB. - JENNINGS POND DAM	0	0	0	0	114,000	0	0	114,000
PEDESTRIAN BRIDGE & SIDEWALK- SPEEN STREET	0	0	0	0	98,000	0	0	98,000
<b>Public Works - Equipment Maintenance</b>								
REPLACE H-40	0	45,000	0	0	0	0	0	45,000
REPLACE M-2	0	0	50,000	0	0	0	0	50,000
REPLACE B-3	0	30,000	0	0	0	0	0	30,000
REPLACE TRASH PACKER	0	0	190,000	0	0	0	0	190,000
REPLACE CD-2*	0	28,000	0	0	0	0	0	28,000
REPLACE CD-1*	0	28,000	0	0	0	0	0	28,000
REPLACE M-4	0	0	0	35,000	0	0	0	35,000



**Town of Natick**  
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**Capital Plan - FY 2010-2015**

Department/Project	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	Beyond	Total
REPLACE HEALTH-1*	0	28,000	0	0	0	0	0	28,000
REPLACE E-2*	0	25,000	0	0	0	0	0	25,000
REPLACE BLOWER ATTACHMENT*	0	135,000	0	0	0	0	0	135,000
REPLACE H-53*	0	125,000	0	0	0	0	0	125,000
REPLACE H-1*	0	25,000	0	0	0	0	0	25,000
REPLACE H-45	0	135,000	0	0	0	0	0	135,000
REPLACE H-51	0	0	140,000	0	0	0	0	140,000
REPLACE H-52*	0	45,000	0	0	0	0	0	45,000
REPLACE W-13	0	30,000	0	0	0	0	0	30,000
REPLACE W-2	0	28,000	0	0	0	0	0	28,000
REPLACE W-3	0	25,000	0	0	0	0	0	25,000
REPLACE W-1	0	0	0	0	0	0	0	0
REPLACE W-28	0	45,000	0	0	0	0	0	45,000
CORE AERATOR*	0	25,000	0	0	0	0	0	25,000
REPLACE LF-3*	0	117,000	0	0	0	0	0	117,000
REPLACE LF-12 STUMP GRINDER*	0	35,000	0	0	0	0	0	35,000
REPLACE LF-6	0	70,000	0	0	0	0	0	70,000
REPLACE LF-9	0	100,000	0	0	0	0	0	100,000
REPLACE LF-8	0	0	150,000	0	0	0	0	150,000
REPLACE DUMPSTERS*	0	10,000	10,000	10,000	10,000	10,000	0	50,000
REPLACE FIRE PICKUP 3/PLOW	0	55,000	0	0	0	0	0	55,000
REPLACE CAR 2*	0	45,000	0	0	500,000	0	0	45,000
REPLACE ENGINE 2/OLD ENGINE 4	0	0	0	0	0	0	0	500,000
STORAGE EXPANSION*	0	50,000	0	0	0	0	0	50,000
CRUISER REPLACEMENT*	75,560	173,900	178,900	183,900	93,340	0	0	705,600
ADD NEW E-3	0	0	0	25,000	0	0	0	25,000
REPLACE B-2	0	0	0	30,000	0	0	0	30,000
REPLACE M-1	0	0	0	28,000	0	0	0	28,000
REPLACE H-42	0	110,000	0	0	0	0	0	110,000
REPLACE W-22	0	0	0	100,000	0	0	0	100,000
REPLACE W-20	0	0	50,000	0	0	0	0	50,000
REPLACE H-59	0	62,000	0	0	0	0	0	62,000
REPLACE BOMBARDIER*	0	135,000	0	0	0	0	0	135,000
REPLACE BOMBARDIER*	0	0	140,000	0	0	0	0	140,000
REPLACE W-14	0	95,000	0	0	0	0	0	95,000
REPLACE LF-14	0	35,000	0	0	0	0	0	35,000
FORK LIFT	0	20,000	0	0	0	0	0	20,000
REPLACE H-60 ROAD GRADER	0	50,000	0	0	0	0	0	50,000
ROAD PLANER ATTACHMENT	0	22,000	0	0	0	0	0	22,000
REPLACE H-44	0	0	135,000	0	0	0	0	135,000



