

FINANCE COMMITTEE

REPORT

**FINANCE COMMITTEE
TOWN OF NATICK
MASSACHUSETTS 01760**

October 12, 2004

Town Meeting Members and Citizens of Natick:

This report contains the Natick Finance Committee recommendations regarding appropriations for the Fiscal Year 2005 supplemental budgets and capital requests. In addition, this report contains recommendations on most of the non-financial 2004 Fall Annual Town Meeting Warrant Articles, in accordance with the Natick Home Rule Charter and Natick By-laws regarding Finance Committee responsibilities. Our preliminary report dated October 7, 2004 is attached and incorporated hereto.

Each of the Finance Committee recommendations was made after conducting a duly noticed public hearing and open meetings of the Finance Committee as a whole. We took into account comments and data gathered from Warrant Article sponsors, many Town department heads, the Town administration, Town boards and commissions, and the public at-large. The Finance Committee made its recommendations only after affording ample time for input and discussion during meetings held on September 21st, 28th, 30th and October 5th.

In consideration of a number of warrant articles (Article 1 through Article 7), the Finance Committee discussed and reviewed the disposition of revenues and expenditures for Fiscal Year 2005. During that review and taking into account the State Aid increases and current needs of the Town of Natick (Town), we feel confident that the Fiscal Year 2005 budget adopted by Town Meeting last spring left the Town in a position to now make some modifications to certain department and debt line items, along with preserving reserve funds at appropriate levels. We also feel that those adjustments recommended herein are founded on fact and good judgment.

We feel compelled to summarize for Town Meeting Members and the Citizens of Natick some of the key budgetary policies, discussions and actions that took place at Finance Committee meetings after Town Meeting's acceptance of the Fiscal Year 2005 Budget adjustments.

At this time last year we reported that there were shortfalls from State Aid and increase in costs outside of the Town's control, e.g. increases in insurance premiums. We also reported that the deployment of reserve funds, such as Free Cash, Overlay Surplus and Stabilization account funds was the appropriate method to balance the FY05 Budget. To that end, the Town Administrator and the Finance Committee recommended that Town Meeting continue the use of Free Cash and other reserve funds (as listed above) to maintain funding levels to support necessary services of the Town in FY05 and FY06.

At the present time, we continue to plan the Town's financial future with these tenets in mind.

However, we now report that the Town's revenue position is improved by more than \$2,000,000 above the amounts anticipated this past April. These increases have generally occurred in the form of increased State Aid, increased general government revenue sources and increases in other estimated receipts. These increases are reduced to some degree by other adjustments such as reductions in the estimated tax base growth and stabilization fund requirements. The Town Administrator should provide more detailed information regarding revenues during his budget update.

In addition to the revenue increase, the Town Administrator should provide an overview of the expenditure modification that will be before Town Meeting during the 2004 Fall Town Meeting session. Article 1 through Article 7 contain requests for Town Meeting's approval and appropriation of funds. Many of these requests focus on capital improvement appropriations and FY05 budget modifications to operating, debt and insurance appropriations made by Town Meeting last April. The Finance Committee has made recommendations for such purposes under most of these seven articles.

Free Cash for FY05, although not yet certified, may be certified in excess of \$5,000,000. That amount includes approximately \$1,500,000 of Free Cash remaining from the FY04 certified Free Cash, which is planned to be utilized in balancing the FY06 budget. The remaining anticipated balance of Free Cash is a result of conservative estimates of local receipts, among other things. We recommend that the Town Administrator review the above with Town Meeting in greater detail.

The 2004 Fall Annual Town Meeting Warrant contains twenty-eight (28) articles that have and should generate debate and discussion. Several articles deal with subject matters that have previously come before Town Meeting. The Finance Committee has made recommendations on twenty (20) articles, no action is requested on seven (7) articles and the Finance Committee has no recommendation on one (1) article (Article 27). Additional or alternative recommendations for articles may be provided to Town Meeting by the Finance Committee as a result of our meeting scheduled on October 19, 2004, immediately prior to the beginning of 2004 Fall Annual Town Meeting; any such recommendations will be provided at the 2004 Fall Annual Town Meeting.

The Finance Committee would like to express its thanks and appreciation for the hard work and dedication of all town officials, members of boards, committees, departments and citizens for their cooperation and participation during the Warrant Article hearing.

We respectfully submit our recommendations for the 2004 Fall Annual Town Meeting Warrant Articles for your consideration.

Finance Committee

October 12, 2004

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As always, we thank you for your support.

Respectfully Submitted,

Frank Foss, Chair

Carol Gloff, Vice Chair

John Culkin

Wilson Idzal

Catherine Matzilevich

Dominic Mirante

Craig Ross

Christine Weithman

Bruce Wright, Secretary

Paul Griesmer

Richard Jennett

Lynn Mattice

John Moran

Robert Severance

Attachment:

**FINANCE COMMITTEE
TOWN OF NATICK
MASSACHUSETTS 01760**

October 07, 2004

Town Meeting Members and Citizens of Natick:

In an effort to expedite information to Town Meeting members, the Finance Committee submits the following preliminary report of recommendations on the 2004 Fall Annual Town Meeting Warrant Articles. Specifically, please find attached a copy of the warrant articles and a spreadsheet summarizing our recommendations on many of the warrant articles requesting Town Meeting's approval for appropriation. Such recommendations include Fiscal Year 2005 budget adjustments, capital equipment and capital improvement funding, among other monetary requests by municipal departments and citizen petitioners. In addition, the attachment contains recommendations on most of the non-financial 2004 Fall Annual Town Meeting Warrant Articles. These recommendations are provided consistent with the Natick Home Rule Charter and Natick By-laws regarding Finance Committee responsibilities.

Each of these recommendations were made after the Finance Committee conducted a duly noticed public hearing and open meetings. We took into account comments and data gathered from article sponsors, Town department heads, the Town administration, Town boards and commissions, citizen petitioners and the public at-large. The Finance Committee made its recommendations after affording ample time for public input and discussion during meetings held on September 21st, 28th, 30th and October 5th.

We intend to forward Town Meeting members a more comprehensive report of our findings and recommendations, including votes and supporting information gathered during the recent warrant hearing and Finance Committee meetings. Town Meeting members should expect to receive such in the coming days.

Finance Committee

October 12, 2004

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As always, we thank you for your support.

Respectfully Submitted,

Frank Foss, Chair

Carol Gloff, Vice Chair

John Culkin

Wilson Idzal

Christopher Lee

Lynn Mattice

Craig Ross

Christine Wiethman

Bruce Wright, Secretary

Paul Griesmer

Richard Jennett

Catherine Matzilevich

Dominic Mirante

Robert Severance

Bruce Wright