



Town of Natick

FY 2012 Preliminary Budget

Section IX: Shared Expenses (Unclassified)

Benefits

Employee Fringe Benefits & Insurance	IX.3
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Town of Natick

FY 2012 Preliminary Budget

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Town of Natick

Home of Champions

Denotes change since 1/1 -

Department: Employee Fringe

Appropriation Summary

	2009 Actual	2010 Actual	2011 Appropriated	2012 Preliminary	2011 vs. 2012	
					\$	%

Other Personnel Services

Worker's Compensation	519,513	420,334	600,000	550,000	-50,000	-8.33%
Unemployment	99,312	218,487	389,691	225,000	-164,691	-42.26%
FICA (All)	726,814	617,228	760,001	750,500	-9,501	-1.25%
Drug & Alcohol testing	3,204	2,866	4,000	4,000	0	0.00%
Medical Insurance (s)	10,589,293	12,148,818	12,482,018	13,253,703	771,685	6.18%
Public Safety Medical (111F)	94,339	83,890	160,000	160,000	0	0.00%
LIUNA	151,312	167,188	183,979	192,117	8,138	4.42%
Benefits Reserve	0	1,875	100,000	100,000	0	0.00%
Retirement Buy-Out Program	110,118	0	92,000	126,000	34,000	36.96%
Total Other Personnel Services	12,293,905	13,660,686	14,771,689	15,361,321	589,632	3.99%

Merit/Performance Raises	0	0	18,750	37,500	18,750	100%
Other Personnel Services	0	0	18,750	37,500	18,750	100%

Total Employee Fringe	12,293,905	13,660,686	14,790,439	15,398,821	608,382	4.11%
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Budget Overview:

This budget covers all fringe benefits, insurances, testings and non-retirement system related pension contributions for all employees of the Town of Natick funded through the General Fund. It includes the following budget allocations:

- Unemployment - Worker's Compensation - FICA (payroll taxes) - Health Insurance - Life Insurance - LIUNA Pension Contributions - Retirement Buy-Outs - Drug & Alcohol Testing

Key Changes for FY 2012:

- Higher Health Care Rates: Health care rates are going to increase 7% from FY 2011 rates to FY 2012, regardless of the plan. This budget projection takes into account contract settlement with 15 of the 17 Town Unions. A detailed summary of each HMO option is attached to this budget.

- Cushion for mid-year plan changes: Particularly with the continued downturn in the economy, it is certainly possible that employees who currently do not currently opt to take benefits may come onto the Town's plan either in an individual or family capacity. To that end we have budgeted 20 extra plans in the Insurance Group Health & Life categories to handle this increase.

Change from 1/1 to 3/1:

- Increase in Medical Insurance (s): Increase is the net difference resulting from lower than budgeted rates but an error in the computation of retiree health care. The next impact from 1/1 to today is approximately \$78,000.

- Refinement of LIUNA payments: A minor net change from 1/1 as a result of differential per hour pension contributions.



Town of Natick

Home of Champions

Department: Employee Fringe

Budget Detail:

	2009	2010	2011	2012	2011 vs. 2012	
	Actual	Actual	Appropriated	Preliminary	\$	%
Worker's Compensation	519,513	420,334	600,000	550,000	-50,000	-8.33%
Insurance Unemployment	99,312	218,487	389,691	225,000	-164,691	-42.26%
FICA {Medicare}	726,814	617,228	759,501	750,000	-9,501	-1.25%
FICA {Social Security}	348	0	500	500	0	0.00%
DOT Testing	2,856	2,866	4,000	4,000	0	0.00%
Insurance Group Health & Life	10,589,293	12,148,818	12,482,018	13,253,703	771,685	6.18%
Public Safety C41 S111F Medical	94,339	83,890	160,000	160,000	0	0.00%
LIUNA Pension	151,312	167,188	183,979	192,117	8,138	4.42%
Employee Benefits Reserve	-	1,875	100,000	100,000	0	0.00%
-- Retirement Buy-out Program ---						
Fire Department	110,118	0	50,000	50,000	0	0.00%
Police Department		0	25,000	25,000	0	0.00%
DPW / Highway Division		0	17,000	51,000	34,000	200.00%
Other Personnel Services	12,293,905	13,660,686	14,771,689	15,361,321	589,632	3.99%
Merit/Performance Raises	-	0	18,750	37,500	18,750	100.00%
Other Personnel Services	0	0	18,750	37,500	18,750	100.00%
Total Employee Fringe	12,293,905	13,660,686	14,790,439	15,398,821	608,382	4.11%



Town of Natick

Home of Champions

Department: Employee Fringe

Line-Item Detail

Narrative:

Workers Compensation:

Line item contains the amount based on a premium assessed by our carrier MEGA as well as a portion for employees who have are currently on long term disability due to an injury during the performance of their job.

Unemployment Insurance:

Line item is set aside for any unforeseen lay offs or reduction in the work force. This amount is for both the School Department and the Municipal Departments. Estimate for Fiscal Year 2012 is comparable to expected utilization in FY 2010 and FY 2011. *Please see the following pages for more detail.*

FICA (Medicare):

The Consolidated Omnibus Budget Reconciliation Act of 1985 amended the Internal Revenue Code so that the hospital insurance (Medicare) portion of the Federal Insurance Contributions Act (FICA) applies to wages paid for services rendered after 3/31/86 by employees hired after 3/31/86. The tax is equal to 1.45% of the employee's pay. The employer is required to contribute an amount equal to that deducted from the employee's pay, an additional 1.45%. With no increase in salaries (no COLA) included in the budget, no increase in Medicare is necessary at this time.

FICA (Social Security):

Small percentage of the work force three (3) employees who are ineligible to join the retirement system as they started their employment with the town at age 60 and would not be eligible for a pension.

DOT Testing:

Drug and alcohol testing done on a random basis for certain departments who operate Motor Vehicles (excludes uniformed personnel) this is performed on a monthly basis.

Insurance Group Health & Life:

Coverage for all town employees both currently employed and retirees of the town both school and municipal departments who work greater than 20 hours on a regular basis. Percentages paid by the town vary from plan to plan from a low of 50% to a high of 90% depending on the coverage selected by the employee. Charts are included in this section to provide greater understanding. Estimates for FY 2011 are based upon Dec. 2009 enrollment counts assuming actual rates for FY 2011 from the West Suburban Health Group.

Public Safety Chapter 41 Section 111F:

This coverage is paid on a premium basis for the uniformed members of the Town of Natick's Police & Fire workforce who become injured while on duty. This pays hospital and medical bills for the injured officer. Increased cost driven by increased claim activity in FY 2009 & 2010. The Town does receive reimbursement from insurance companies for expenses incurred under this line-item, up to 75% of the total claim. Average reimbursements for the last three fiscal years have been around \$90,000. That money flows to fund balance at the end of year.