**Town of Natick**  
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**Capital Plan - FY 2010-2015**

Department/Project	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	Beyond	Total
REPLACE LF-15 AND LF-14	0	65,000	0	0	0	0	0	65,000
REPLACE LF17	0	0	0	12,000	0	0	0	12,000
REPLACE LEAF VACUUM*	0	27,000	0	0	0	0	0	27,000
REPLACE W-25	0	0	0	45,000	0	0	0	45,000
REPLACE W-6	0	40,000	0	0	0	0	0	40,000
REPLACE NSD82*	0	20,000	0	0	0	0	0	20,000
REPLACE NSD 81*	0	20,000	0	0	0	0	0	20,000
REPLACE 1997 NSD 86	0	22,000	0	0	0	0	0	22,000
REPLACE NSD 83	0	0	30,000	0	0	0	0	30,000
REPLACE NSD84	0	0	0	35,000	0	0	0	35,000
W-21 CALL TRUCK 1 TON WORK TRUCK	0	0	40,000	0	0	0	0	40,000
<b>Public Works - Highway</b>								
GUARDRAIL (VARIOUS LOCATIONS)*	0	10,000	10,000	10,000	10,000	10,000	0	50,000
STREET LIGHT REPLACEMENT*	25,000	80,000	80,000	80,000	80,000	80,000	0	425,000
<b>Public Works - LF&amp;NR</b>								
IRRIGATION CONTROLLER*	0	25,000	0	0	0	0	0	25,000
REPLACE LF-19*	0	14,000	0	0	0	0	0	14,000
REPLACE 2 BACKSTOPS AT MEMORIAL SCHOOL *	0	25,000	0	0	0	0	0	25,000
HIGH SCHOOL TRACK*	0	125,000	0	0	0	0	0	125,000
<b>Total Public Works</b>	<b>840,560</b>	<b>6,040,389</b>	<b>4,568,900</b>	<b>3,283,900</b>	<b>3,145,340</b>	<b>100,000</b>	<b>0</b>	<b>17,979,089</b>
<b>Police</b>								
RADIOS	10,400	10,400	0	0	0	0	0	20,800
FIREARMS	17,600	10,600	10,600	0	0	0	0	38,800
LIVE SCAN FINGERPRINT SYSTEM*	0	27,000	0	0	0	0	0	27,000
RECONFIGURE DISPATCH CENTER*	0	200,000	0	0	0	0	0	200,000
REPLACE VOTER COMPARTOR, EAST NATICK VOTER RECEIV*	0	30,000	0	0	0	0	0	30,000
SPEED EDUCATION UNIT*	0	16,000	0	0	0	0	0	16,000
TRAFFIC MONITORING EQUIPMENT (LIDAR/RADAR)*	0	10,000	0	0	0	0	0	10,000
MOTOR VEHICLE CRASH DIAGRAMMING EQUIPMENT*	0	18,500	0	0	0	0	0	18,500
EOC CONFIGURATION*	0	163,420	0	0	0	0	0	163,420
<b>Total Police</b>	<b>28,000</b>	<b>485,920</b>	<b>10,600</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>524,520</b>
<b>Fire</b>								
REPLACE AMBULANCE	0	180,000	0	0	0	0	0	180,000
REPLACE LADDER 2 / PLATFORM	0	0	925,000	0	0	0	0	925,000
CONSTRUCTION OF TRAINING FACILITY*	0	250,000	0	0	0	0	0	250,000



**Town of Natick**  
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**Capital Plan - FY 2010-2015**

Department/Project	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	Beyond	Total
FIRE HOSE*	25,000	25,000	25,000	0	0	0	0	75,000
MOBILE DATA TERMINALS/ COMPUTERS ON APPARATUS*	0	70,000	0	0	0	0	0	70,000
REPLACE ENG.1 WITH ENG. EQUIPPED WITH LADDER*	0	250,000	0	0	0	0	0	250,000
<b>Total Fire</b>	<b>25,000</b>	<b>775,000</b>	<b>950,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,750,000</b>
<b>Council on Aging</b>								
BUS*	0	65,000	0	0	0	0	0	65,000
SENIOR COMMUNITY CENTER*	TBD	1,500,000	0	0	0	0	0	1,500,000
<b>Total Council on Aging</b>	<b>0</b>	<b>1,565,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,565,000</b>
<b>Recreation</b>								
EAST SCHOOL PLAYGROUND EQUIP.	0	60,000	0	0	0	0	0	60,000
DUG POND PIER*	0	10,000	10,000	10,000	10,000	10,000	10,000	60,000
INTERIOR RENOVATIONS (COLE)*	0	20,000	20,000	20,000	0	0	0	60,000
MEMORIAL SCHOOL LIGHTING	0	0	125,000	0	0	0	0	125,000
J. J. LANE PARK*	0	600,000	0	0	0	0	0	600,000
NATICK COMMON SIDEWALKS	0	40,000	0	0	0	0	0	40,000
MULTI-TURF FIELDS AT COLE CENTER*	0	1,000,000	0	0	0	0	0	1,000,000
SOUTH NATICK PARK SYSTEM	0	0	0	1,000,000	0	0	0	1,000,000
JOHNSON SCH CT/RINK/NHS TENNIS CT & BASKETBALL CT	0	90,000	0	0	0	0	0	90,000
PEGAN COVE PARK	0	0	0	0	30,000	0	0	30,000
COLE CENTER PLAYGROUND	0	0	50,000	0	0	0	0	50,000
MEMORIAL BEACH WATER PLAY UNIT	0	0	0	75,000	0	0	0	75,000
EAST TENNIS/BASKETBALL COURTS	0	0	0	100,000	0	0	0	100,000
BASKETBALL COURT RENOVATIONS	0	0	25,000	0	0	0	0	25,000
MURPHY FIELD - NAVY YARD IMPROVEMENTS*	0	50,000	0	0	0	0	0	50,000
REPLACE REC BUS	0	0	0	0	65,000	0	0	65,000
NEW GYM/FITNESS/STORAGE AREA	0	5,000,000	0	0	0	0	0	5,000,000
<b>Total Recreation</b>	<b>0</b>	<b>6,870,000</b>	<b>230,000</b>	<b>1,205,000</b>	<b>105,000</b>	<b>10,000</b>	<b>10,000</b>	<b>8,430,000</b>
<b>Information Technology</b>								
DOCUMENT ARCHIVING*	0	250,000	250,000	0	0	0	0	500,000
<b>Total Information Technology</b>	<b>0</b>	<b>250,000</b>	<b>250,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>500,000</b>
<b>Community Development</b>								
ROUTE 27 IMPROVEMENTS - CONSTRUCTION*	0	6,500,000	0	0	0	0	0	6,500,000
DESIGN INTERSECTION IMPROVEMENTS AT OAK ST / RT 9*	0	600,000	0	0	0	0	0	600,000
RT 27 / RT 9 INTERSECTION REDESIGN*	0	700,000	800,000	0	0	0	0	1,500,000
WEST CENTRAL/SPEEN ST INTERSECTION IMPROVEMENTS*	0	300,000	0	0	0	0	0	300,000
NORTH MAIN STREET REDESIGN*	0	60,000	0	0	0	0	0	60,000
<b>Total Community Development</b>	<b>0</b>	<b>8,160,000</b>	<b>800,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,960,000</b>
<b>Total All General Fund Capital Requests</b>	<b>993,560</b>	<b>28,103,809</b>	<b>10,099,000</b>	<b>5,488,900</b>	<b>3,350,340</b>	<b>110,000</b>	<b>10,000</b>	<b>48,155,609</b>



