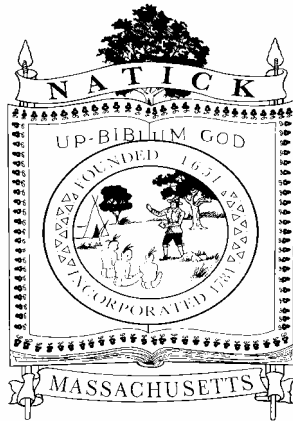


**RECOMMENDATIONS
OF THE
NATICK FINANCE COMMITTEE**



**2007 ANNUAL TOWN MEETING
WILSON MIDDLE SCHOOL AUDITORIUM
TUESDAY, MAY 29TH, 2007 @ 7:30PM
ADDENDUM AND REVISIONS
DATED 4/5/2007**

PLEASE BRING THIS BOOK

WITH YOU TO THE

ANNUAL SPRING TOWN MEETING

TUESDAY, MAY 29TH, 2007

7:30 PM

WILSON MIDDLE SCHOOL AUDITORIUM

**TOWN ADMINISTRATOR
FISCAL YEAR 2008
SUPPLEMENTARY BUDGET MESSAGE**

April 5, 2007

This budget message is intended to supplement and update the Fiscal Year 2008 budget message prepared by outgoing Town Administrator Phil Lemnios, dated January 8, 2007; a copy of Mr. Lemnios' budget message was included in the Recommendations of the Natick Finance Committee – 2007 Annual Town Meeting book. This Budget Message will highlight the changes to the budget during the course of the Finance Committee review process, the debate and recommendations regarding funding of the FY 2008 budget, and the significant financial challenges faced by the community in the coming years.

The following documents are attached to this report: (1) Definitions of Key Terms; the defined terms are the various one-time funding sources and reserves (2) an updated copy of the Revenue and Expenditure Summary; an earlier version of this document, dated January 8, 2007, is attached to Mr. Lemnios' Budget Message and (3) an updated copy of the Enterprise Fund Estimated Revenue and Expenditure Summary; an earlier version of this document was also attached to Mr. Lemnios' Budget Message.

REVENUE UPDATE

State Aid

Earlier projections anticipated a modest increase in state aid of 3.25% or \$340,385 over FY 2007 levels. Despite public statements promising 5% increases in state aid, the Governor's FY 2008 budget (often referred to as "House 1") actually proposes a \$12,533 *decrease* for Natick as compared to FY 2007 aid levels. Net state aid (factoring in both revenues received as well as charges assessed by the state) reveals the following:

FY 2007	FY 2008	FY 2008
Actual	Original	Governor's
	Projections	Budget
\$8,833,641	\$9,108,436	\$8,907,332

We have expressed to our state legislators our disappointment regarding projected FY 2008 state aid and the significant impact that this is having on our local budget. One key concern is the inequity of state aid distribution within the Governor's budget. Specifically, while Natick's net state aid would increase just 0.83% under the Governor's budget, other area communities are slated for increases as high as 24.5%; no area community is projected for increases as modest as Natick's. (Note that new state aid information received last evening indicates that Chapter 70 School aid has increased by \$343,545. However, as it is unclear that this is the complete state aid picture – i.e. whether any state assessments will be adjusted – this increase is not included in the above figures or the attached Revenue and Expenditure Summary.)

Taxation

FY 2008 taxation projections have not changed from those originally presented by Mr. Lemnios.

However, projected revenues associated with the Natick Mall expansion warrant discussion and explanation. Mall revenues have initially been received in the form of building and other permit fees (primarily in FY 2007). Supplemental taxation will be assessed as the commercial and residential units are occupied (projected at \$1 million for FY 2008) and the community will benefit from real estate and personal property taxes attributable to the Mall development in FY 2009 and subsequent years. We will continue to evaluate the commercial and residential property values and associated taxation opportunities as commercial and residential units are occupied and/or conveyed to ensure that our revenue projections for future years are as reliable as possible.

Local Receipts

The revenue category known as Local Receipts is made up of a number of sources, including permit and license fees, payments from the Water and Sewer Enterprise Fund for indirect costs, planned use of various mitigation funds for specifically identified purposes, anticipated revenues into the Water and Sewer Enterprise Fund and the Golf Enterprise Fund and other local revenue sources other than taxation.

The Local Receipts category also includes the proposed use of reserves and one-time revenues. Within these categories the Town Administrator's balanced budget presented in January proposed the use of \$250,000 from the Stabilization Fund, and \$250,000 from the Overlay Surplus Account.

Subsequent to the submission of the Town Administrator's January budget, significant adjustments have been made with respect to the intended use of funds from the Stabilization Fund and the Overlay Surplus Account. Specifically, the budget as currently proposed utilizes \$644,000 from the Stabilization Fund and \$1,116,024 from the Overlay Surplus Account.

This proposed extensive use of reserves and one-time revenues warrants explanation and discussion which will be provided later in this report.

In sum, the January revenue projections for FY 2008 totaled \$109,328,473.

EXPENDITURE UPDATE

A corresponding balanced operating budget was also presented in January by the Town Administrator. To stay within the projected anticipated revenues of \$109,328,473, and given significant projected increases in areas such as fuel, energy and health care, the General Government and School Department budgets were limited to very modest increases, much of which had to be allocated to contractual labor cost increases.

These constraints would have necessitated personnel and program reductions throughout several service areas including public safety, education, social services, public works, administrative services and more.

However, the School Department felt that such reductions would reverse many positive accomplishments made in recent years, and requested a budget increase of \$2.87 million over FY 2007; this is approximately \$1.7 million greater than provided for in the Town Administrator's January budget and could not be funded within the projected FY 2008 revenues. Consequently, the Town Administrator recommended that the Board of Selectmen call a Proposition 2½ Override election as a means of providing this additional funding for the School Department.

The Finance Committee's lengthy budget review process involved extensive meetings with department heads to review their operational needs, staffing and other resources, service demands, opportunities for savings and efficiencies, and more. This process revealed that numerous municipal departments are significantly challenged to meet the growing needs of the community, and that the personnel and program reductions necessitated by the Town Administrator's proposed FY 2008 budget would jeopardize the high quality of services currently enjoyed throughout Natick.

PROPOSED FY 2008 BUDGET AND ONGOING FISCAL CHALLENGES

After extensive discussion and review of the projected revenues and expenditures proposed by the Town Administrator, the School Department's request for additional funding, the cutbacks proposed within the General Government operating budget and the Town Administrator's recommendation that the Selectmen call for a Proposition 2½ Override election, the Finance Committee ultimately recommended that a Proposition 2½ Override election not be called at this time and that, instead, additional one-time revenues and reserves be used to balance the FY 2008 budget. The Finance Committee's report to Town Meeting members provides a thorough discussion of their decision-making process on this issue.

The proposed FY 2008 budget provides additional funds for the School Department (\$1,650,000 greater than initially recommended by the Town Administrator) as well as the General Government (\$300,000 greater than initially recommended by the Town Administrator). As previously indicated, these expenditure increases are funded largely through increased use of reserves and one-time revenues.

The Finance Committee is clear, however, that the strategy proposed to balance the FY 2008 budget –extensive use of reserves and one-time revenues – cannot be sustained, and that the community will face difficult decisions in FY 2009 and beyond regarding the need for substantial additional revenues through a Proposition 2½ Override if existing service levels are to be maintained.