LIUNA Pension:

Laborers' International Union of North America National (Industrial) Pension Fund., a pension provided to the following units of the Town of Natick's workforce:

- Laborers Local 1116
- Clerical Workers
- Supervisors & Administrators (Public Works)
- School Custodial
- Librarian's of the Morse Library (Massachusetts Laborers Benefits).

The contribution rate is set by the collective bargaining agreement or other agreement between the Employer and the Union. The rate must fall within the range of rates accepted by the Pension Fund. The rate may be cents, or dollars-and-cents, for each hour for which a covered employee is paid, or a fixed daily, weekly or monthly amount for each covered employee. The rate ranges from \$.35 cents per hour to \$.75 cents per hour. This provides these workers with an additional pension or annuity upon retirement.

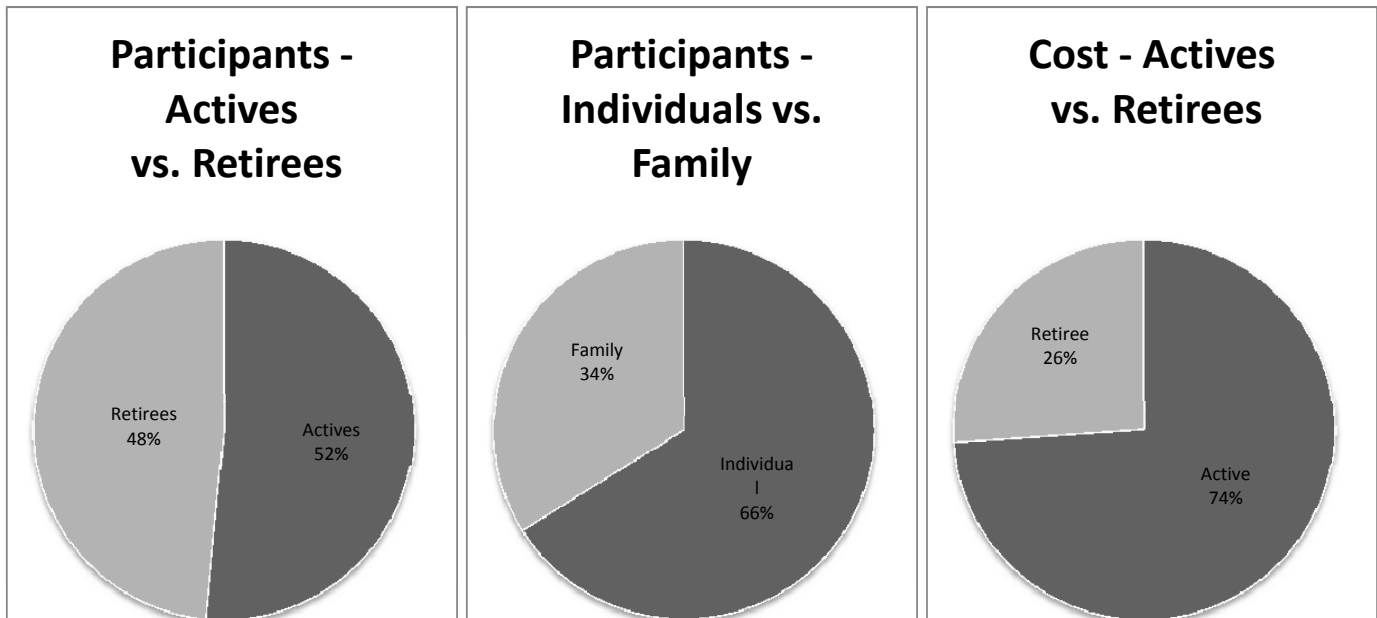
Retirement Buyout:

This accounts for the provision in multiple contracts allowing retiring employees to buy-back accrued sick leave. It is only paid out if an individual declares and chooses to retire.

Employee Health Benefits Summary

revised 3/1/2011

Active		
- Traditional HMO's	\$	1,109,946
- Rate Saver HMO's	\$	7,943,106
Tier #1 Safety Net	\$	310,500
Tier #2 Safety Net	\$	100,000
Tier #3 Safety Net	\$	250,000
Sentinel Benefits Administration Fee	\$	37,800
Retiree		
- Retiree Health Plans	\$	3,435,259
Life Insurance (\$4.25/mo. x Total Benefited Employees)	\$	39,882
Flu Shots	\$	7,500
Sentinel Benefits (\$65/MO)	\$	780
Cook & Co - Consultants (\$1,500/QTR)	\$	6,000
Medicare Penalty Re: Section 18 (\$2,700/MO)	\$	32,400
All other Miscellaneous Items: (Health Fair/Legal Issues, etc.)	\$	10,000
Total Employee Health Benefits	\$	13,283,173



Active Employees - Traditional HMO's

Active Employees

Active Employees Plans:	Individual		Family		Total Cost		
	Total	Town Share	Total	Town Share			
HEALTH PLANS:	\$	%	\$	\$	%	\$	\$
Network Blue							
Monthly Rates (Regular Members)	732.00	86.38%	632.30	1,963.00	77.30%	1,517.40	
Participants			10			12	
Annual Total			\$75,876			\$218,505	\$ 294,382
Harvard/Pilgrim PPO							
Rates (Regular Members)	1,420.00	50.00%	710.00	3,154.00	50.00%	1,577.00	
Participants			0			3	
Annual Total			\$0			\$56,772	\$ 56,772
Harvard/Pilgrim EPO							
Monthly Rates (Regular Members)	690.00	84.96%	586.22	1,798.00	76.71%	1,379.25	
Participants Includes 25 N/H)			12			21	
Annual Total			\$84,416			\$347,570	\$ 431,986
Tufts POS							
Monthly Rates (Regular Members)	1,420.00	50.00%	710.00	3,154.00	50.00%	1,577.00	
Participants			1			0	
Annual Total			\$8,520			\$0	\$ 8,520
Tufts EPO							
Monthly Rates (Regular Members)	730.00	88.73%	647.73	1,910.00	77.75%	1,485.03	
Participants			8			14	
Annual Total			\$62,182			\$249,484	\$ 311,666
Fallon Group Select Care							
Monthly Rates (Regular Members)	613.00	90.00%	551.70	1,651.00	80.00%	1,320.80	
Participants			1			0	
Annual Total			\$6,620			\$0	\$ 6,620
Fallon Group Direct Care							
Monthly Rates (Regular Members)	568.00	90.00%	511.20	1,535.00	80.00%	1,228.00	
Participants			0			0	
Annual Total			\$0			\$0	\$ -
Premium Cost Summary				Enrollments			
				Single	Family		
Active Health Plans				32	50		
Total Premium						\$ 1,109,946	