**Town of Natick**  
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**Capital Plan - FY 2010-2015**

Department/Project	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	Beyond	Total
<b>Enterprise Funds</b>								
<b>Public Works - Water/Sewer</b>								
REPLACE EVERGREEN #1 WELL	0	0	250,000	0	0	0	0	250,000
REPLACE SPRINGVALE #1 WELL	250,000	250,000	0	0	0	0	0	500,000
REPLACE SPRINGVALE #4 WELL	0	0	0	250,000	0	0	0	250,000
SEWER MAIN RELINING	150,000	150,000	150,000	150,000	150,000	150,000	150,000	1,050,000
ELM BANK REPAIRS - VFD	0	100,000	0	0	0	0	0	100,000
BOOSTER PUMP - GLENRIDGE	0	250,000	0	0	0	0	0	250,000
REPLACE W-30	250,000	0	0	0	0	0	0	250,000
PINE OAKS WELLS REPLACE MCC	0	0	0	90,000	0	0	0	90,000
RUNNING BROOK/VESTA RD PUMP STATION	0	0	10,000	0	0	0	0	10,000
SEWER ALARMS UPGRADE	0	0	100,000	0	0	0	0	100,000
TRAVIS ROAD GENERATOR	0	0	75,000	0	0	0	0	75,000
REPLACE ROOFS AND GUTTERS WELL HOUSES&SEWER STA.	0	50,000	50,000	0	0	0	0	100,000
SEWER MAIN ON COTTAGE & UNION STREET	0	50,000	0	0	0	0	0	50,000
WTP/ELM BANK SECURITY REHAB	100,000	0	0	0	0	0	0	100,000
CHLORINE UPGRADE ELM BANK/PINE OAKS/MORSE POND	0	90,000	0	0	0	0	0	90,000
UPGRADE SCADA	100,000	0	0	0	0	0	0	100,000
BROADS HILL TOWN FOREST RENOVATIONS	500,000	0	0	0	0	0	0	500,000
SEWER PUMP STATION REPLACEMENT AND PUMP UPGRADE	300,000	0	0	0	0	0	0	300,000
GENERATOR BRADFORD RD & GRINDER PUMP	0	0	0	125,000	0	0	0	125,000
W-12 AIR COMPRESSOR	0	0	30,000	0	0	0	0	30,000
DATA COLLECTION GPS BASE STATION	0	0	25,000	0	0	0	0	25,000
REPLACE SPRINGVALE WELL #3	0	0	0	200,000	0	0	0	200,000
<b>Total Water &amp; Sewer Enterprise</b>	<b>1,650,000</b>	<b>940,000</b>	<b>690,000</b>	<b>815,000</b>	<b>150,000</b>	<b>150,000</b>	<b>150,000</b>	<b>4,545,000</b>
<b>Sassamon Trace Golf Course</b>								
SASSAMON TRACE IRRIGATION WELL *	0	75,000	0	0	0	0	0	75,000
<b>Total Sassamon Trace Golf Course Enterprise</b>	<b>0</b>	<b>75,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>75,000</b>
<b>Total All Enterprise Capital Requests</b>	<b>1,650,000</b>	<b>1,015,000</b>	<b>690,000</b>	<b>815,000</b>	<b>150,000</b>	<b>150,000</b>	<b>150,000</b>	<b>4,620,000</b>
<b>Total All Capital Requests</b>	<b>2,643,560</b>	<b>29,118,809</b>	<b>10,789,000</b>	<b>6,303,900</b>	<b>3,500,340</b>	<b>260,000</b>	<b>160,000</b>	<b>52,775,609</b>



# *Town of Natick*

FY 2010 Budget

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# Glossary

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**ABATEMENT** - Abatement is a reduction of a tax liability. The Board of Assessors grants abatements for real estate and personal property taxes in cases where an individual's assessed valuation is determined to be in excess of fair market value.

**ACCRUAL BASIS FOR ACCOUNTING** – A method of accounting that recognizes revenue when earned, rather than when collected, and recognizes expenses when incurred, rather than when paid.

**APPROPRIATIONS** - A legal authorization to expend municipal funds. Massachusetts municipal finance laws require that all general-purpose expenditures be authorized by a majority vote of Town Meeting.

There are two basic types of appropriations - operating appropriations, and special article appropriations. Operating appropriations last for one fiscal year only, and any unobligated balance is closed at the end of the fiscal year. Fire Department Salaries is an example of an operating appropriation. Special Article appropriations are generally voted for a specific project, such as the completion of a capital improvement or the purchase of a piece of capital equipment. Special article appropriations are closed upon completion of the project for which the funds were voted. Appropriations for all **Municipal** departments, boards, and committees are voted in two broad categories - salaries and expenses. Funds voted for salaries may not be expended for expenses and funds voted for expenses may not be expended for salaries, without a transfer approved by Town Meeting. There are no restrictions on **School** appropriations.

**APPROPRIATED BUDGET** – As used in fund summaries and department summaries within the budget document, represents the current year budget as originally adopted by Town Meeting. It does not include prior year encumbrances or re-appropriation.

**ARTICLE** - An article or item on the Town Warrant.

**ASSESSED VALUATION** - The valuation of real estate or other property determined by the Town Assessor for tax levying purposes. The Commonwealth certifies the values and methodology in determining those values every three years.

**ASSETS** – Property, plant and equipment owned by the Town.

**AUDIT** – A comprehensive examination as to the manner in which the government's resources were actually utilized concluding in a written report of its findings. An accounting audit is intended to ascertain whether financial statements fairly present the financial position and results of operations of the Town. The Town is required to conduct an audit annually.