As discussed extensively in the Finance Committee's report to Town Meeting members, current service levels cannot be sustained with this fiscal approach. An explanation of this premise is warranted.

A basic principle on which most would agree is that ongoing operating expenses should be fully supported by reliable, recurring sources of revenue. To support ongoing operating expenses with one-time funds, or reserve funds, is akin to paying your electric bill from your savings account when you have no assurance that you'll be able to replenish that savings. Eventually the savings will be gone, but the electric bills will continue to arrive. A sounder strategy would be to anticipate such budgetary challenges, reduce expenses within the budget where possible to live within available revenues, and enhance ongoing revenues where possible to meet ongoing expenses.

Many communities, Natick included, began to rely heavily on reserves and one-time revenues to balance operating budgets around FY 2003 when state aid allocations dropped precipitously. It was hoped that the state would quickly restore its commitment to local governments, and that this negative impact on municipal budgets would be short-lived. Such was not to be the case. Only now, in FY 2008, are we anticipating state aid figures to rival those of 2002 in actual dollar amounts; unfortunately the value of that aid is far less than its value in 2002, given inflation and other factors.

In recent years, we have utilized a total of approximately \$4 million each year from Free Cash, the Stabilization Fund, and Overlay Surplus to fund ongoing operating expenses; the proposed FY 2008 operating budget is supported by almost \$4.6 million from these sources. Arguably, this could be characterized as an operating budget that exceeds ongoing available revenues by \$4.6 million.

Even more alarming is the resulting status of these funding sources if the FY 2008 budget is approved as proposed. Virtually all Free Cash is proposed to be used in support of the operating (\$2.8 million) and capital (\$1.7 million) budgets. Free Cash is, however, 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 will, to some extent, be replenished at the end of the fiscal year, but the extent cannot be predicted at this time.

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 balance 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 \$551,000 for Natick.

The Stabilization Fund current balance is \$3.4 million; passage of the proposed budget will leave a balance of \$2.8 million. 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 \$5.5 million.

The proposed budget includes use of virtually all Overlay Surplus funds. Within each year's budget an Overlay Reserve account is established. The purpose of this account, which is under the control of the Board of Assessors, 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.

In summary, Natick's initial use of reserves in response to the abrupt downturn in state aid was not necessarily an unsound decision, but our continued use of such resources has put the community in a very precarious financial position that appears unsustainable in future years. The

Town Administrator and Finance Committee have warned of this eventuality for at least the last three fiscal years. Using an analogy introduced earlier in this report, Natick's savings account is nearly gone, but the bills will continue to arrive in future fiscal years.

The outgoing Town Administrator, in his January 2007 budget message, advised that "In order to continue the current level of services we will need to seek additional revenue sources in FY09. If that is not requested or approved by the citizenry then we must plan to strategically downsize our operations. We have a very short period of time to determine what is at risk and to educate the general public as to their choices. We must utilize the next year to make some decisions regarding the level of services this government will offer the citizens of Natick."

Our challenges over the coming months are many. It is essential that we look to programs and services to ensure that efficiency and cost-effectiveness are the standards throughout. We must continuously refine projections for expenditures and revenues for the coming years as information becomes available to ensure accuracy in our financial forecasting. And we must educate the public about the budgeting process and the short and long-term financial challenges faced by the community.

Many positive efforts are underway or planned, including

- Analysis of the opportunity to join with the state's Group Insurance Commission (should pending legislation permit this opportunity) for Employees' health care
- Assessment of opportunities to improve energy utilization in buildings and facilities
- Working with Natick's Retirement Board towards improvement of returns on investment, and advocating for passage of pending legislation that would allow the State to take over investment of these funds
- Working with key local boards such as Selectmen, School Committee and Finance Committee to establish Financial Management Policies to create a framework for future financial decision-making
- Review of departmental fees to ensure we are maximizing these revenue opportunities
- Improved transparency of the Capital Planning process, including
 - communicating the vast number of capital improvement projects and capital equipment items that are not funded in a timely manner
 - establishing within the Financial Management Policies a reliable and realistic funding plan for capital needs
- Evaluation of the opportunity to join with the newly-established Regional Transit Authority
- Evaluation of other opportunities for regionalization of services

This is not by any means a complete list of efforts that can and should be undertaken to ensure that we are maximizing the effective use of all available revenues to deliver the highest quality municipal services.

But even the best of efforts will not overcome the budgetary shortfall that the community is facing in FY 2009. As stated earlier, the proposed FY 2008 operating budget exceeds available recurring revenues by \$4.6 million. While the gap between projected recurring revenues and the proposed FY 2008 budget can be closed using one-time funding sources and reserve funds, it is clear that these funds will not be available at such levels in FY 2009. Further, increases in the range of 3.8% (or \$4 million) should be anticipated for the FY 2009 budget. Current projections indicate that, to fund the FY 2009 budget without imposing massive personnel and service reductions, a Proposition 2½ Override in the range of \$5 - \$7 million will be necessary.

Over the coming months, financial projections, service impacts, taxpayer impacts and more will be analyzed and communicated to the community as we look towards the challenge of the FY 2009 budget. I look forward to working with the Selectmen, Finance Committee, other boards and commissions, and the community to meet this challenge.

Sincerely,

Martha L. White,
Acting Town Administrator

DEFINITIONS OF KEY TERMS ₁

Overlay Reserve

An account established annually to fund anticipated property tax abatements, exemptions and uncollected taxes in that year. The overlay reserve is not established by the normal appropriation process, but rather is raised on the tax rate recapitulation sheet.

Overlay Surplus

Any balance in the overlay account of a given year in excess of the amount remaining to be collected or abated can be transferred into this account. Within ten days of a written request by the chief executive officer of a city or town, the assessors must provide a certification of the excess amount of overlay available to transfer. Overlay surplus may be appropriated for any lawful purpose. At the end of each fiscal year, unused overlay surplus is "closed" to surplus revenue; in other words, it becomes a part of free cash.

Stabilization Fund

A fund designed to accumulate amounts for capital and other future spending purposes, although it may be appropriated for any lawful purpose (MGL Ch. 40 §5B). Communities may establish one or more stabilization funds for different purposes and may appropriate into them in any year an amount not to exceed ten percent of the prior year's tax levy. The total of all stabilization fund balances shall not exceed ten percent of the community's equalized value, and any interest shall be added to and become a part of the funds. A two-thirds vote of town meeting or city council is required to establish, amend the purpose of, or appropriate money from the stabilization fund.

Free Cash

Remaining, unrestricted funds from operations of the previous fiscal year including unexpended free cash from the previous year, actual receipts in excess of revenue estimates shown on the tax recapitulation sheet, and unspent amounts in budget line-items. Unpaid property taxes and certain deficits reduce the amount that can be certified as free cash. The calculation of free cash is based on the balance sheet as of June 30, which is submitted by the community's auditor, accountant, or comptroller. Important: free cash is not available for appropriation until certified by the Director of Accounts.