Enrollments as of 12/2010

Rates set by West Suburban Health Group on 2/17/2011

Active Employees - Rate Saver HMO's

Active Employees							
Active Employees Plans:	Individual			Family			
HEALTH PLANS:	Total	Town Share	Total	Town Share	Total	Total Cost	
	\$	%	\$	\$	%	\$	\$
RATE SAVER EPO PLANS:							
Blue Choice							
Monthly Rates (Regular Members)	603.00	90.00%	542.70	1,620.00	80.00%	1,296.00	
			38			65	
Annual Total			\$247,471			\$1,010,880	\$ 1,258,351
Fallon Group Direct Care							
Monthly Rates (Regular Members)	485.00	90.00%	436.50	1,305.00	80.00%	1,044.00	
Participants			0			1	
Annual Total			\$0			\$12,528	\$ 12,528
Fallon Group Select Care							
Monthly Rates (Regular Members)	521.00	90.00%	468.90	1,404.00	80.00%	1,123.20	
Participants			23			29	
Annual Total			\$129,416			\$390,874	\$ 520,290
Harvard/Pilgrim							
Monthly Rates (Regular Members)	586.00	90.00%	527.40	1,529.00	80.00%	1,223.20	
Participants			135			187	
Annual Total			\$854,388			\$2,744,861	\$ 3,599,249
Tufts Navigator							
Monthly Rates (Regular Members)	620.00	90.00%	558.00	1,623.00	80.00%	1,298.40	
Participants			102			120	
Annual Total			\$682,992			\$1,869,696	\$ 2,552,688

Premium Cost Summary	Enrollments		
	Single	Family	
Active Health Plans	298	402	\$ 7,943,106
Tier #1 Safety Net			\$ 310,500
Tier #2 Safety Net			\$ 100,000
Tier #3 Safety Net			\$ 250,000
Sentinel FSA Costs			\$ 37,800
Total Appropriation Needed			\$ 8,641,406

Enrollments as of 12/2010
 Rates set by West Suburban Health Group on 2/17/2011

Retiree Health Care

Retirees - Non Medicare Eligible

Active Employees Plans:	Individual			Family			Total Cost
	Total	Town Share		Total	Town Share		
HEALTH PLANS:	\$	%	\$	\$	%	\$	\$
RATE SAVER EPO PLANS:							
Blue Choice							
Monthly Rates (Regular Members)	603.00	90.00%	542.70	1,620.00	80.00%	1,296.00	
			11			6	
Annual Total			\$71,636			\$93,312	\$ 164,948
Fallon Group Select Care							
Monthly Rates (Regular Members)	521.00	90.00%	468.90	1,404.00	80.00%	1,123.20	
Participants			1			0	
Annual Total			\$5,627			\$0	\$ 5,627
Harvard/Pilgrim							
Monthly Rates (Regular Members)	586.00	90.00%	527.40	1,529.00	80.00%	1,223.20	
Participants			58			37	
Annual Total			\$367,070			\$543,101	\$ 910,171
Tufts Navigator							
Monthly Rates (Regular Members)	620.00	90.00%	558.00	1,623.00	80.00%	1,298.40	
Participants			36			18	
Annual Total			\$241,056			\$280,454	\$ 521,510
Harvard/Pilgrim PPO							
Rates (Regular Members)	1,420.00	50.00%	710.00	3,154.00	50.00%	1,577.00	
Participants			9			2	
Annual Total			\$76,680			\$37,848	\$ 114,528
Tufts POS							
Monthly Rates (Regular Members)	1,420.00	50.00%	710.00	3,154.00	50.00%	1,577.00	
Participants			2			0	
Annual Total			\$17,040			\$0	\$ 17,040

Premium Cost Summary	Enrollments		
	Single	Family	
Active Health Plans	117	63	\$ 1,733,825
Pooled Safety Net			\$ 50,000
Total Appropriation Needed			\$ 1,783,825

Retirees - Medicare Eligible

Senior Plans:	Individual			HEALTH PLANS:	Individual		
	Total	Town Share			Total	Town Share	
HEALTH PLANS:	\$	%	\$	\$	%	\$	
HPHC Medicare Enhancement				Medex III			
Monthly Rates (Senior Care)	406.00	61.87%	251.19	Monthly Rates (Senior Care)	432.00	61.16%	264.21
Monthly Rates (Senior Care)	446.60	61.87%	276.31	Monthly Rates (Senior Care)	475.20	61.16%	290.63
Participants			153	Participants			234
Total			\$484,248	Total			\$779,000
Fallon Senior Plan *				Tufts Medicare Preferred			
Monthly Rates (Senior Care)	267.00	70.25%	187.57	Monthly Rates (Senior Care)	242.00	73.29%	177.36
Monthly Rates (Senior Care)	293.70	70.25%	206.32	Monthly Rates (Senior Care)	266.20	73.29%	195.10
Participants			1	Participants			82
Total			\$2,363	Total			\$87,262
Tufts Medicare Compliment				BCBS Managed Blue for Seniors			
Monthly Rates (Senior Care)	390.00	62.96%	245.54	Monthly Rates (Senior Care)	428.11	61.66%	263.97
Monthly Rates (Senior Care)	429.00	62.96%	270.10	Monthly Rates (Senior Care)	470.92	61.66%	290.37
Participants			73	Participants			13
			\$225,851	Total			\$43,239

Medicare Eligible Retirees	Enrollments		
	Single	Family	
	556	0	
Total Medicare Eligible Employees (Senior Plans)			\$1,621,964

Total Retiree Health Care	\$3,405,789
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Unemployment Estimates

Unemployment Insurance is available for any employee who has worked for the Town of Natick - either as a result of being laid off or reduced hours. When the FY 2011 budget was approved at the Spring 2010 Annual Town Meeting, the budget had significantly higher unemployment benefits budgeted than previous years due to the prolonged uncertainty of state aid and the possibility of mid-year reductions in force. As the fiscal year has progressed, however, reductions in force were not necessary. We now believe a significant surplus will result in the unemployment line-item for FY 2011. That is detailed below.

Fiscal Year 2011 Unemployment

Original Appropriation	\$	389,691
<i>Amount Spent through February 2011</i>	\$	<i>130,337</i>
Balance	\$	259,354
Average Monthly Expenses	\$	16,292
Amount Needed through end of year assuming same rate of expense	\$	65,169
Estimated Balance @ end of year	\$	194,185

The Town of Natick is self-insured for purposes of unemployment insurance. The Town receives monthly invoices from the Commonwealth as to who has filed claims, the value of those claims and the duration of those claims. The Town pays those invoices to the state directly, who distributes unemployment checks to those who have filed and qualified for U/I benefits. Current unemployment laws allow for maximum benefit of 26 weeks. Additional 'emergency' or 'extended' benefits can be passed by the Congress at any time forcing the municipality (and any business) to continue providing the unemployed with extended benefits. The Town also employs a third party vendor, to handle direct claims between unemployed individuals and the Town of Natick, as well as reviews the claim requests from the state and assists in management of the Town's liability.

Estimates for FY 2012

At this time, we are proposing a lump-sum of \$225,000 be budgeted for unemployment benefits for FY 2012. As we continue further throughout the FY 2012 budget process, we will revise this number if reductions in force or layoffs are necessary.