**BOND** - A written promise to pay a specified sum of money, called the face value or principal amount, at a specified dates in the future, called the maturity date(s), together with periodic interest at a specified rate. The difference between notes, usually one year or two years in length and a bond is that the latter runs for a longer period of time. State statute and the Board of Selectmen establish the length of a bond repayment.

**BOND ANTICIPATION NOTE (BAN)** – A temporary note issued for no more than one or two years. This is commonly used to defer the initial pay down of debt or to accommodate reimbursement for borrowed notes from a private source or other governmental entity.

**BUDGET** - The budget is the Town's financial plan for a given fiscal period. The annual budget includes an estimate of proposed expenditures, as well as a forecast of estimated revenues and other financing sources.

The Natick Town Charter specifies that the Town Administrator is responsible for presenting a recommended annual budget to the Finance Committee. The Finance Committee reviews the Town Administrator's Recommended Budget in detail and forwards its recommendations to Town Meeting. Town Meeting adopts the budget by voting a series of appropriations, which may not; in the absence of an over-ride of Proposition 2 1/2 exceed the estimated total amount of revenues and other financing sources for the fiscal period.

**BUDGET MESSAGE (Town Administrator's Transmittal Letter)** – The opening section of the budget that provides the Board of Selectmen, Town Meeting Members, and the general public with a general summary of the most important aspects of the budget, changes from the current and previous fiscal years, and the recommendations of the Town Administrator.

**CAPITAL EXPENDITURE** - A major, non-recurring expenditure involving land acquisition, construction or major rehabilitation of a facility, or purchase of equipment costing \$10,000 or more with a useful life of five years or more.

**CAPITAL IMPROVEMENT PROGRAM (CIP)** - A financial planning and management tool which: identifies public facility and equipment requirements; places these requirements in order of priority; and schedules them for funding and implementation.

**CHAPTER 90** - Massachusetts General Laws Chapter 90, Section 34 authorizes the Commonwealth to allocate funds to municipalities through the Transportation Bond Issue for highway construction, preservation and improvement projects that create or extend the life of capital facilities. Routine maintenance operations such as pothole filling and snow and ice removal are not covered. The formula for determining the Chapter 90 level of funding is based on a municipality's miles of public ways, population and level of employment. Municipalities receive Chapter 90 funds on pre-approved projects on a reimbursement basis.

**CHERRY SHEET** - The State allocates a portion of generated revenue to municipalities each year for education and general governmental expenditures. The amount of state aid each community will receive is itemized in a financial statement printed on cherry colored paper (thus the name). The amount of reimbursement is a function of the State budget. Towns usually receive notification in late summer, subsequent to the beginning of the fiscal year.

**CLASSIFICATION** - Massachusetts municipal finance law requires that all real estate and personal property be appraised at "full and fair cash valuation" for purposes of assessing property taxes. Once the Commissioner of the Massachusetts Department of Revenue certifies that properties are appraised at "full and fair cash valuation" (once every three years), the Board of Selectmen may

impose a tax classification plan, whereby a portion of the residential tax burden may be shifted to the commercial/industrial class of taxpayers. The law limits the amount of tax burden which can be shifted to the commercial/industrial class to not more than 150% of the proportionate share of the class. In other words, if the commercial/industrial class of taxpayers is normally responsible for 25% of the total tax burden, their maximum burden under the classification law is 37.5% (25 x 1.50).

**COMPETITIVE BIDDING PROCESS** – the process following State law requiring that for purchases of \$25,000 or more a Town must advertise, solicit and publicly open sealed bids from prospective vendors. After a review period, the Town Manager then awards a contract to the successful bidder.

**DEBT EXCLUSION** - The amount of taxes assessed in excess of the Proposition 2-1/2 levy limit for the payment of debt service costs attributable to a vote of the electorate. Two-thirds of the Selectmen and a majority of citizens voting must approve the exclusion. These funds are raised to retire the debt service for the project. They are not added to the tax levy limit for the following fiscal year.

**DEBT SERVICE** - Payment of interest and principal on an obligation resulting from the issuance of bonds.

**DEPARTMENT** – A division of the Town that has overall management responsibility for an operation or group of related operations within a functional area.

**DEPRECIATION** – 1) Expiration in the service life of capital assets attributable to wear and tear, deterioration, and inadequacy of obsolescence. 2) That portion of the cost of a capital asset that is charged as an expense during a particular period. Depreciation is based on historic costs not replacement value.

**ENCUMBRANCE** – To encumber funds means to set aside or commit funds for a future expenditure. Encumbrances include obligations in the form of purchase orders, contracts or salary commitments, which are chargeable to an appropriation and for which a part of the appropriation is reserved.

**ENTERPRISE FUNDS** - Enterprise Funds are used to account for operations which are financed and operated in a manner similar to business operations and where the costs of providing goods or services are financed in whole or in part by user charges (charges for services). Services accounted for in Enterprise Funds are tangible and can be measured for determining a charge for services. In Massachusetts, the most common types of government enterprises include utility or utility-type services for water treatment and delivery, sewerage collection and treatment, and electricity generation and distribution. Less common but prevalent operations include hospitals, airports, parking, swimming pools, and golf courses. Individual services must ordinarily be accounted for in separate Enterprise Funds. Segregation is essential for determining the total cost of services and the extent to which user charges cover that cost. Although a community may decide to recover only a portion of its costs from user charges, it is essential from a management point of view that it understands what its total costs are. Such costs include amounts for repayment of long-term debt and related interest and estimates for depreciation.

**EXPENDITURE** – Decrease in net financial resources for the purpose of acquiring and providing goods

and services.

**EXPENSES** – Outflows or other using up of assets or incurring of liabilities during a period from delivering or producing goods, rendering services or carrying out other activities that constitute the entity's ongoing major or central operations. Expenses consist of the following objects of expenditure: Utilities, Supplies and Materials, Contractual Services, and Equipment.

**FINES & FORFEITURES** - Revenue collected from court fines, penalty charges for overdue taxes along with non-criminal fines are included in this category.