₁ Source: Department of Revenue Division of Local Services Municipal Finance Glossary

Revenue / Expenditure Summary

3/28/2007

Revenue Summary	Final Fall FY07	Proposed FY08	Dollar Change	FY08 vs % Change
Real Estate/Property Taxes				
1 Base Tax Levy	59,682,611	61,821,370	2,138,759	3.58%
2 Statutory 2 1/2 Increase	1,492,065	1,545,534	53,469	3.58%
3 Growth in Tax Base	646,694	618,214	(28,480)	-4.40%
4 Debt Exclusion Override	1,031,410	960,274	(71,136)	-6.90%
5 Sub-Total Tax Levy	\$ 62,852,780	\$ 64,945,392	2,092,612	3.33%
Intergovernmental Resources (State Aid)				
6 Education Items	5,230,308	5,168,427	(61,881)	-1.18%
7 SBAB Reimbursement existing Projects	1,369,707	1,369,707	-	0.00%
8 General Government Items	5,243,065	5,292,413	49,348	0.94%
9 Sub-Total State Aid	\$ 11,843,080	\$ 11,830,547	(12,533)	-0.11%
Local Receipts				
10 Estimated Receipts	11,375,755	12,778,725	1,402,970	12.33%
11 Intergovernmental Transfer	2,350,634	2,379,592	28,958	1.23%
12 Available Funds (Free Cash)	4,563,719	4,135,000	(428,719)	-9.39%
13 Stabilization Fund	400,000	644,000	244,000	61.00%
14 Overlay Surplus	500,000	1,116,024	616,024	123.20%
15 Other Available Funds	505,500	323,167	(182,333)	-36.07%
16 Mitigation Funds	541,250	180,000	(361,250)	-66.74%
17 Released Appropriations	280,000	44,873	(235,127)	-83.97%
18 Enterprise Revenue - Golf	\$535,886	\$541,507	5,621	1.05%
19 Golf Retained Earnings	\$0	\$90,000		
20 Enterprise Revenue - Water & Sewer	\$8,467,563	\$9,234,907	767,344	9.06%
21 Water & Sewer Retained Earnings	\$5,269,245	\$2,000,000	(3,269,245)	-62.04%
22 Sub-Total Local Receipts	\$ 34,789,552	\$ 33,467,795	\$(1,411,757)	-4.06%
23 TOTAL RECEIPTS	\$ 109,485,412	\$ 110,243,734	\$ 668,322	0.61%

Expenditure Summary	Final Fall FY07	Proposed FY08	Dollar Change	FY08 vs % Change
24 General Government	24,227,134	24,334,689	107,555	0.44%
25 Wage Increases		594,024	594,024	
26 Energy Budget	1,054,254	1,320,830	266,576	25.29%
27 Natick School Budget	37,412,534	40,184,910	2,772,376	7.41%
28 Keefe Tech Assessment	1,204,965	1,204,965	0	0.00%
29 Article 7: School Technology Plan	400,000	-	(400,000)	-100.00%
29 School Bus Transportation subsidy	195,322	302,122	106,800	54.68%
30 Commission on Disabilities	5,900	-	(5,900)	-100.00%
31 Insurance	11,926,677	12,633,564	706,887	5.93%
32 Property Insurance	448,200	459,400	11,200	2.50%
33 Contributory Retirement Fund	4,792,830	5,254,278	461,448	9.63%
34 Non-Contrib. Pensions	158,749	145,109	(13,640)	-8.59%
35 Debt & Interest	7,520,908	7,239,697	(281,211)	-3.74%
36 Reserve Fund	250,000	300,000	50,000	20.00%
37 Enterprise- Golf	535,886	631,507	95,621	17.84%
38 Enterprise- Water & Sewer	9,661,897	10,134,907	473,010	4.90%
39 Capital Improvements-Water & Sewer	4,074,911	1,100,000	(2,974,911)	-73.01%
40 Capital Improvements & Equipment	1,271,347	1,194,000	(77,347)	-6.08%
41 Article 15- Strategic Planning	150,000	-	(150,000)	-100.00%
42 Article 16- School Technology	182,000	-	(182,000)	-100.00%
43 Article 24 Gazebo	25,000	-	(25,000)	-100.00%
44 Rail Trail	107,250	30,000	(77,250)	-72.03%
45 Released Appropriations Reserved	217,000	-	(217,000)	-100.00%
Sub-Total Operating & Capital	\$ 105,822,763	\$ 107,064,002	\$ 1,241,239	1.17%
Other				
46 State & County Assessments	1,639,732	1,553,508	(86,224)	-5.26%
47 Cherry Sheet Offsets	62,917	64,962	2,045	3.25%
48 Tax Title	5,000	5,000	-	0.00%
49 Overlay	1,200,000	1,000,000	(200,000)	-16.67%
50 Unpaid Bills from Previous Fiscal Year	-	-	-	
51 Snow Removal Supplement	299,371	201,261	(98,110)	-32.77%
52 Golf Course Deficit	430,000	355,000	(75,000)	-17.44%
Sub-Total Other	\$ 3,637,020	\$ 3,179,731	\$ (457,289)	-12.57%
53 TOTAL EXPENDITURES	\$ 109,459,783	\$ 110,243,733	\$ 783,950	0.72%
54 NET EXCESS / (DEFICIT)	\$ 25,629	\$ 0		

ENTERPRISE FUND BUDGET
 WATER AND SEWER UTILITIES
 Fiscal Year 2008
 (Includes 3% Salary Increase for Indirect Salaries)

COMPLETE ALLOCATIONS	PERSONNEL	FRINGE	EXPENSES	TOTAL
WATER SERVICE	\$ 847,506	\$ -	\$ 897,800	\$ 1,745,306
SEWER SERVICE	645,635	-	200,500	846,135
MWRA SERVICE	-	-	4,550,782	4,550,782
UTILITY BILLING COLLECTOR	90,582	-	110,200	200,782
RETIREMENT COSTS	-	194,483	-	194,483
HEALTH, MEDICARE, LIFE, INS.	-	440,220	-	440,220
DEBT	-	-	1,906,070	1,906,070
RESERVE	-	-	200,000	200,000
SUBTOTAL - DIRECT	1,583,723	634,703	7,865,352	10,083,778

PERCENTAGE ALLOCATIONS	PERSONNEL	FRINGE	EXPENSES	TOTAL
DPW ADMINISTRATION	\$ 92,468	\$ 37,058	\$ 11,396	\$ 140,922
BUILDING MAINTENANCE	41,805	16,754	57,112	115,671
ENGINEERING SERVICES	216,831	86,899	30,908	334,638
GIS SERVICES	(40,847)	(16,370)	-	(57,217)
EQUIPMENT MAINTENANCE	184,874	74,091	106,144	365,109
HIGHWAY MAINTENANCE	46,859	18,779	72,062	137,700
POLICE	97,412	39,040	4,681	141,133
FIRE	120,331	48,225	3,102	171,658
STREET LIGHTING	-	-	4,800	4,800
PUBLIC SAFETY	217,743	87,265	12,583	317,591
FINANCIAL / ADMINISTRATIVE	293,557	117,648	151,617	562,822
DEBT SERVICE	-	-	87,440	87,440
PROPERTY INSURANCE	-	-	153,164	153,164
ENERGY	-	-	221,752	221,752
SUBTOTAL - GENERAL FUND	1,053,290	422,124	904,178	2,379,592

TOTAL OPERATING COSTS	2,637,013	1,056,827	8,769,530	12,463,370
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April 5, 2007

Dear Town Meeting Members,

Attached you will find updates to the 2007 Annual Town Meeting Finance Committee Recommendations that you have received earlier. These updates are:

1. The Finance Committee letter, which due a compilation error, was received in the incorrect order of pages in the recommendation book.
2. Article 1: Addition of two appropriations
3. Article 2: Corrected chart of financing sources (included after the end of the motion and labeled "Information Purposes") to exclude the financing sources for the Morse Institute Library and Bacon Free Library, as these budgets and their funding sources are addressed in Articles 3 and 4, respectively.
4. Article 6: Changes to the Finance Committee recommendation
5. Article 8: Modification to the text of the motion.
6. Article 9: Original Finance Committee recommendation.
7. Article 10: Original Finance Committee recommendation
8. Article 13: Modification to the text of the motion
9. Article 18: Modification to the text of the motion
10. Article 19: Modification to the text of the motion and response to question asked by member of the public.
11. Article 21: Modification to the text of the motion
12. Article 23: Change to the Finance Committee recommendation based on input from Town Counsel.
13. Article 29: Modification to the text of the motion.
14. Article 30: Modification to the text of the motion.
15. Article 31: Original Finance Committee recommendation
16. Article 32: The quantum of vote is corrected to properly reflect the 2/3 vote required.