Town of Natick

Home of Champions

Medicare Analysis

FY08 & FY09 & FY10 ACTUAL, FY11 FORECAST AND FY12 BUDGET

FY 2008 Actuals

Appropriated Budget	\$ 631,180.02		
	Month	Medicare	Monthly Cumulative
July	\$ 35,234.30	5.20%	5.20%
August	\$ 28,206.35	4.16%	9.37%
September	\$ 50,096.74	7.40%	16.76%
October	\$ 70,984.07	10.48%	27.24%
November	\$ 53,743.07	7.93%	35.18%
December	\$ 53,423.29	7.89%	43.06%
January	\$ 60,109.66	8.87%	51.94%
February	\$ 54,089.83	7.99%	59.92%
March	\$ 53,203.97	7.85%	67.78%
April	\$ 73,163.12	10.80%	78.58%
May	\$ 54,662.98	8.07%	86.65%
June	\$ 90,409.37	13.35%	100.00%
Total	\$ 677,326.75	100.00%	

Budget Balance @ year-end	\$ (46,146.73)
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FY 2009 Actuals

Appropriated Budget	\$ 660,000.00		
	Month	Medicare	Monthly Cumulative
July	\$ 23,262.74	3.43%	3.43%
August	\$ 28,087.52	4.15%	7.58%
September	\$ 73,968.26	10.92%	18.50%
October	\$ 55,370.45	8.17%	26.68%
November	\$ 57,213.02	8.45%	35.12%
December	\$ 63,853.87	9.43%	44.55%
January	\$ 56,523.72	8.35%	52.90%
February	\$ 56,421.53	8.33%	61.23%
March	\$ 77,069.90	11.38%	72.60%
April	\$ 55,873.57	8.25%	80.85%
May	\$ 55,100.15	8.13%	88.99%
June	\$ 124,069.62	18.32%	107.31%
Total	\$ 726,814.35	107.31%	

Budget Balance @ year-end	\$ (66,814.35)
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Town of Natick

Home of Champions

Medicare Analysis

FY08 & FY09 & FY10 ACTUAL, FY11 FORECAST AND FY12 BUDGET

FY 2010 Actuals

Appropriated Budget		\$ 759,501.00		
	Month	Medicare	Monthly	Cumulative
July		\$ 22,218.63	2.93%	2.93%
August		\$ 29,101.80	3.83%	6.76%
September		\$ 61,567.02	8.11%	14.86%
October		\$ 56,767.88	7.47%	22.34%
November		\$ 55,916.81	7.36%	29.70%
December		\$ 86,376.10	11.37%	41.07%
January		\$ 57,942.72	7.63%	48.70%
February		\$ 58,896.35	7.75%	56.46%
March		\$ 64,548.30	8.50%	64.96%
April		\$ 58,171.52	7.66%	72.61%
May		\$ 56,819.50	7.48%	80.10%
June		\$ 8,901.09	1.17%	81.27%
Total		\$ 617,227.72	81.27%	

Budget Balance @ year-end	\$ 142,273.28
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FY 2011 Y-T-D & Forecast

(1) Appropriated Budget	\$ 759,501.00
<i>Through February 22nd</i>	\$ 434,185.00
(2) Forecast	\$ 736,547.65
(1-2) Surplus / (Deficit) @ year-end (estimated)	\$ 22,953.35

Budget Request for FY 2012	\$ 750,000.00
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ANALYSIS OF CHAPTER 111F EMERGENCY MEDICAL

	FY07	FY08	FY09	FY10	FY11 (7 mos.)	FY12 Budget
CLAIMS	47,351.82	44,997.87	48,319.68	4,375.65	8077.5	25,000.00
PREMIUMS	26,143.00	37,937.00	52,949.00	79,514.00	80989.5	135,000.00
TOTAL	<u>73,494.82</u>	<u>82,934.87</u>	<u>101,268.68</u>	<u>83,889.65</u>	<u>89,067.00</u>	<u>160,000.00</u>

ANALYSIS OF WORKERS COMPENSATION

	FY07	FY08	FY09	FY10	FY11 (7 mos.)	FY12 Budget
CLAIMS ADMIN	6,000.00	6,000.00	6,000.00	4,000.00	2000.00	4,000.00
ON SITE NURSE	14,508.00	19,344.00	19,344.00	19,344.00	9672.00	19,344.00
PREMIUMS	399,864.00	309,408.00	356,642.00	320,586.00	239841.00	400,000.00
CLAIMS	74,239.00	192,002.00	137,527.28	76,403.72	38439.08	126,656.00
TOTAL	<u>494,611.00</u>	<u>526,754.00</u>	<u>519,513.28</u>	<u>420,333.72</u>	<u>289,952.08</u>	<u>550,000.00</u>

LIUNA Contribution for Fiscal Year 2012 Budget

General Fund

	<u>#Employees</u>	<u>Total Hrs</u>	<u>Rate</u>	<u>Amount</u>
Laborers	43	89,440	0.781	69,852.64
Clerical	26	50,700	0.671	34,019.70
Supervisors/Adm	8	16,640	0.781	12,995.84
School Custodians	37	76,960	0.77	59,259.20
Morse Library	20	39,000	0.41	15,990.00
			Total	<u><u>\$192,117.38</u></u>

Water & Sewer Enterprise

Laborers	20	41,600	0.781	32,489.60
Clerical	2	3,900	0.671	2,616.90
Supervisors/Adm	4	8,320	0.781	6,497.92
			Total	<u><u>\$41,604.42</u></u>



Town of Natick

Home of Champions

Department: Property & Liability Insurance

Appropriation Summary

	2009	2010	2011	2012	2011 vs. 2012	
	Actual	Actual	Appropriated	Preliminary	\$	%
Operating Expenses						
Purchase of Services	410,799	431,162	496,150	520,958	24,808	5.00%
Total Operating Expenses	410,799	431,162	496,150	520,958	24,808	5.00%
Total Property & Liability Insurance	410,799	431,162	496,150	520,958	24,808	5.00%

Budget Overview:

I. Main Purpose of the Department

To provide property insurance on approximately \$235 million dollars of buildings and \$40 million in contents. Provide \$3 million in general liability coverage plus an additional \$2 million in an umbrella liability policy. Provide commercial fleet auto insurance including collision, comprehensive, and liability coverage. We are insured for boiler & machinery for \$75 million. There are also separate specialty liability policies for public officials liability, school board legal liability, and law enforcement coverage.

II. Recent Developments

The escalating costs for property insurance in the "post 9/11 era" have subsided and increases are now tracking in the 5% - 8% range. Thru continually monitoring and bidding our insurance, we believe that we will be able to hold an increase to the 5% requested in FY2012.

III. Current Challenges

Continuing to provide the current level of overage within the budget limits imposed by Proposition 2 ½.

IV. Significant Proposed Changes for the Upcoming Fiscal Year and Budget Impact

None

V. On the Horizon

Continue to monitor and sample the market to determine that the Town has solid insurance coverage while avoiding sharp premium increases.