**FISCAL YEAR (FY)** - The Town of Natick operates on a July 1st through June 30th fiscal year.

**FREE CASH** - The amount certified annually by the Dept of Revenue that represents the unreserved fund balance less all outstanding tax receivables. This balance is created when actual revenues exceed those estimated and/or expenditures are less than appropriations for any given fiscal year. These funds may be appropriated by Town Meeting as a resource for the next fiscal year's operations or any other purpose authorized by state statute. The Massachusetts Department of Revenue certifies free cash each July 1st. Free Cash represents the savings account of the Town. Certified Free Cash is available for appropriation by Town Meeting for any lawful purpose.

**FUND BALANCE** - The amount by which cash, accounts receivable, and other assets exceed liabilities and restricted reserves. It is akin to a "stockholders' equity" account on a corporate balance sheet. It is not, however, available for appropriation in full because a portion of the assets listed as "accounts receivable" may be taxes receivable and uncollected. (See Free Cash)

**FUNDING SOURCE** – The specifically identified funds allocated to meet budget requirements/expenses.

**GENERAL FUND** - Revenues derived from the tax levy, state aid, local receipts and available funds are considered General Fund revenues. The General Fund is distinguished from Enterprise Funds and Special Revenue Funds.

**GFOA** – Government Finance Officers Association of the United States and Canada. The G.F.O.A. is a professional organization of governmental finance officers.

**GRANT** – A contribution by one government unit or outside agency to another governmental unit. The contribution is usually made for a specific purpose but is sometimes for general purposes.

**INVESTMENT INCOME** - The Town earns interest on cash held in savings accounts and invested in short term securities. The investment goal is to ensure that all funds are invested. The term of these investments is short-term and risk adverse. The Treasurer is very restricted as to the instruments in which investments can be made. The amount of investment income is a function of the amount of funds invested and the interest rate.

**LEVY LIMIT** - The maximum amount of money, which the Town can raise from the property tax levy, without an override of proposition 2 1/2. Please refer to the explanation of Proposition 2 1/2 for a description of how the levy limit is calculated.

**LIABILITY** – Debt or other legal obligation which must be paid, renewed or refunded at some future date, but does not include encumbrances.

**LOCAL RECEIPTS** - A category of revenue sources including school department charges for services, investment income, fines and forfeitures, building permits and excise taxes. These revenues are not considered part of the Proposition 2 ½ Tax Levy.

**MODIFIED ACCRUAL BASIS FOR ACCOUNTING** – A method of accounting that recognizes revenue when it is actually received and recognizes expenditures when a commitment is made.

**MOTOR VEHICLE EXCISE** - All Massachusetts vehicle owners who have their vehicle(s) registered in the State of Massachusetts pay an annual motor vehicle excise tax to the city or town in which they reside. The Registry of Motor Vehicles creates a listing of all vehicles registered in Natick and the book value assigned to each vehicle. The Town uses this information to bill all owners an annual tax equal to 2 ½ percent or \$25 for each \$1,000 of the vehicle's value.

**MWRA** – Massachusetts Water Resources Authority

**NEW GROWTH** - In addition to a standard 2 1/2% annual increase in the property tax levy, Proposition 2 1/2 allows the levy to be increased further by the sum of certain qualifying new construction valuation, multiplied by the prior year tax rate. Qualifying new construction valuation is known as "New Growth". In general, in order to qualify as "New Growth" the new construction valuation must be either a newly constructed house or an addition to an existing house, which adds at least 50% to the preconstruction value (residential properties). For commercial/industrial properties, "New Growth" consists of both newly built buildings, and additions, which add at least \$100,000 to the prior value of the improved property. It permanently becomes part of the tax levy.

**OBLIGATION** - A commitment to pay a particular sum of money (e.g. as required by contract or a bond).

**OPERATING BUDGET** – The portion of the budget that pertains to daily operations, which provide basic services for the fiscal year. The operating budget contains appropriations for such expenditures as personnel, supplies, utilities, materials, travel, and fuel and the proposed means of financing them.

**OPERATING EXPENDITURE** - An ongoing or recurring cost of performing a function or providing a service. Operating expenditures include personal services, supplies and materials, utilities, contractual services, minor equipment, and debt service.

**OVERLAY** - The amount raised in the tax levy for funding abatements granted by the Board of Assessors due to overvaluation.

**OVERRIDE** - An action taken by the voters of the town to exceed the limit placed on tax revenue growth by the State tax limitation law known as Proposition 2 ½. The tax levy limit can be exceeded only if a majority of residents voting approve an override. This sum is then added to the base levy for the next fiscal year and this becomes a permanent addition to the tax levy limit.

**PROPOSITION 2 ½** - A tax limitation measure passed by Massachusetts voters in 1980 which limits the growth of the total property tax levy to 2.5% per year. In other words, the total revenue allowed to be raised through real estate and personal property taxes cannot increase by more than 2.5% from one fiscal year to the next unless the citizens of the town approve a debt exclusion or an operating override. New construction values are in addition to this limit. Two provisions within Proposition 2 ½ allow the citizens of a community by popular vote to authorize the Town to raise taxes above the tax levy limit: an operating override or a debt exclusion.

As a consequence of this proposition, the Property Tax currently accounts for 2/3 of the Town's total revenue budget. Proposition 2 1/2, is a statutory limit on the annual rate of growth in the property tax levy of the Town. In the absence of a majority vote of approval by the Natick electorate (an override), the total amount of revenue which may be generated from the property tax is limited to: 2 1/2 more than the prior year levy limit, plus the sum of all qualifying new construction valuation multiplied by the prior year tax rate.

**RESERVE FUND** - An amount set aside annually within the budget of a city or town to provide a funding source for "extraordinary and unforeseen" expenditures. In a town, the Finance (or Appropriation) Committee can authorize transfers from this fund. The Reserve Fund is under the control of the Finance Committee.