These changes and modifications will be used during Town Meeting.

Respectfully submitted

Bruce P Wright, Chairman
Natick Finance Committee

ARTICLE 1 (pgs A2 – A3)
Fiscal 2007 Omnibus Budget
(Town Administrator)

To determine what sum or sums of money the Town will appropriate and raise, or transfer from available funds, for the operation of the government of the Town of Natick, including debt and interest, and to provide for a reserve fund for Fiscal Year 2007 (July 1, 2006 to June 30, 2007), and to see what budgets for Fiscal 2006 will be reduced to offset said additional appropriations, or take any action relative thereto.

RECOMMENDATION: by a vote of 10 – 0 – 0 on March 29, 2007, the Finance Committee recommends FAVORABLE ACTION with regard to the subject matter of Article 1 and recommends the release of appropriation of \$109,339 from the various sources and indicated in Motion A appropriation of \$481,000 from the various sources indicated in Motion B to operate various town departments during Fiscal Year 2007.

As mentioned in the Finance Committee’s original recommendation book, the committee was to meet again on March 29th to review an additional request. At that meeting, the committee did hear this additional request (Fire Station 4 site survey) plus additional information of a request (street lighting) where the committee did not have a recommendation.

***Funding for site survey for fire station four:** The Fire Chief is requesting the sum of \$7,500 from Mall Mitigation money for a site survey to refurbish or replace the existing fire station on Speen St. The survey would first look at the existing fire station and the site on which it is presently located to see if it is possible to refurbish and expand the existing fire station on its present site. Secondly to see if building a completely new fire station on the land owned by the town that is adjacent to the existing property is a better option.*

***Additional appropriation for Street Lighting:** The department of public works presented a request for additional funding for street lighting due to increased electricity cost. This appropriation could have been handled through a reserve fund transfer request however since this was requested in time for Town Meeting, the finance committee is recommending that it be handled as part of Article 1.*

MOTION A:

Move that the Town vote to release \$109,339 from the following appropriations previously voted at the Annual Town Meeting of April 2006:

Selectmen’s Management Salaries	\$17,500
South Middlesex Regional	
Technical School Assessment	<u>\$91,839</u>

Total \$109,339

MOTION B:

Move that the Town vote to appropriate the sum of \$481,000 to be expended under the direction of the following departments as noted:

General Government

Selectmen Technical and Professional Services

Town Administrator Recruitment	\$17,500
Speen Street fire station site survey	\$7,500
Legal Services – Labor	\$80,000

Public Works

Public Works Highway/Sanitation Division

North Main Street Traffic Safety Improvements	\$330,000
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Public Safety

Street Lights	\$46,000
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And that the sum of \$481,000 be raised from the following sources:

Released appropriations	\$109,339
Receipts Reserved Apple Hill/Mathworks Mitigation	\$330,000
Receipts Reserved Municipal Medicaid	\$34,161
Receipts Reserved Natick Mall Mitigation	\$7,500

ARTICLE 2 (pg A49)
Fiscal 2008 Omnibus Budget
(Town Administrator)

The only revision with respect to Article 2 is an updated “Summary of Financing Sources” chart. The chart included with the Finance Committee’s original recommendation book (on page A49) inadvertently included financing sources for the Morse Institute Library and the Bacon Free Library; whereas these budgets and their funding sources are detailed in Articles 3 and 4, respectively. The chart depicted below properly reflects the financing sources for the budgets proposed under Article 2.

INFORMATION PURPOSES
Summary of Financing Sources for Article 2

Tax Levy of FY 2008	\$	86,136,783.37
Free Cash	\$	1,052,590.19
Overlay Surplus	\$	1,116,023.62
MBTA Contract Assistance	\$	76,316.00
Parking Meter Revenue	\$	116,000.00
Stabilization Fund	\$	644,000.00
Title V Septic Tank Reserve	\$	7,684.00
Golf User Fees	\$	533,509.05
Golf Retained Earnings	\$	90,000.00
Water & Sewer User Fees	\$	11,563,370.14
Water and Sewer Retained Earnings	\$	900,000.00
School Building Assistance Reserve	\$	123,167.00
Total Financing Sources Article 2	\$	102,359,443.37

ARTICLE 6 (pgs A57 to A63)
Collective Bargaining
(Town Administrator)

To see if the Town will vote to raise and appropriate, or otherwise provide, the funds necessary to implement the Terms of Agreements reached between the Town and the following collective bargaining units:

- a) Laborers' International Union of North America, AFL-CIO, Local 1116- Clerical
- b) Laborers' International Union of North America, AFL-CIO, Local 1116- Laborers
- c) Laborers' International Union of North America, AFL-CIO, Local 1116- Library
- d) Laborers' International Union of North America, ALF-CIO, Local 1116- Recreation
- e) Supervisors' and Administrators' Association
- f) Service Employees International Union, Local 888
- g) International Association of Firefighters, AFL-CIO, Local 1707
- h) Natick Deputy Fire Chiefs' Association
- i) Natick Patrol Officers' Association
- j) International Brotherhood of Police Officers, Local 622

Or otherwise act thereon.

RECOMMENDATIONS: In a hearing on March 22, 2007 and March 29, 2007, the Finance Committee Recommends FAVORABLE ACTION on all of the collective bargaining agreements that have been settled as listed below.

Finance Committee Update: The Finance Committee met again on March 29, 2007 and continued discussion on this warrant article. These contracts were discussed in lengthy debate. Among the comments made included:

- a.) Some members expressed opinions that these contracts did not contain provisions to tie wage increases into performance measurements and that future contracts should..*
- b.) Some members expressed opinions that the increases were not in line with what the Town could afford and that many taxpayers themselves have to go without yearly raises while at the same time having to absorb ever increasing health insurance premiums.*
- c.) Some members expressed opinions that although the stipends in several of the contracts were warranted due to extra duties being required, they questioned the amounts of these stipends.*
- d.) Some members expressed opinions that these were reasonable contracts and that the increases were in line with cost of living adjustments. It must be remembered*

- that these same employees (covered by these contracts) accepted a zero increase several years ago when the Town was also facing severe budget constraints.*
- e.) *Some members expressed opinions that these were reasonable contracts and were settled earlier than the last two rounds of contracts. By settling these contracts at this time, it gives the Town a solid base in which to forecast labor costs over the next three years. This is especially critical as the Town must decide which services to fund over the next several years in the face of ever increasing projected budget deficits.*

Following this discussion, the Finance Committee voted to recommend approval of all contracts that have been settled. The votes are indicated below:

- a) Laborers' International Union of North America, AFL-CIO, Local 1116-Clerical

By a vote of 11 – 1 - 0 on March 29, 2007, the Finance Committee recommends FAVORABLE ACTION with regard to this agreement.