Budget Detail:

	2009	2010	2011	2012	2011 vs. 2012	
	Actual	Actual	Appropriated	Preliminary	\$	%
Package Policy Property/Liability	259,933	248,054	302,650	317,783	15,133	5.0%
Motor Vehicle	122,461	153,897	150,000	157,500	7,500	5.0%
Boiler {Steam Vessels}	16,406	17,842	18,500	19,425	925	5.0%
Insurance Deductibles	11,999	11,369	25,000	26,250	1,250	5.0%
Purchased Services	410,799	431,162	496,150	520,958	24,808	5.0%
Total Property & Liability Ins.	410,799	431,162	496,150	520,958	24,808	5.0%

Line-Item Detail:



Town of Natick

FY 2012 Preliminary Budget

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Town of Natick

Home of Champions

Department: Contributory Retirement

Appropriation Summary

	2009 Actual	2010 Actual	2011 Appropriated	2012 Preliminary	2011 vs 2012	
					\$	%
Operating Expenses						
Funding Schedule - Completion 2026	5,040,179	5,152,503	5,384,366	5,626,663	242,297	4.50%
Total Operating Expenses	5,040,179	5,152,503	5,384,366	5,626,663	242,297	4.50%
Total Contributory Retirement	5,040,179	5,152,503	5,384,366	5,626,663	242,297	4.50%

Budget Overview:

I. Main Purpose of the Department

The Natick Retirement System provides pension benefits for many retired employees of the Town of Natick. Established under M.G.L. Chapter 32, the Natick Retirement System is funded via an annual appropriation at Town Meeting. As of 2007, there were 1028 participants in the Natick Retirement System - 573 active, 84 inactive and 371 retired participants and beneficiaries. Eligibility in the system is determined upon your employment status with the Town. If an employee is employed on a permanent basis and works 20 or more hours a week, then that employee is eligible. Enrollment is mandatory for all employees who qualify.

Employees are eligible to apply for a pension benefit when they have completed either ten years of creditable service and have reached the age of 55, or Have 20 years of creditable service regardless of your age. Recipients receive a defined benefit plan. The pension allowance is calculated using an employees years of creditable service, their age at retirement and their highest average salary for 36 consecutive months.

Employees are required by M.G.L. Ch. 32 to contribute a set percentage of their salary and an additional 2% on any salary over \$30,000.00 by regular payroll deductions. The rate of contribution is determined by the date on which an employee first became eligible for membership in a Massachusetts Contributory Retirement System and maintained your funds on deposit.

Before January 1, 1975 5%

January 1, 1975 - December 31, 1983 7%

January 1, 1984 - June 30, 1996 8%

July 1, 1996 - or after 9%

Employees who were members before January 1, 1979 are NOT subject to the additional 2%, while employees who became members after January 1, 1979 are subject to 2%.



Town of Natick

Home of Champions

Department: Contributory Retirement

Budget Overview: (con't)

II. Recent Developments

The latest actuarial report, conducted by The Segal Group effective January 1, 2008 found that the Natick Retirement System was funded at a ratio of 69.24%, with actuarial value of assets totaling \$90,885,080 while the actuarial accrued liability totaled \$131,268,314. This is an increase from the last actuarial, dated January 1, 2006 where the system was 66.64% funded, though it is still less than in 1997 when the system was 73.91% funded. The next actuarial will be completed effective January 1, 2011 and should likely be available in March 2011.

III. Current Challenges

IV. Significant Proposed Changes for the Upcoming Fiscal Year and Budget Impact

As revenues become stagnant while the assessment for the Retirement System continues to increase in order to meet state mandated funding requirements, the impact of the retirement system upon Town operations will increase. State law mandates the pension system must be fully funded by 2040.

V. On the Horizon

Though formal state regulations mandating the funding of other post-employment benefits (such as retiree health care costs) have not been implemented, accounting regulations (GASB 45) require that municipalities disclose their OPEB liabilities on their year-end balance sheets. While not directly part of the retirement system, these benefits for pensioners will have to be funded somehow in the future, and the Town of Natick will have to develop strategies to manage this liability.

Budget Detail:

	2009	2010	2011	2012	2011 vs. 2012	
	Actual	Actual	Appropriated	Preliminary	\$	%
Funding Schedule - Completion 2026	5,040,179	5,152,503	5,384,366	5,626,663	231,863	4.5%
Personnel Services	5,040,179	5,152,503	5,384,366	5,626,663	231,863	4.5%
Total Contributory Retirement	5,040,179	5,152,503	5,384,366	5,626,663	231,863	4.5%

Note: The amount shown under funding schedule is a net amount: less those pension assessments for the Natick Housing Authority, the Sassamon Trace Golf Course and the Water/Sewer Enterprise fund. The math is shown below.

Total PERAC Assessment for FY 2011	\$ 5,916,756
less NHA Assessment	\$ (90,236)
less Golf Course Assessment	\$ (12,331)
less Water/Sewer Assessment	\$ (187,526)
Net Retirement Assessment (General Fund)	\$ 5,626,663

Line-Item Detail

Personnel Services: Funding Schedule: The annual contribution required under law to meet the Town's pension obligations to its pensioners. The Natick Retirement System is on pace to be fully funded by 2026. It must be fully-funded legally by 2030. This amount is **net** of the assessment for the Natick Housing Authority.

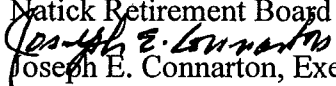
PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

DOMENIC J. F. RUSSO, *Chairman* | A. JOSEPH DeNUCCI, *Vice Chairman*
MARY ANN BRADLEY | PAUL V. DOANE | JAMES M. MACHADO | DONALD R. MARQUIS | ROBERT B. McCARTHY

JOSEPH E. CONNARTON, *Executive Director*

MEMORANDUM

TO: Natick Retirement Board
FROM: 
Joseph E. Connarton, Executive Director
RE: Appropriation for Fiscal Year 2011
DATE: November 20, 2009

RECEIVED

NOV 24 2009

BOARD OF SELECTMEN
NATICK, MA

Required Fiscal Year 2011 Appropriation: **\$5,661,968**

This Commission is hereby furnishing you with the amount to be appropriated for your retirement system for Fiscal Year 2011 which commences July 1, 2010.

Attached please find summary information based on the present funding schedule for your system and the portion of the Fiscal Year 2011 appropriation to be paid by each of the governmental units within your system. The amounts were determined by Segal as part of their January 1, 2008 actuarial valuation report.

If your System has a valuation currently in progress, you may submit a revised funding schedule to PERAC upon its completion. The current schedule is/was due to be updated by Fiscal Year 2012.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446 Extension 921.