**RETAINED EARNINGS** – The equity account reflecting the accumulated earnings of the enterprise funds.

**RESOURCES** - Total dollar amounts available for appropriation including estimated revenues, fund transfers, and beginning fund balances.

**REVALUATION** - Massachusetts municipal finance law requires that the Massachusetts Department of Revenue formally certify that property tax assessments represent the "full and fair cash valuation" of properties. The process of determining the "full and fair cash valuation" of taxable property is known as Revaluation.

**REVENUE** - Budgetary resources. The various revenues the Town receives are listed in the Revenue Section of Town Administrator's Summary.

**REVOLVING FUND** – As authorized under M.G.L. Ch. 53 E ½, departmental revolving funds allow communities to raise revenues from a specific service and use those revenues without appropriation to support the service. Each revolving fund must be re-authorized each year at annual town meeting or by city council action, and that a limit on the total amount that may be spent from each fund must be established at that time. The aggregate of all revolving funds may not exceed ten percent of the amount raised by taxation by the city or town in the most recent fiscal year, and no more than one percent of the amount raised by taxation may be administered by a single fund. Wages or salaries for full-time employees may be paid from the revolving fund only if the

fund is also charged for all associated fringe benefits.

**SCHOOL BUILDING ASSISTANCE PROGRAM (SBAB)** – A program started by the Commonwealth of Massachusetts for the purpose of assisting municipalities in the reconstruction and renewal of its public schools.

**SEWER & WATER CHARGES** - The Town operates a Water and Sewer Enterprise Fund to manage these municipal operations. Users of sewer and water services provided by the Town pay charges depending upon usage. Revenue received from charges for sewer and water services is used to fully support the costs of utility operations, such as Massachusetts Water Resources Authority (MWRA) assessments, debt service obligations, personnel costs, and capital projects. Charges for services are based on an inclining block rate structure corresponding to usage. Charges rise as usage increases. The Town pays the MWRA assessments to dispose of Town sewage.

**STABILIZATION FUND** – Massachusetts General Law Ch.40, Sec. 5B, allows a municipality to appropriate in any year an amount not exceeding ten percent of the amount raised in the preceding fiscal year; the aggregate amount in the fund shall not exceed ten percent of the equalized valuation of the municipality. The treasurer shall be custodian of the fund and may invest the proceeds legally; any interest earned shall remain with the fund. Money from the Stabilization Fund may be appropriated for any lawful purpose by two-thirds vote of Town Meeting.

**TAX LEVY** - The total amount to be raised through real estate and personal property taxes. Natick property owners pay taxes to the Town based on the assessed value of their real and/or personal property. Each year the Board of Selectmen conducts a tax classification hearing to determine a tax rate. The Town Assessor makes adjustments to real estate values in order to properly reflect fair market value. In addition to real estate, businesses may also pay a personal property tax (set at the commercial rate) based on the value of their professional equipment, furniture and fixtures. The amount of taxes a property owner pays is determined by multiplying the applicable tax rate by the valuation. For example, if the tax rate is \$10 and a property's assessed value is \$100,000, the property owner will pay \$10 times \$100,000/1,000, or \$1,000. Tax levy revenues are the largest source of funding for the Town. These revenues support most school, police, fire, public works, library, and general governmental services to the community.

**TAX LEVY LIMIT** - The maximum amount that can be raised within Proposition 2 ½.

**TAX RATE** - The amount of tax levied for each \$1,000 of assessed valuation.

**USER FEES** - Fees paid for direct receipt of a public service by the user or beneficiary of the service.



# *Town of Natick*

FY 2010 Budget

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# Demographics & Information

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## History

The Town of Natick is a suburban industrial center located on the upper basin of the Charles and Concord Rivers with an extensive complex of ponds. The town was from earliest Colonial days a prime target for development, possessing as it did good agricultural land, fish runs and water power. Established in 1650 on the Charles River, Natick had the first and the largest Indian praying town in the colonies, one that became a model for all other attempts to inculcate European standards into Indians. John Eliot, the great missionary, secured a charter of 6,000 acres for the Indians and converted them to Christianity. Unfortunately, Natick's Indian population was forcibly resettled on Deer Island during the King Philip's war and essentially never returned.



In Colonial days, Natick was an agricultural community with some orchards and some lumbering. Grist and sawmills were established and Indian ownership and control gave way to white dominance between 1676 and 1776. Local tradition claims that several loads of Natick men shipped out to the California gold rush in 1849 and 1850, returning with enough capital to start independent businesses in the town. The shoe industry dominated the community by the early 19th century, with the first shoe sole manufacturer established in 1827 and shoes shipped to the southern and western markets by 1830. The town's products, including baseballs manufactured in Natick, were shipped to Boston on the Boston and Worcester Railroad. The town saw rapid growth including an Irish, English, Nova Scotian, Italian and Armenian immigrant population which came to take jobs in the shoe plants and by the 1880's, Natick was the third largest shoe production community in the country.

## Demographic & Geographic Information

Settlement Date: 1651

Incorporation Date: Natick was incorporated as a Town on February 19, 1781.

County: Middlesex

Location: Eastern Massachusetts, bordered by Framingham on the west, Wayland and Weston on the north, Wellesley and Dover on the east, and Dover and Sherborn on the south. Natick is 18 miles southwest of Boston; 25 miles east of Worcester; 35 miles north of Providence, Rhode Island; and about 201 miles from New York City.