- b) Laborers' International Union of North America, AFL-CIO, Local 1116-Laborers

By a vote of 11 – 1 - 0 on March 29, 2007, the Finance Committee recommends FAVORABLE ACTION with regard to this agreement.

- c) Laborers' International Union of North America, AFL-CIO, Local 1116-Library

By a vote of 11 – 1 - 0 on March 29, 2007, the Finance Committee recommends FAVORABLE ACTION with regard to this agreement.

- d) Laborers' International Union of North America, AFL-CIO, Local 1116-Recreation

By a vote of 11 – 0 - 0 on March 29, 2007, the Finance Committee recommends FAVORABLE ACTION with regard to this agreement.

- e) Supervisors' and Administrators' Association

By a vote of 11 – 1 - 0 on March 29, 2007, the Finance Committee recommends FAVORABLE ACTION with regard to this agreement.

- f) Service Employees International Union, Local 888

By a vote of 8-3-0 on March 22, 2007, the Finance Committee recommends FAVORABLE ACTION with regard to this agreement.

- g) International Association of Firefighters, AFL-CIO, Local 1707

By a vote of 11 – 1 - 0 on March 29, 2007, the Finance Committee recommends FAVORABLE ACTION with regard to this agreement.

- h) Natick Deputy Fire Chiefs' Association
By a vote of 11 – 1 - 0 on March 29, 2007, the Finance Committee recommends FAVORABLE ACTION with regard to this agreement.
- i) Natick Patrol Officers' Association
By a vote of 8-3-0 on March 22, 2007, the Finance Committee recommends FAVORABLE ACTION as to the terms of this agreement.
- j) International Brotherhood of Police Officers, Local 622
 This agreement is not yet settled.

Motions

Motion A:

Move that the Town vote to appropriate the sum of \$91,754 to implement the Fiscal Year 2008 terms of the agreement reached between the Town of Natick and Local 1116 Laborers' International Union.

And that the sum be raised from the following sources:

Tax Levy of Fiscal Year 2008	\$ 61,761
Water –Sewer User Fees	\$ 29,993

Motion B:

Move that the Town vote to appropriate the sum of \$55,697 to implement the Fiscal Year 2008 terms of the agreement reached between the Town of Natick and the DPW Supervisors' and Administrators' Association.

And that the sum be raised from the following sources:

Tax Levy of Fiscal Year 2008	\$ 38,313
Water-Sewer Uses Fees	\$ 17,384

Motion C:

Move that the Town vote to appropriate the sum of \$37,456 to implement the Fiscal Year 2008 terms of the agreement reached between the Town of Natick and Local 1116 Laborers' International Union (Clerical).

And that the sum be raised from the following sources:

Tax Levy of Fiscal Year 2008	\$ 33704
Water-Sewer Uses Fees	\$ 3,752

Motion D:

Move that the Town vote to appropriate the sum of \$8,704 to implement the Fiscal Year 2008 terms of the agreement reached between the Town of Natick and Local 1116 Laborers' International Union (Recreation and Parks).

And that the sum of \$8,704 be raised from the Tax Levy of Fiscal Year 2008.

Motion E:

Move that the Town vote to appropriate the sum of \$45,118 to implement the Fiscal Year 2008 terms of the agreement reached between the Town of Natick and Local 1116 Laborers' International Union (Library).

And that the sum of \$45,118 be raised from the Tax Levy of Fiscal Year 2008.

Motion F:

Move that the Town vote to appropriate the sum of \$77,000 to implement the Fiscal Year 2008 terms of the agreement reached between the Town of Natick and the Natick Patrol Officers' Association.

And that the sum of \$77,000 be raised from the Tax Levy of Fiscal Year 2008.

Motion G:

Move that the Town vote to appropriate the sum of \$101,000 to implement the Fiscal Year 2008 terms of the agreement reached between the Town of Natick and the International Association of Firefighters, AFL-CIO, Local 1707.

And that the sum of \$101,000 be raised from the Tax Levy of Fiscal Year 2008.

Motion H:

Move that the Town vote to appropriate the sum of \$16,125 to implement the Fiscal Year 2008 terms of the agreement reached between the Town of Natick and the Natick Deputy Fire Chiefs' Association.

And that the sum of \$16,125 be raised from the Tax Levy of Fiscal Year 2008.

Motion I:

Move that the Town vote to appropriate the sum of \$14,167 to implement the Fiscal Year 2008 terms of the agreement reached between the Town of Natick and the Service Employees' International Union, Local 888 (Dispatchers).

And that the sum of \$14,167 be raised from the Tax Levy of Fiscal Year 2008.

ARTICLE 8 (pg A69 to A74)
Capital Equipment
(Town Administrator)

In Motion C on page A74, Town Counsel has recommended a slight change to the form of the motion. The original motion was:

And to meet this appropriation the Treasurer with the approval of the Board of Selectmen is authorized to borrow \$525,000 under Massachusetts General Laws Chapter 44 Section 7 or any other enabling authority and to issue bonds notes therefore in an aggregate not to exceed \$525,000 and that the Town Administrator with the approval of the Board of Selectmen is authorized to take any action necessary to carry out this program.

Town Counsel recommended the following changes:

should read "under Massachusetts General Laws Chapter 44, Section 7, as amended, or any other enabling authority, and to issue bonds or notes of the Town therefore aggregating not more than \$525,000.00 in principal amount; and".

Amended Motion C

And to meet this appropriation the Treasurer with the approval of the Board of Selectmen is authorized to borrow \$525,000.00 under Massachusetts General Laws Chapter 44, Section 7, as amended, or any other enabling authority, and to issue bonds or notes of the Town therefor aggregating not more than \$525,000.00 in principal amount; and that the Town Administrator with the approval of the Board of Selectmen is authorized to take any action necessary to carry out this program.

**ARTICLE 9 (pg A75)
Capital Improvement
(Town Administrator)**

To see if the Town will vote to appropriate and raise, or otherwise provide, a sum or sums of money to implement a Capital Improvement Program, to protect the physical infrastructure of the Town of Natick, determine whether this appropriation shall be raised by borrowing or otherwise, or take any other action relative thereto.

RECOMMENDATION: By a vote of 12 – 0 - 0 on March 29, 2007, the Finance Committee recommends FAVORABLE ACTION with regard to the subject matter of Article 9 and that the sum of \$1,508,000 be raised from the various sources as indicated.

The purpose of this article is to fund capital improvement purchases of the Town. Specifically, the Finance Committee is recommending that Town Meeting approve the appropriation request of \$1,508,000 for those items listed below.

