



INTEROFFICE MEMORANDUM

TO: BOARD OF SELECTMEN
FROM: MARTHA WHITE, TOWN ADMINISTRATOR
SUBJECT: UPDATE ON FY 2010 BUDGET
DATE: 2/20/2009
CC: FINANCE COMMITTEE

There are a number of materials in your packet regarding the FY 2010 budget. This memo is intended to summarize those materials, and related information, and to put this information in context.

First, we have attached again the memo of February 13, 2009 which summarizes the budget process to date, from early January (at which time the "level service" budget was submitted) to the present submission of a balanced budget as reflected on the current Revenue/Expenditure Summary. As the Board is aware, details as to how the individual departments will achieve these cuts are being presented on a department-by-department basis; the larger departments (Police, Fire and DPW) will be presented Monday night.

There are a number of pending issues that could impact our approach to balancing the budget, notably:

- Authorization to offer an Early Retirement Incentive Program. As noted in a separate memo, we believe this program offers a unique opportunity to cost-effectively manage the necessary reductions-in-force, rather than having the collective bargaining and/or civil service process manage it for us.
- Discussions with unions regarding FY 2010 Cost of Living Allowance (COLA). I am working to set up a meeting with the unions for next week, and have initiated informal

- discussion with most of them already. It is my intent that, if a union agrees to forego the COLA to which they are contractually entitled, the savings would stay with the department and be used to save jobs or otherwise reduce impact on the personnel. I have advised department heads that non-union personnel will not be receiving a COLA in FY 2010.
- Conveyance of properties to Conservation Commission. If this idea is successful, particularly for the Natick Community Organic Farm, substantial savings would result. I would suggest that this savings would not result in amendments to any budgets but would essentially create a positive effect on Free Cash.
- Increasing departmental fees. Again, this issue is detailed in a separate memo. And, again, I would not recommend adjusting budgets based on projected additional revenue but rather allow such revenue to create a positive effect on Free Cash.

In developing the FY 2010 budget, we have endeavored to reevaluate many of the municipal operations and employ creative options where feasible. We have also maintained an eye towards FY 2011, as we anticipate further need for cost cutting measures and efficiencies in that fiscal year. Further, we have continued our efforts to utilize Natick 360 as a guide to what community attributes are most valued by Natick residents and we have sought to preserve these as best as possible.