

Deficit Spending Authority

1/12TH SPENDING PLAN FOR JULY FY2021

Legal Authority

- An Act to Address Challenges Faced by Municipalities and State Authorities Resulting from COVID-19, **Chapter 53 of the Acts of 2020**
- DLS Bulletin – BUL-2020-6

Development of the Monthly Expenditure Plan

- Towns and districts may not spend beginning July 1, 2020 without either a FY2021 budget approved by the town or district meeting or approval of monthly deficit spending by the director under section 5 through the procedures described in this Bulletin.
- Section 5 authorizes the Division of Local Services' Director of Accounts (director) to approve expenditure from any appropriate fund or account of an amount necessary to continue uninterrupted government operations of not less than 1/12th of the town's or special purpose district's FY2020 approved budget.
- Section 5 requires that the selectboard approve an expenditure plan for the month of July for submission to the director that **provides sufficient expenditure authority necessary to achieve uninterrupted government operations and prudent fiscal restraint**. The plan development and approval process will continue for each successive month while the emergency continues and prevents the adoption of a budget by the town or district meeting.

Elements of the Deficit Budget

- An expenditure estimate for operations in the general fund and enterprise fund - estimates should consider that a reduction in estimated revenues may be required during the FY2021 tax rate setting process;
- Amounts sufficient to cover regional school district, pension or other similar assessments; and
- Debt service payments.

What is **NOT** included in Spending Plan

- Any activities which you have reason to believe will not be supported by the relevant appropriations (once adopted);
- Increases in salaries called for in collective bargaining agreements that have not previously been approved by the legislative body;
- Appropriations such as reserved premiums, overlay surplus, free cash, stabilization or other similar funds balances;
- Capital or other items that ordinarily require special purpose appropriation by town or district meeting; and
- Estimated FY2020 COVID-19 emergency expenditure deficits.

Formula

- **1/12 Departmental FY 2020 Appropriation + 1/12 projected increases for FY 21**
 - Allows for 2020 FATM increases;
 - Provides for inflationary cost increases;
 - Tracks proposed FY 2021 Budget – incorporating BOS revenue guidelines
 - Allows seamless integration into Finance Committee review and **Town Meeting Approval**

- Municipal Expenditures - \$21,827,495
- School Expenditures – \$5,750,086
- Enterprise Funds - \$1,337,609

1/12 - Deficit Spending Plan - July - FY 2020

	2020 Final Budget	FY 21 1/12 Spending Plan - July	Approved wage Increases	Other Expense Increases	Total July Spending Plan
General Fund Revenues					
Education & Learning					
Natick Public Schools	\$ 67,810,346	\$ 5,650,862	\$ 280,000	\$ 44,288	\$ 5,750,086
Keefe Tech	\$ 1,554,748	\$ 129,562	\$ -	\$ -	\$ 129,562
Morse Institute Library	\$ 2,275,499	\$ 189,625	\$ -	\$ -	\$ 189,625
Bacon Free Library	\$ 190,792	\$ 15,899	\$ -	\$ 584	\$ 16,483
Public Safety	\$ 16,568,716	\$ 1,380,726	\$ -	\$ 1,450	\$ 1,382,176
Public Works	\$ 8,458,627	\$ 704,886	\$ 9,072	\$ 14,383	\$ 728,341
Health & Human Services	\$ 2,611,475	\$ 217,623	\$ 5,696	\$ 3,754	\$ 227,073
Administrative Support Services	\$ 7,502,569	\$ 625,214	\$ 5,100	\$ 7,600	\$ 637,914
Committees	\$ 120,550	\$ 10,045.83	\$ -	\$ -	\$ 10,045.83
Shared Expenses					
Fringe Benefits	\$ 16,743,421	\$ 1,395,285	\$ -	\$ -	\$ 1,395,285
Prop & Liab. Insurance	\$ 807,150	\$ 67,263	\$ -	\$ -	\$ 67,263
Facilities Management	\$ 3,426,619	\$ 285,552	\$ 9,282.42	\$ 3,833	\$ 298,667
General Fund Oper. Expenses	\$ 128,070,512	\$ 10,672,543	\$ 309,150	\$ 75,892	\$ 10,832,521
Enterprise Funds					
Water & Sewer	\$ 14,192,636	\$ 1,182,720	\$ 4,284	\$ 72,156	\$ 1,259,160
Sassamon Trace Golf Course	\$ 933,828	\$ 77,819	\$ 630	\$ -	\$ 78,449
Retirement	\$ 10,825,274	\$ -	\$ -	\$ -	\$ 10,825,274
Debt Services	\$ 15,143,814	\$ 5,919,787	\$ -	\$ -	\$ 5,919,787
				Total - July	\$ 28,915,190

Submission to DOR

- Town required to complete and submit in Gateway for each month the Deficit Expenditure;
- Upload monthly expenditure plan approved by the selectboard;
- Complete summary of expenditures section of the form;
- Upload Clerk's certificate of vote stating the submitted plan was approved by the selectboard, the date and time of the meeting and vote results; and
- The Clerk's electronic signature.

Deficit Spending Approval

Single Month Budget Request

Status: NO STATUS FOUND

NATICK - 198 2021

Jurisdiction Fiscal Year

Select a Month:

Please enter the date of the Annual Meeting:

Expenditure Description	Amount
Municipal Expenditures	<input type="text" value="0"/>
School Expenditures	<input type="text" value="0"/>
Enterprise Funds	<input type="text" value="0"/>

July FY 2021 authorized amount

Comments - [add comment](#)

Comments
No comments to display.

Current Documents - [upload new documents](#)

Name	Action
No documents to display.	

Signatures

Other Issues

TOWN MEETING – INTEGRATION INTO FY 21 BUDGET

- Spending Plan will be included in the submission to Finance Committee
- Amount actually spent under spending plan will be included in Town Meeting Motion as part of the departments appropriation

UNRESOLVED CONCERNS

- Multi-year contracts
- Capital Expenditures
- Cares Act
- Revenue projections

Questions?