Location	Project Description	Capital Requests FY2008	FY2008 Direct Expense	5 Year Debt Repayment FY09 - FY13	Water&Sewer
School Department	Brown School - Replace Fire Alarm System	60,000	60,000		
School Department	Brown School - Replace Cafeteria Flooring	65,000	65,000		
School Department	Lilja School - Drainage and Landscape Rear Play Area	25,000	25,000		
School Department	High School - Install Modular Boilers & Burner Controls Boiler #2	215,000	215,000		
		-	-		
DPW Building Maintenance	Cole Center Renovations	17,000	17,000		
DPW Highway Division	Paving (Chapter 90 Match)	50,000	50,000		
DPW Building Maintenance	Town Hall Boiler (Repair)	25,000	25,000		
DPW Building Maintenance	Replace DPW gutters	16,000	16,000		
Water - Sewer Enterprise	Sewer Main Relining	150,000			150,000
Water - Sewer Enterprise	North Main St Sewer Station By-Pass	125,000			125,000
Water - Sewer Enterprise	Elm Bank Rehab (Motors, Pumps, Roof, Doors, etc.)	190,000			190,000
Water - Sewer Enterprise	Well House Building Maintenance	20,000			20,000
Water - Sewer Enterprise	Replace Pressure Filter Media	60,000			60,000
Water - Sewer Enterprise	Leak Detection	15,000			15,000
Water - Sewer Enterprise	Well Cleaning	25,000			25,000
Water - Sewer Enterprise	Upgrade / Maintenance to Reservoirs	450,000			450,000
Totals		\$ 1,508,000	\$ 473,000	\$ -	\$ 1,035,000

Appropriation Request:	
Free Cash	473,000
Water Sewer Retained Earnings	1,035,000
Borrowing Authorization	-
	\$ 1,508,000

Explanation for the various line items is as follows:

Brown School – Replace Fire Alarm System: Portions of the fire alarm system are obsolete and need replacement.

Brown School – Replace Cafeteria Flooring: Defective flooring in cafeteria (former gym) needs replacement.

Lilja School – Drainage and Landscape Rear Play Area: Erosion in this area behind Lilja School, potential safety hazard.

High School – Install Modular Boilers and Burner Controls Boiler #2: Installation of two modular boilers to be installed in High School to provide heating capability in High School until renovation/replacement of High School occurs.

Cole Center Renovations: Improvement to outdoor facility for the public use. The existing backstop, which is a safety hazard would be repaired and relocated. Some of the existing playground would be replaced, while the ground cover under the Northern playground section would be renovated in compliance to Consumer Product Safety Guidelines.

DPW Highway Division Paving (Chapter 90 Match). This is an annual request to supplement in the funding the Chapter 90 Roadway Improvement Contract. The contract provides roadway and sidewalk improvements to various roads based on need.

Boiler Repair at Town Hall One of the two boilers is leaking and is not under warranty. The cast iron sections need to be removed, replaced and reinsulated. After the repairs, the boiler will be inspected by the State.

Sewer Main Relining: A multi-year project to repair older sewer main lines. This helps prevent ground water infiltration, root infiltration, and sewer main line blockages and sewage backups.

North Main Street Sewer Station By-Pass: This project includes installing piping in the ground to facilitate the ability to connect to a by-pass pump. This would be used in case of an emergency, scheduled repair or sewage overflows.

Elm Bank Rehab: This project includes the installation of raw water flow meters as required by the State. This project also includes some work to the pump house building.

Well House Building Maintenance: This project would be for repairing a well house building. Improvements would include roof repairs, paint, vents, doors, etc. These buildings are located at the Town's various well fields and contain all of the pumps and electrical controls for the water wells.

Replace Pressure Filter Media: The Hungerford & Terry pressure filter media installed in 1996 at the Springvale Water Treatment Facility needs to be removed and replaced.

Leak Detection: This is an annual town wide leak detection program required by the state.

Well Cleaning: The Water Division cleans one of its ten gravel packed ground water wells annually. This work is necessary to maintain the efficiency of the well and insure sufficient volume of water.

Upgrade/ Maintenance to Reservoirs: This project would be for the Town Forest reservoir. The reservoir needs to be drained, cleaned, and inspected. When the reservoir is drained a chlorine injector system will be installed. This project will also include the repair of an altitude valve contained in a vault at the reservoir.

Upgrade and Maintenance to Town Forest and Broad Hill Reservoirs: Upgrades include installation of chlorine injection system as well as general repairs. Members of the DPW will be present to answer any questions.

Upgrade/Maintenance to Reservoirs:

Estimated Costs:

2 Concrete Buildings at Town Forest			
Purchase of buildings	\$	90,000	
Site work	\$	40,000	
Foundation/slab	\$	20,000	\$ 150,000
<hr/>			
Chlorine injection system			
HVAC, Electrical work,			
Instrumental panel and Scada controls	\$		65,000
3 Phase underground electricity upgrade	\$		50,000
Altitude valve installation	\$		25,000
Drain, clean, inspect and repair Town Forest Reservoir	\$		25,000
1 Concrete Building at Broad's Hill (Note A)	\$		40,000
Electrical work and piping (Note A)	\$		10,000
Engineering	\$		50,000
Contingency	\$		35,000
Total Estimated Cost			\$ 450,000

Note A: The Broad Hill capital improvement work was in the FY2009 Capital Improvement Plan for \$75,000. However, by combining this project with the Town Forest project, it is projected to cost only \$50,000.

Elm Bank Rehab:

Estimated Costs:

Installation of 2 flow meters	\$		170,000
Repairs to pump house including roof, gutters and interior ceiling	\$		20,000
Total Estimated Cost			\$ 190,000

Motion:

Move that the Town vote to appropriate the sum of \$1,508,000 to be expended under the applicable Departments, for the purpose of protecting the physical infrastructure of the Town of Natick, as part of the Town's Capital Improvement Program as listed below:

<u>Department</u>	<u>Improvement</u>	<u>Amount</u>
School Department	Brown School – Replace Fire Alarm	\$ 60,000
	Brown School – Replace Cafeteria Flooring	\$ 65,000
	Lilja School – Drainage & Landscaping	\$ 25,000
	High School – Modular Boiler / Controls	\$ 215,000
	DPW - Highway Division	Paving (Chapter 90 Match)
DPW – Building Maint.	Cole Center Renovations	\$ 17,000
	Town Hall Boiler Repair	\$ 25,000
	DPW Building - Replace Gutters	\$ 16,000
Water – Sewer Enterprise	Sewer Main Relining	\$ 150,000
	North Main St – Sewer Station By-Pass	\$ 125,000
	Elm Bank (Flow Meters & Bldg Repair)	\$ 190,000
	Well House Building Maintenance	\$ 20,000
	Replace Pressure Filter Media	\$ 60,000
	Leak Detection	\$ 15,000
	Well Cleaning	\$ 25,000
	Upgrade / Maintenance - Reservoirs	\$ 450,000
	Total	\$1,508,000

And that the sum of \$1,508,000 be raised from the following sources:

Free Cash	\$ 473,000
Water – Sewer Retained Earnings	\$1,035,000

ARTICLE 10 (pg A76)
Use of Unexpended Bond Proceeds
(Town Administrator)

To see if the Town will vote to appropriate the aggregate amount of the following unexpended bond proceeds, which unexpended bond proceeds were not needed to complete the projects for which the bonds were originally issued, together with the unexpended balances of School Department Capital Improvements voted in Article 11 of the April 2006 Town Meeting, to pay costs related to capital improvements to “Resurface rooftop penthouses – Kennedy Middle School”:

Bonds Dated	Unexpended Proceeds	Original Authorization	Original Purpose
Nov. 1, 2006	\$ 7,032.76	Art 10 - April 20, 2004	Replace Intercom (Johnson)
Nov. 1, 2006	\$ 6,020.52	Art 10 - April 20, 2004	Replace Intercom (Memorial)
Nov. 1, 2006	\$20,059.52	Art 10 - April 20, 2004	Replace Intercom (Kennedy)
Nov. 1, 2006	\$32,241.26	Art 10 - April 20, 2004	Replace Generator (Kennedy)

; to determine whether any other sum shall be appropriated for the project described above; or take any other action relative thereto.