JEC/jrl
Attachments

cc: Board of Selectmen
Town Meeting
c/o Town Clerk

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Natick Retirement Board

Projected Appropriations

Fiscal Year 2011 - July 1, 2010 to June 30, 2011

Aggregate amount of appropriation: **\$5,661,968**

Fiscal Year	Estimated Cost of Benefits	Funding Schedule (Excluding ERI)	ERI	Total Appropriation	Pension Fund Allocation	Pension Reserve Fund Allocation	Transfer From PRF to PF
FY 2011	\$7,011,578	\$5,661,968	\$0	\$5,661,968	\$5,661,968	\$0	\$1,349,610
FY 2012	\$7,335,775	\$5,916,756	\$0	\$5,916,756	\$5,916,756	\$0	\$1,419,019
FY 2013	\$7,674,599	\$6,183,010	\$0	\$6,183,010	\$6,183,010	\$0	\$1,491,589
FY 2014	\$8,028,711	\$6,461,246	\$0	\$6,461,246	\$6,461,246	\$0	\$1,567,465
FY 2015	\$8,398,799	\$6,752,002	\$0	\$6,752,002	\$6,752,002	\$0	\$1,646,797

The Total Appropriation column shown above is in accordance with your current funding schedule and the scheduled payment date(s) in that schedule. Whenever payments are made after the scheduled date(s), the total appropriation should be revised to reflect interest at the rate assumed in the most recent actuarial valuation. Payments should be made before the end of the fiscal year.

For illustration, we have shown the amount to be transferred from the Pension Reserve Fund to the Pension Fund to meet the estimated Cost of Benefits for each year. If there are sufficient assets in the Pension Fund to meet the Cost of Benefits, this transfer is optional.

SECTION 3: Supplemental Information for the Town of Natick Contributory Retirement System

EXHIBIT G

Department Results as of January 1, 2008

Category	Housing	Public Safety	Water & Sewer Enterprise Fund	Sassamon Trace Enterprise Fund	All Others	Total
1. Demographics						
Actives	13	156	26	2	376	573
Inactives	1	4	2	0	77	84
Retired	0	135	16	0	220	371
Total	14	295	44	2	673	1,028
2. Total normal cost	\$73,161	\$1,766,370	\$132,003	\$17,762	\$2,055,121	4,044,417
3. Administrative expenses	3,980	96,083	7,180	966	111,791	220,000
4. Expected employee contributions	47,887	883,231	111,389	8,360	1,202,043	2,252,910
5. Employer normal cost:						
(2) + (3) - (4)	\$29,254	\$979,222	\$27,794	\$10,368	\$964,869	\$2,011,507
6. Employer normal cost as a percent of payroll	4.6%	9.8%	2.1%	12.2%	7.0%	7.8%
7. Actuarial accrued liability	\$2,064,277	\$67,238,087	\$5,751,111	\$45,973	\$56,168,866	\$131,268,314
8. Actuarial value of assets	1,429,003	46,545,792	3,981,226	45,973	38,883,086	90,885,080
9. Unfunded actuarial accrued liability:						
(7) - (8)	635,274	20,692,295	1,769,885	--	17,285,780	40,383,234
10. Payroll	636,700	9,966,535	1,332,790	84,845	13,754,606	25,775,476
11. Fiscal year 2009 appropriation	81,426	2,679,684	170,884	10,805	2,391,573	5,334,373
12. Fiscal year 2010 appropriation	82,632	2,720,199	171,725	11,291	2,432,304	5,418,151
13. Fiscal year 2011 appropriation	86,350	2,842,608	179,453	11,799	2,541,758	5,661,968

Notes: Recommended contributions are assumed to be paid on July 1 and December 31.



Town of Natick

FY 2012 Preliminary Budget

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Town of Natick

Home of Champions

Department: Non - Contributory Retirement

Appropriation Summary

	2009 Actual	2010 Actual	2011 Appropriated	2012 Preliminary	2011 vs. 2012	
					\$	%
Other Personnel Services						
Pensions - Non-Contributory	114,782	90,744	88,569	90,369	1,800	2.03%
Total Other Personnel Services	114,782	90,744	88,569	90,369	1,800	2.03%

Total Non-Contributory Retirement	114,782	90,744	88,569	90,369	1,800	2.03%
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Budget Overview:

Nearly all employees who have worked for the Town of Natick are part of the Natick Retirement System and have been required to contribute part of their weekly earnings towards the pension system. However a few employees and their beneficiaries have not been required to contribute. Prior to January 1, 1939, employees were not required to contribute into the retirement system. This budget provides for the pensions for those beneficiaries.

Budget Detail:

	2009 Actual	2010 Actual	2011 Appropriated	2012 Preliminary	2011 vs. 2012	
					\$	%
Pensions Police	26,273	3,975	0	0	0	0.0%
Pensions Fire	54,228	53,139	54,219	55,299	1,080	2.0%
Pensions School	34,282	33,630	34,350	35,070	720	2.1%
Other Personnel Services	114,782	90,744	88,569	90,369	1,800	2.0%
Total Non-Contributory Retirement	114,782	90,744	88,569	90,369	1,800	2.0%

Line-Item Detail:

Other Personnel Services:

Pensions - Fire: Pays for 3 pensions to beneficiaries of retired firemen.
 Pensions - Schools: Pays for 2 pensions of retired school employees.



Town of Natick

FY 2012 Preliminary Budget

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Town of Natick

Home of Champions

Department: Debt Service

Appropriation Summary

	2009 Actual	2010 Actual	2011 Appropriated	2012 Preliminary	2011 vs. 2012	
					\$	%
Operating Expenses						
Leased Equipment	28,711	30,690	40,000	40,000	0	0.00%
Principal	4,852,843	4,822,367	4,967,896	5,666,535	698,639	14.06%
Interest	2,014,438	1,870,553	2,009,423	3,114,950	1,105,527	55.02%
Total Operating Expenses	6,895,992	6,723,610	7,017,319	8,821,485	1,804,166	25.71%

Total Debt Service	6,895,992	6,723,610	7,017,319	8,821,485	1,804,166	25.71%
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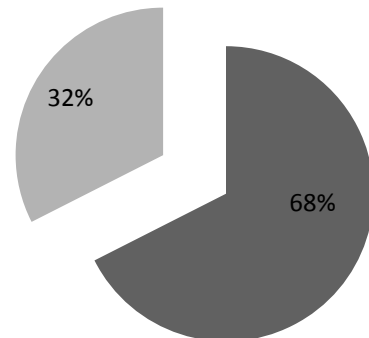
Budget Overview:

The Town assumes debt to finance many capital projects. Natick's debt is funded through bond issues. State statutes permit maximum terms of bond issues to vary from 5 to 20 years, depending on the purpose of the issue. The Town can only issue new debt with the approval of two-thirds of Town Meeting.

Debt service includes general fund principal and interest payments for both exempt and non-exempt debt as well as temporary borrowing. Also included in these figures are debt issuance costs and leased equipment costs.