Total Area: 16.06 sq. miles

Land Area: 15.09 sq. miles

Population: 32,170

2008 Labor Force: 18,689

1999 Per Capita Income: 36,358

2007 Population Per Square Mile: 2,120.4

2007 Housing Units Per Square Mile: 886.5

2007 Road Miles: 154.29

Number of Registered Vehicles (January 2008): 32,991

Average Age of Vehicles (January 2008): 9.03

## **Government & Elections Information**

School Structure: K-12

Form of Government: Town Administrator-Selectmen-Representative Town Meeting

Registered Voters: (as of December 31, 2007) 20,845

Democratic 7,338

Independent 3rd Party 9

Republican 2,709

Libertarian Party 58

Unenrolled 10,697

Working Families 6

Socialist 3

American Independent 2

Green Rainbow Party 21

Reform Party 2

Area: 15.99 sq. miles

Town Offices:

Town Hall, 13 East Central Street

US Senators:

Edward M. Kennedy & John F. Kerry

Representative in Congress:

Edward J. Markey

State Senators:

Karen Spilka, Precincts 1-5, & 8

Scott Brown, Precincts 6,7,9 & 10

State Representatives:

David Paul Linsky, Precincts 1-9

Alice Hanlon Peisch, Precinct 10

Voting Qualifications: Must be 18 years of age on or before Election Day, born in the United States or fully naturalized; a resident of Natick.

Registration of Voters: Town Clerk's Office, 13 East Central Street, daily from 8:00 a.m. to 5:00 p.m.

Where to Vote (Precinct Numbers):

Kennedy Middle School, 163 Mill Street (1)

Cole Recreational Center, 179 Boden Lane (2)

Kennedy Middle School, 163 Mill Street (3)

Wilson Middle School, 24 Rutledge Road (4)

Wilson Middle School, 24 Rutledge Road (5)

Lilja School, 41 Bacon Street at Oak Street (6)

Lilja School, 41 Bacon Street at Oak Street (7)

Natick High School, 15 West Street (8)

Morse Institute Library, 14 East Central St. (9)

Memorial School, 107 Eliot Street (10)

# Natick 360

## Honoring Our Past. Planning Our Future.



## Town of Natick Strategic Plan 2008-2012

### Executive Summary

#### Overview

*Natick 360* is the Town of Natick's strategic planning process. It is sponsored by five of the Town's boards and committees: Board of Selectmen, Conservation Commission, Finance Committee, Planning Board and School Committee. *Natick 360* was authorized by Town Meeting in spring 2006. The strategic planning process underwent four phases:

- **Phase 1. Our Community Yesterday and Today:** The Metropolitan Area Planning Council researched and published a study of Natick, its history, its characteristics, strategic advantages and disadvantages, and resources.
- **Phase 2. Our Shared Values and Vision:** Based on a summary of citizen input at the October 2006 "Vision for the Future" meeting of Natick residents, the five sponsoring boards and committees developed and adopted a set of values that are widely shared throughout the community, and statements describing a shared vision of the Town's aspirations.
- **Phase 3. Our Strategic Options:** In a series of joint meetings among members of the five sponsoring boards and committees; a gathering of members of the public; a meeting of "key informants," who are leaders in government, not-for-profit and business sectors throughout the region, potential solutions to key issues facing the Town were identified. The Town staff helped identify cost categories for these strategic options.
- **Phase 4. Our Strategic Choices:** In the June 2007 "Strategic Choice" meeting, citizens narrowed and prioritized the list of options. A scientific random sample survey solicited residents' opinions. The sponsoring boards and committees narrowed the list further, added their own input, and developed 12 goal statements focusing on the results they want the Town to achieve. Each board and committee then identified actions it could take that would advance the 12 goals.

The five sponsoring boards and committees considered five primary sources in developing the strategic goals for 2008-2012:

- **Our Community Yesterday and Today**, the report of the Metropolitan Area Planning Council on Natick characteristics;
- **Natick Value and Vision Statements**, developed through the "Vision for the Future" meetings October 27-29, 2006, and workshops for members of the sponsoring boards and committees;
- **The results of the "Strategic Choices" workshops** held June 8-10, 2007, and facilitated meetings of the sponsoring boards and committees;
- **The results of the scientific random sample survey of Natick residents**, conducted in July and early August 2007 by independent survey firm ETC Institute of Olathe, Kansas; and,
- **The priorities and suggested action items** of the individual sponsoring boards and committees.

## Natick Value and Vision Statements

### As citizens of Natick, we value:

- Natick's "small-town" sense as a safe, interconnected community fed by its heritage, pride and spirit of volunteerism, and by its diversity, derived from its tradition of affordability and welcoming nature;
- Natick's stewardship of its diverse open spaces, and natural resources;
- A high-value education for students at all levels and abilities, and continuing educational opportunities for all Natick citizens;
- A variety of businesses that create a wide range of jobs and provide support to the community in many ways;
- Natick Center, a vibrant focal point of our community;
- Natick's abundance of cultural, recreational and educational facilities, wide array of municipal services, and proximity to major transit and transportation resources that contribute to our high quality of life.

### As citizens of Natick, we aspire to create a future in which:

- Natick is a healthy community of diverse and interconnected citizens, businesses, organizations and neighborhoods, where citizens of all ages, backgrounds and income levels can live, work and thrive;
- Natick's natural resources are preserved and accessible to the community;
- Natick Center is the vibrant core of the community, a unique and accessible destination for commerce, community and culture, day and night;
- Natick's public schools and programs are recognized as among the best;
- Natick's self-government, supported by informed and engaged citizens, is fiscally sound, delivers services efficiently and communicates effectively with the public;
- Natick's public infrastructure and buildings fulfill their function efficiently and effectively to the satisfaction of the community, and are maintained in good working order;
- Natick is a desirable and accessible destination that marshals local and regional partners and resources to solve problems and enhance the quality of life for all its citizens.