RECOMMENDATION: By a vote of 12 – 0 - 0 on March 29, 2007, the Finance Committee recommends FAVORABLE ACTION with regard to the subject matter of Article 10 and that the sum of \$100,154.89 be raised from the various sources as indicated.

The purpose of this article is to use the unexpended bond proceeds from various school projects, which were authorized by Town Meeting in April 2006. It is proposed that the proceeds be used to fund a capital improvement for the Schools.

The Finance Committee met on March 29th and heard testimony as to the condition of the Penthouse on Kennedy (the structure on the roof that houses heating and electrical infrastructure for the school). The Finance Committee agrees that although the maintenance of this structure has extended its useful life, this capital improvement project should go forward at this time. Members of the School Department will be on hand to answer any additional questions.

Motion:

Moved: that the aggregate amount of the following unexpended bond proceeds of \$65,354.06, which unexpended bond proceeds were not needed to complete the projects for which the bonds were originally issued, together with the following unexpended balances of School Department Capital Improvements of \$34,800.83, which balances are declared surplus and that the total of \$100,154.89 be appropriated to capital improvements to “Resurface rooftop penthouses – Kennedy Middle School.”

Bonds Dated	Unexpended Proceeds	Original Authorization	Original Purpose
Nov. 1, 2006	\$ 7,032.76	Art 10 - April 20, 2004	Replace Intercom - Johnson
Nov. 1, 2006	\$ 6,020.52	Art 10 - April 20, 2004	Replace Intercom – Memorial
Nov. 1, 2006	\$20,059.52	Art 10 - April 20, 2004	Replace Intercom – Kennedy
Nov. 1, 2006	<u>\$32,241.26</u>	Art 10 - April 20, 2004	Replace Generator – Kennedy
	\$65,354.06		
Capital Improve.	Unexpended Balances	Original Town Meeting Vote	Original Purpose
	\$ 7,100.27	Art 11 – May 4, 2006	Replace Univents - Johnson
	<u>\$27,700.56</u>	Art 11 – May 4, 2006	Electrical Upgrade – Johnson
	\$34,800.83		

ARTICLE 13 (pg A81 to A82)
Cochituate Rail Trail Survey & Preliminary Design
(Board of Selectmen)

After the recommendation book had gone to press, a slight modification of the motion was suggested by Town Counsel.

Original Motion

Move that the Town appropriate \$30,000 to be expended for the purposes of this article under the direction of the Board of Selectmen for design and related services related to the Cochituate Rail Trail.

Source of funding: Natick Mall Mitigation Funds

Town Counsel recommended the following changes:

The first line of the motion should read "Move that the Town appropriate \$30,000.00 for the purposes of this article to be expended under the direction of the Board of".

Amended Motion

Move that the Town appropriate \$30,000 for the purposes of this article to be expended under the direction of the Board of Selectmen for design and related services related to the Cochituate Rail Trail.

Source of funding: Natick Mall Mitigation Funds

ARTICLE 18 (pg A89)
Re-authorization of Revolving Fund for Golf Carts at Sassamon
Trace
(Recreation & Parks Commission)

After the recommendation book had gone to press, a slight modification of the motion was suggested by Town Counsel.

Original Motion

Move that the Town vote pursuant to Chapter 44, Section 53E½ of the Massachusetts General Laws, to authorize the use of a Sassamon Trace Golf Cart revolving fund to utilize fees received from the sale of golf carts for the purpose of restoration and rehabilitation of golf carts owned by the Town; to authorize the Superintendent of Recreation and Parks, under the supervision of the Town Administrator, to expend money from such revolving fund; and to limit the total amount which may be expended from such fund to \$50,000 for the fiscal year beginning July 1, 2007.

Town Counsel suggested the following modification

The second line of the motion should read “Laws, to authorize the use of a Sassamon Trace Golf Cart Revolving Fund, established by vote of the Spring, 2006 Annual Town Meeting under Article 21 to utilize fees received from the sale”.

Amended Motion

Move that the Town vote pursuant to Chapter 44, Section 53E½ of the Massachusetts General Laws, to authorize the use of a Sassamon Trace Golf Cart Revolving Fund, established by vote of the Spring, 2006 Annual Town Meeting under Article 21 to utilize fees received from the sale of golf carts for the purpose of restoration and rehabilitation of golf carts owned by the Town; to authorize the Superintendent of Recreation and Parks, under the supervision of the Town Administrator, to expend money from such revolving fund; and to limit the total amount which may be expended from such fund to \$50,000 for the fiscal year beginning July 1, 2007.

ARTICLE 19 (pg A90)
Re-authorization of Revolving Fund for Natick Mall Inspectional Services
(Town Administrator)

There were two concerns raised concerning Article 19.

First, a member of the public had raised a question asking the following:

Could you also ask Town Counsel for an opinion on the legality of the "Mall Revolving Fund"? It is my reading of MGL (also expressed in a DOR opinion) that Building Permit Fees are not eligible for inclusion in a revolving fund.

The following reply was received from Town Counsel:

In my opinion the revolving fund which is the subject matter of Article 19 is a valid revolving fund. We find nothing to prohibit it and in my opinion it is within the scope of Chapter 44, Section 53E1/2 of the Massachusetts General Laws. In addition, the fees in question are paid over to the Town of Natick, are deposited into the revolving fund, and are expended to pay for inspection services and code compliance services.

Based on this opinion by Town Counsel, no motion was made by the Finance Committee to reconsider Article 19.

Secondly, after the recommendation book had gone to press, a slight modification of the motion was suggested by Town Counsel.

Original Motion

Move that the Town vote pursuant to Chapter 44, Section 53E½ of the Massachusetts General Laws, to authorize the use of a Building Department revolving fund to utilize fees received for inspection services and code compliance services for commercial construction projects and residential construction projects at the Natick Mall for the purpose of providing such services for the foregoing construction projects and administrative costs related thereto; to authorize the Building Department to expend money from such revolving fund; and to limit the total amount which may be expended from such fund to \$150,000 for the fiscal year beginning July 1, 2007.

Town Counsel recommended the following changes:

The second line of the motion should read "Laws, to authorize the use of a Building Department Revolving Fund established by vote of the April, 2006 Annual Town Meeting under Article 22 to utilize fees received for inspection".

Amended Motion

Move that the Town vote pursuant to Chapter 44, Section 53E½ of the Massachusetts General Laws, to authorize the use of a Building Department

Revolving Fund established by vote of the April, 2006 Annual Town Meeting under Article 22 to utilize fees received for inspection services and code compliance services for commercial construction projects and residential construction projects at the Natick Mall for the purpose of providing such services for the foregoing construction projects and administrative costs related thereto; to authorize the Building Department to expend money from such revolving fund; and to limit the total amount which may be expended from such fund to \$150,000 for the fiscal year beginning July 1, 2007.

ARTICLE 21 (pg A93)
Increase in Personal Exemptions
(Board of Assessors)

After the recommendation book had gone to press, a slight modification of the motion was suggested by Town Counsel.

Original Motion

Move that the Town vote to increase the Personal Exemption Amounts by 27.5% under the provisions of Chapter 73 of the Acts of 1986 as amended by Chapter 126 of the Acts of 1988 which provides for “Optional Additional Property Tax Exemptions” allowing an annually determined, uniform, increase in the amount of exemptions cited in Massachusetts General Laws, Chapter 59 Section 5 Clauses 17D, 22, 22A, 22B, 22C, 22D, 22E, 37A, and 41C (elderly person, disabled veteran, or blind person).