Within-Levy vs. Excluded Debt

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Within-Levy Debt	\$ 4,480,219	\$ 1,450,594	\$ 5,930,813
Excluded Debt	\$ 1,186,316	\$ 1,664,356	\$ 2,850,672
Total	\$ 5,666,535	\$ 3,114,950	\$ 8,781,485



- Within-Levy Debt
- Excluded Debt



Department: General Fund Debt Service - Principal

Year of Issue	Project	Amount Issued	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Issue	Total
			Principal	Principal	Principal	Principal	Principal	Principal	Principal	Balance
1996	Morse Institute Library	\$ 2,814,028	\$ 155,000	\$ 155,000	\$ 155,000	\$ 130,000	\$ -	\$ -	\$ -	\$ 595,000
1998	Landfill Capping	\$ 2,500,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 250,000	\$ 1,000,000
1998	Morse Institute Library	\$ 2,250,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ -	\$ 750,000
1998	Municipal Complex (Town Hall / Safety)	\$ 9,000,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ -	\$ 3,000,000
1999	Municipal Complex (Town Hall / Safety)	\$ 9,020,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 3,500,000
1999	Landfill Capping (Net of Surplus to G.C.)	\$ 2,456,916	\$ 114,070	\$ 114,070	\$ 110,212	\$ 110,212	\$ 110,212	\$ 110,212	\$ 330,636	\$ 999,624
2001	Septic Title V (MWPAT) T5-97-1026	\$ 145,813	\$ 7,735	\$ 7,735	\$ 7,735	\$ 7,735	\$ 7,597	\$ 7,597	\$ 22,791	\$ 68,925
2002	Storm Water (MWPAT)	\$ 287,297	\$ 22,954	\$ 22,999	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,953
2003	Land Acquisition *Refunded	\$ 812,000	\$ 87,000	\$ 81,200	\$ 72,500	\$ -	\$ -	\$ -	\$ -	\$ 240,700
2003	Fuel Storage (Residential) *Refunded	\$ 490,000	\$ 52,500	\$ 49,000	\$ 43,750	\$ -	\$ -	\$ -	\$ -	\$ 145,250
2003	Fuel Storage (Municipal) *Refunded	\$ 98,000	\$ 10,500	\$ 9,800	\$ 8,750	\$ -	\$ -	\$ -	\$ -	\$ 29,050
2004	Septic Title V (MWPAT) T5-97-1026-1	\$ 92,122	\$ 5,127	\$ 4,975	\$ 5,102	\$ 5,102	\$ 5,102	\$ 5,102	\$ 30,850	\$ 61,360
2005	Septic Title V (MWPAT) (Pending)	\$ 150,000	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 90,000	\$ 135,000
2006	Capital Equipment (FY2007) ATM 2006	\$ 130,000	\$ 22,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,000
2006	Capital Equipment (FY2007) ATM 2006	\$ 15,000	\$ 3,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000
2008	Landfill Capping *Refunded	\$ 90,370	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 5,000	\$ -	\$ -	\$ 45,000
2008	Oil Tank Removal / Remediation *Refunded	\$ 306,254	\$ 45,000	\$ 45,000	\$ 40,000	\$ 40,000	\$ -	\$ -	\$ -	\$ 170,000
2008	Morse Institute Library *Refunded	\$ 1,511,188	\$ 220,000	\$ 210,000	\$ 205,000	\$ 200,000	\$ -	\$ -	\$ -	\$ 835,000
2008	Municipal Complex (Town Hall / Safety) *Re	\$ 341,398	\$ 50,000	\$ 50,000	\$ 45,000	\$ 35,000	\$ -	\$ -	\$ -	\$ 180,000
2009	Glen Street Drainage	\$ 1,065,000	\$ 110,000	\$ 110,000	\$ 105,000	\$ 105,000	\$ 105,000	\$ 105,000	\$ 80,000	\$ 720,000
2009	Glen Street Sidewalk	\$ 355,000	\$ 70,000	\$ 70,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 140,000
2009	Municipal Bldg Improvements	\$ 158,000	\$ 15,917	\$ 15,917	\$ 15,917	\$ 15,917	\$ 15,917	\$ 15,080	\$ 15,080	\$ 109,745
2009	Capital Equipment - Fire Pumper	\$ 400,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 40,000	\$ -	\$ 265,000
2009	Capital Equipment - Trash Packers	\$ 525,000	\$ 85,000	\$ 85,000	\$ 85,000	\$ -	\$ -	\$ -	\$ -	\$ 255,000
2009	Capital Equipment - Catch Basin Cleaner	\$ 190,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 15,000	\$ 15,000	\$ 130,000
2009	Capital Equipment - S-2 DPW Highway	\$ 50,000	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000
2009	Capital Equipment - H-40 DPW Highway	\$ 45,000	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000
2009	Capital Equipment - LF-2 DPW LF&NR	\$ 41,000	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000
2010	Trash Packer	\$ 150,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ -	\$ 150,000
2010	Municipal Complex HVAC	\$ 410,000	\$ 45,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 120,000	\$ 365,000
2010	Sidewalk Tractor	\$ 117,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 10,000	\$ 10,000	\$ 20,000	\$ 100,000
	Estimated - Ambulance 1	\$ 130,000	\$ 26,000	\$ 26,000	\$ 26,000	\$ 26,000	\$ 26,000	\$ -	\$ -	\$ 130,000
	Estimated - Fire Repeater System	\$ 150,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ -	\$ -	\$ 150,000
	Estimated - Dump Truck/Plow H-53	\$ 180,000	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000	\$ 72,000	\$ 180,000
	Estimated - Dump Truck/Plow H-44	\$ 180,000	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000	\$ 72,000	\$ 180,000
	Estimated - Dispatch Center	\$ 150,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ -	\$ -	\$ 150,000
	Estimated - Fire Car #2	\$ 50,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ -	\$ -	\$ 50,000
	Estimated - Oak Street Improvements	\$ 2,000,000	\$ 133,333	\$ 133,333	\$ 133,333	\$ 133,333	\$ 133,333	\$ 133,333	\$ 1,200,000	\$ 2,000,000
	Estimated - Route 27 Improvements	\$ 120,000	\$ 24,000	\$ 24,000	\$ 24,000	\$ 24,000	\$ 24,000	\$ -	\$ -	\$ 120,000
	Estimated - Oak Street Gravel Pit Impr.	\$ 100,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ -	\$ -	\$ 100,000
	Estimated - Replace H-52	\$ 50,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ -	\$ -	\$ 50,000
	Estimated - Community Senior Center	\$ 10,000,000	\$ 526,316	\$ 526,316	\$ 526,316	\$ 526,316	\$ 526,316	\$ 526,316	\$ 6,842,105	\$ 10,000,000
Sub-Total (Gen'l Gov)			\$ 3,368,952	\$ 3,288,846	\$ 3,157,115	\$ 2,907,115	\$ 2,491,977	\$ 2,326,140	\$ 9,660,462	\$ 27,200,608