## Natick's Strategic Goals

- Assure short-term and long-term financial stability of the Town in order to sustain the services required and desired by the community.
- Ensure that people are well-informed about what the Town is doing, so that people vote and participate in Town boards and committees.
- Maintain public safety commensurate with growth and change.
- Proactively plan for new development appropriate for neighborhoods and the community.
- Improve educational quality, opportunities and outcomes for each student, regardless of age and ability.
- Develop and implement a plan for extraordinary capital projects.
- Develop a comprehensive system for maintaining and improving public facilities, infrastructure, and ordinary capital requirements.
- Improve traffic flows and minimize the impact of traffic on the Town.
- Encourage Natick's transition to an environmentally sustainable community.
- Attract and retain businesses providing high-quality jobs.
- Promote, foster and enable an economically, socially and culturally vibrant and diverse Natick Center.
- Address the intellectual, physical and social needs of all Natick residents.

## More Information

The complete *Natick 360* Strategic Plan is available on the Town of Natick website at [www.natickma.gov](http://www.natickma.gov). The complete plan lists almost 200 action items that have been identified by the Sponsoring Boards to move toward achieving the Strategic Goals. Copies of the complete plan are also available at the Morse Institute Library, the Bacon Free Library, the Community Development Office, Town Clerk's Office, and the Kennedy Senior Center.

## Volunteers

Dozens of Natick residents volunteered to help with the various logistics for developing the *Natick 360 Strategic Plan 2008-2012*. These dedicated volunteers are too numerous to list here, but the Strategic Planning Oversight Committee thanks them for their selfless service to our community.

## Strategic Planning Process Participants

Over ten percent of Natick's households, nearly 2,000 people, participated directly in this strategic planning process:

- In July 2006, three preliminary focus groups sought input from 21 residents.
- Three business forums, in September and December 2006 and April 2007, brought 20 Natick business leaders into the process.
- The Town's 18 senior staff provided input to the process in two meetings in October 2006 and February 2007.
- More than 150 residents attended the October 2006 Values and Vision Weekend Friday evening event, featuring presentations on Natick's past and present and the "new urbanism" movement.
- More than 325 participated in the October 2006 Values and Vision Workshops on Saturday and Sunday.
- Another nearly 200 people provided written input to the October 2006 Values and Vision Workshops through the *Natick 360* web site.
- About 40 residents overcame February 2007 snows to provide input at public meetings at the Morse Institute Library and the Senior Center.
- More than 30 state and regional leaders attended the Key Informant meeting in February 2007.
- A forum at Natick High School involved 90 Junior and Senior students in March 2007.
- More than 100 Natick photographers submitted works for the "Focus on Natick" contest. Selected photographs were displayed at The Center for the Arts in Natick during May and June 2007.
- More than 100 residents came to the June 2007 Strategic Choices Weekend Friday evening event featuring presentations about State and regional planning activities.
- More than 140 residents participated directly in the July 2007 Strategic Choices Workshops on Saturday and Sunday, and several more provided written input.
- Nearly 1,200 households responded to the July-August 2007 scientific random sample survey.
- The 42 members of the five sponsoring boards and committees met several times to consider *Natick 360* issues in both joint sessions and board and committee meetings over the 1½ years of the initiative. They include the Board of Selectmen, Conservation Commission, Finance Committee, Planning Board and School Committee.

The Strategic Planning Oversight Committee thanks all the participants for their commitment to making our community a better place to live, work and thrive.

## Private Sector Financial Sponsors

The Town of Natick and the Strategic Planning Oversight Committee would like to thank the following businesses for their financial support of the *Natick 360* strategic planning process. Without their support, the *Natick 360 Strategic Plan 2008-2012* would not have been possible.

- Ameriprise Financial
- Belkin Family Lookout Farm
- Boston Scientific
- Debsan, My Decorating Store
- Eastern Bank
- Fair & Yeager Insurance Agency, Inc.
- MetroWest Subaru
- Metrowest Medical Center
- Middlesex Savings Bank
- Natick Federal Savings Bank
- Scrub-a-Dub Car Wash
- SustainServ
- WebReply, Inc.

In addition, the Town of Natick and the Strategic Planning Oversight Committee would like to thank the following businesses for providing refreshments for events that were part of the *Natick 360* strategic planning process, and for developing the [www.Natick360.org](http://www.Natick360.org) public web site.

- Bacon Street Farm
- Bakery on the Common
- BJ's Wholesale Club
- Entenmann's Outlet Store
- Natick Pizza
- Pizza Peddler
- George's Pizza
- Liberty Pizza
- Roche Brothers
- Starbucks
- Stop & Shop
- Thread Media, Inc.

## Strategic Planning Oversight Committee

The Strategic Planning Oversight Committee was charged with managing the planning process, recommending professional consultants and overseeing their work on the project, engaging the public to participate in the process, and coordinating involvement by the sponsoring boards.

- Rosemary Driscoll
- Teresa Evans
- Matthew Gardner, Ph.D.
- John Heerwagen
- Bill Mayhew
- David Parish, Co-Chair
- George Richards
- Andres Rochwerger
- Craig Ross, Co-Chair
- Harlee S. Strauss, Ph.D.

## Consulting Partners

### Metropolitan Area Planning Council

The Metropolitan Area Planning Council, of Boston, wrote the Phase 1 report, *Natick Our Community Yesterday and Today*. The consulting term was led by Marc Racicot. [www.mapc.org](http://www.mapc.org).

### Blackerby Associates, Inc.

Blackerby Associates, of Phoenix, provided project management and facilitation services during the *Natick 360* strategic planning process. The consulting team was led by Phillip Blackerby, Elizabeth Reuthe and Kevin O'Sullivan. [www.BlackerbyAssoc.com](http://www.BlackerbyAssoc.com).

### ETC Institute

ETC Institute, of Olathe, Kansas, conducted the scientific random sample survey of Natick residents. The consulting team was led by Chris Tatham. [www.EtcInstitute.com](http://www.EtcInstitute.com).





**Town of Natick  
13 E. Central Street  
Natick, MA 01760**

**IMPORTANT TOWN BUSINESS**