Town Counsel suggested the following modification

In the fourth line of the motion, delete the fifth word “cited” and insert in its place the words “provided in”.

Amended Motion

Move that the Town vote to increase the Personal Exemption Amounts by 27.5% under the provisions of Chapter 73, Section 4 of the Acts and Resolves of 1986 as amended by Chapter 126 of the Acts and Resolves of 1988 which provides for “Optional Additional Property Tax Exemptions” allowing an annually determined, uniform, increase in the amount of exemptions provided in Massachusetts General Laws, Chapter 59 Section 5 Clauses 17D, 22, 22A, 22B, 22C, 22D, 22E, 37A, and 41C (elderly person, disabled veteran, or blind person).

ARTICLE 23 (pgs A97 to A98)
Establish Noise By-Law

**(Jeanne Williamson Ostroff, Janet Nichols, Bob Healey, Don Friswell,
et al)**

In the Finance Committee Recommendation book, it was stated:

A second motion was voted by the Finance Committee to request from Town Counsel an opinion if the following proposed bylaw would affect TCAN events, football games and practices, backyard parties, outdoor wedding receptions and similar events. The intent of the Finance Committee was that this bylaw would not affect these things. An opinion is expected prior to Town Meeting.

We received an opinion from Town Counsel just before the meeting:

“ in my opinion TCAN events, football games and practices, backyard parties, outdoor wedding receptions and similar events would be subject to the proposed by law in its current form, unless they did not take place on a site contiguous with a residential area, or unless they were conducted in accordance with a temporary license or permit required by the Town (exemption 3).

This exemption would not apply to at least some of those activities conducted on a site contiguous to a residential area because a permit from the Town is not required.

The most substantial issue presented by this proposed by law is that “noise” is not defined, for example in terms of a decibel level. The by law would be triggered by “a level of noise which a reasonable person would believe constitutes a breach of the peace”. That is an extremely subjective standard which in my opinion makes the proposed by law void for vagueness.”

Based on this opinion from Town Counsel and with some discussion, the committee decided to reconsider by a vote of 8-2-2.

The new recommendation is to refer it back to the Sponsor, Safety Committee, and the Board of Selectmen. That passed by a 9 - 2 -1 vote. The reason for this is so that Town Counsel can be involved in the process of creating the bylaw before it comes to Town Meeting and not having to give an opinion after it is presented. In Natick, only certain people are allowed to ask Town Counsel for an opinion. The Board of Selectmen is one of these and by including them in the referral, the official conduit to make the requests of Town Counsel is provided.

RECOMMENDATION: By a vote of 9 – 2 – 1, the Finance Committee recommends REFERRAL to the Sponsors, the Safety Committee, and the Board of Selectmen.

Motion

Move that the subject matter of Article 23 be referred to the Sponsors, Safety Committee, and the Board of Selectmen.

ARTICLE 29 (pg A106)
Liqueurs & Cordial Licenses
(Board of Selectmen)

After the recommendation book had gone to press, a slight modification of the motion was suggested by Town Counsel.

Original Motion

Move that the Town vote to accept the provisions of Chapter 138, Section 12, paragraph 14 to permit the sale of liqueurs and cordials by common victuallers who also hold a license to sell wine and malt beverages subject to all other licensing provisions of Chapter 138.

Town Counsel suggested the following modification

the first line of the motion read “Move that the Town vote to accept the provisions Chapter 138, Section 12, paragraph 14 of the Massachusetts General Laws, added by Chapter 481, Section 2 of the Acts and Resolves of 1993, to permit the”.

Amended Motion

Move that the Town vote to accept the provisions Chapter 138, Section 12, paragraph 14 of the Massachusetts General Laws, added by Chapter 481, Section 2 of the Acts and Resolves of 1993, to permit the sale of liqueurs and cordials by common victuallers who also hold a license to sell wine and malt beverages subject to all other licensing provisions of Chapter 138.

ARTICLE 30 (pg A107)
Youth & Families Study Committee
(Jennifer Ward, et al)

To see if the Town will vote to establish a Youth and Families Study Committee that will consider and recommend effective means to promote the health and well-being of Natick's youth and families; consider ways to coordinate services to Natick's youth and families; identify all existing and potential sources of funding for this purpose; and consider the best use of current and future facilities for services to youth and families; or take other action relative thereto.

RECOMMENDATIONS: By a vote of 13-0-0 on March 6, 2007, the Finance Committee recommends FAVORABLE ACTION with regard to the subject matter of Article 30.

This warrant article is a citizen's petition and the sponsors believe this warrant article is necessary because they, in partnership with the Town of Natick, desire to undertake a citizen-driven comprehensive planning process to develop a community strategic plan, along with Natick 360, to improve health outcomes for children and youth in Natick.

The benefits of approving this article will include:

- *A town wide commitment to the coordination and development of appropriate programs & services for youth.*
- *Community groups/departments coming together to make decisions regarding the health of youth.*
- *Youth being viewed as positive, contributing members of our community.*

The sponsors believe that the negative consequences that will result if this article is not approved will include:

- *Lack of youth involvement in town decision making.*
- *Community groups/departments making decisions about youth health without regard for connecting services and programs for a greater impact.*
- *Deficiencies in appropriate health services and programs for children & youth in Natick.*

Majority Vote

Motion

Move to create a Youth and Families Study Committee to consider and recommend effective means to promote the health and well-being of Natick's youth and families (youth defined as 0-18 years of age); to consider ways to coordinate services to Natick's youth and families; to identify all existing and potential sources of funding for this purpose (e.g. local, regional and national foundations and grants); to consider the best use of current and future facilities for services to youth and families; to report to Town Meeting and to the below listed boards and commissions on its findings and recommendations.

ARTICLE 31 (pg A109)

**Authorize Town Meeting to Fill Vacancies in Membership
(Town Moderator)**

RECOMMENDATION: By a vote of 10 – 2 – 0 on March 29, 2007, the Finance Committee recommends INDEFINATE POSTPONEMENT.

The Finance Committee met again on March 29, 2007 and voted to recommend indefinite postponement.

Motion

Move indefinite postponement of the subject matter of Article 31.

ARTICLE 32 (pg A117)
Amend Zoning By-Laws: Outdoor Lighting
(Planning Board)

The following would replace the last page of discussion on Article 32 (page A117 of the Finance Committee Recommendation Book). The change from the original information provided is with respect to the quantum of vote required for passage of this article. The original information indicated a simple majority vote is needed, but amendments to Zoning By-laws require a 2/3 vote of Town Meeting.

If approved, the bylaw would provide guidelines and clarity with regard to regulation of outdoor lighting associated with commercial properties and large development throughout the Town. This would not apply to residential single or double properties. The language of the proposed By-Law was drawn from a model ordinance which appears on the Attorney General's website.

Application of this ordinance to incumbent properties would be triggered by some permitting actions, or if there were a complaint.

2/3 Vote

Motion

Move to add the text of Article 32 as a new Zoning Bylaw V-I, which would regulate the type, duration and placement of outdoor lighting of parcels, structures and signs to provide for the enhancement of public safety and prevention of nuisance; and to amend sections 200; V-D, 13; V-H, C-1.; and V-H, C in concert therewith.