Town of Natick
Home of Champions

Department: General Fund Debt Service - Principal

Year of Issue	Project	Amount Issued	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Issue	Total
			Principal	Principal	Principal	Principal	Principal	Principal	Principal	Balance
1998	Lilja School	\$ 475,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 175,000
1998	Lilja School	\$ 7,490,000	\$ 391,000	\$ 391,000	\$ 391,000	\$ 391,000	\$ 391,000	\$ 391,000	\$ 391,000	\$ 2,737,000
1999	Lilja School	\$ 300,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 45,000	\$ 135,000
2000	Bennet-Hemenway School	\$ 13,200,000	\$ 660,000	\$ 660,000	\$ 660,000	\$ 660,000	\$ 660,000	\$ 660,000	\$ 2,640,000	\$ 6,600,000
2004	Wilson Middle School	\$ 9,850,000	\$ 495,000	\$ 495,000	\$ 495,000	\$ 490,000	\$ 490,000	\$ 490,000	\$ 3,430,000	\$ 6,385,000
2004	Wilson Middle School	\$ 1,300,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 455,000	\$ 845,000
2004	Kennedy Middle School	\$ 1,000,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 300,000
2008	Lilja School *Refunded	\$ 135,555	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 5,000	\$ 5,000	\$ 85,000
2008	Brown School *Refunded	\$ 469,310	\$ 70,000	\$ 55,000	\$ 45,000	\$ 40,000	\$ -	\$ -	\$ -	\$ 210,000
2009	School Bldg Improvements	\$ 785,000	\$ 79,083	\$ 79,083	\$ 79,083	\$ 79,083	\$ 79,083	\$ 74,920	\$ 74,920	\$ 545,254
2010	Kennedy Renovations	\$ 1,200,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 360,000	\$ 1,080,000
2010	Memorial Renovations	\$ 1,670,000	\$ 170,000	\$ 170,000	\$ 170,000	\$ 165,000	\$ 165,000	\$ 165,000	\$ 495,000	\$ 1,500,000
	Estimated - Johnson Boilers	\$ 450,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 180,000	\$ 450,000
	Estimated - Memorial Fire Alarm System	\$ 275,000	\$ 27,500	\$ 27,500	\$ 27,500	\$ 27,500	\$ 27,500	\$ 27,500	\$ 110,000	\$ 275,000
	Estimated - Johnson Exterior Windows	\$ 200,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 80,000	\$ 200,000
	Estimated High School Project	\$ 88,900,000	\$ -	\$ -	\$ 2,286,750	\$ 2,286,750	\$ 2,286,750	\$ 2,286,750	\$ 38,874,750	\$ 48,021,750
Sub-Total (Schools)			\$ 2,297,583	\$ 2,282,583	\$ 4,559,333	\$ 4,444,333	\$ 4,404,333	\$ 4,390,170	\$ 47,165,670	\$ 69,544,004
General Fund Total			\$ 5,666,535	\$ 5,571,429	\$ 7,716,448	\$ 7,351,448	\$ 6,896,310	\$ 6,716,310	\$ 56,826,132	\$ 96,744,611
Total Amount Remaining			\$ 96,744,611	\$ 91,078,076	\$ 85,506,648	\$ 77,790,200	\$ 70,438,752	\$ 63,542,441	\$ 56,826,132	\$ -



Town of Natick

Home of Champions

Department: General Fund Debt Service - Interest

Year of Issue	Project	Amount Issued	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Issue	Total
			Interest	Interest	Interest	Interest	Interest	Interest	Balance	Interest
1996	Morse Institute Library	\$ 2,814,028	\$ 28,903	\$ 20,300	\$ 11,620	\$ 3,640	\$ -	\$ -	\$ -	\$ 64,463
1998	Landfill Capping	\$ 2,500,000	\$ 45,875	\$ 40,063	\$ 34,125	\$ 28,063	\$ 21,875	\$ 15,625	\$ 12,500	\$ 198,125
1998	Morse Institute Library	\$ 2,250,000	\$ 33,375	\$ 27,563	\$ 21,625	\$ 15,563	\$ 9,375	\$ 3,125	\$ -	\$ 110,625
1998	Municipal Complex (Town Hall / Safety)	\$ 9,000,000	\$ 133,500	\$ 110,250	\$ 86,500	\$ 62,250	\$ 37,500	\$ 12,500	\$ -	\$ 442,500
1999	Municipal Complex (Town Hall / Safety)	\$ 9,020,000	\$ 165,563	\$ 140,875	\$ 115,875	\$ 90,563	\$ 64,875	\$ 39,000	\$ 13,000	\$ 629,750
1999	Landfill Capping (Net of Surplus to G.C.)	\$ 2,456,916	\$ 48,459	\$ 42,827	\$ 37,114	\$ 31,534	\$ 25,872	\$ 20,169	\$ 46,179	\$ 252,154
2002	Storm Water (MWPAT)	\$ 287,297	\$ 376	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 376
2003	Land Acquisition *Refunded	\$ 812,000	\$ 7,888	\$ 4,524	\$ 1,450	\$ -	\$ -	\$ -	\$ -	\$ 13,862
2003	Fuel Storage (Residential) *Refunded	\$ 490,000	\$ 4,760	\$ 2,730	\$ 875	\$ -	\$ -	\$ -	\$ -	\$ 8,365
2003	Fuel Storage (Municipal) *Refunded	\$ 98,000	\$ 952	\$ 546	\$ 175	\$ -	\$ -	\$ -	\$ -	\$ 1,673
2006	Capital Equipment (FY2007) ATM 2006	\$ 130,000	\$ 440	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 440
2006	Capital Equipment (FY2007) ATM 2006	\$ 15,000	\$ 60	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60
2008	Landfill Capping *Refunded	\$ 90,370	\$ 1,500	\$ 1,175	\$ 850	\$ 525	\$ 175	\$ -	\$ -	\$ 4,225
2008	Oil Tank Removal / Remediation *Refunded	\$ 306,254	\$ 5,625	\$ 4,163	\$ 2,700	\$ 1,400	\$ -	\$ -	\$ -	\$ 13,888
2008	Morse Institute Library *Refunded	\$ 1,511,188	\$ 27,638	\$ 20,488	\$ 13,663	\$ 7,000	\$ -	\$ -	\$ -	\$ 68,788
2008	Municipal Complex (Town Hall / Safety) *Ref	\$ 341,398	\$ 5,938	\$ 4,313	\$ 2,688	\$ 1,225	\$ -	\$ -	\$ -	\$ 14,163
2009	Glen Street Drainage	\$ 1,065,000	\$ 27,900	\$ 22,400	\$ 18,688	\$ 15,013	\$ 11,206	\$ 7,269	\$ 10,469	\$ 112,944
2009	Glen Street Sidewalk	\$ 355,000	\$ 5,863	\$ 2,363	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,225
2009	Municipal Bldg Improvements	\$ 158,000	\$ 4,252	\$ 3,456	\$ 2,919	\$ 2,361	\$ 1,784	\$ 1,188	\$ 1,791	\$ 17,750
2009	Capital Equipment - Fire Pumper	\$ 400,000	\$ 10,213	\$ 7,963	\$ 6,444	\$ 4,869	\$ 3,238	\$ 1,550	\$ 1,550	\$ 35,825
2009	Capital Equipment - Trash Packers	\$ 525,000	\$ 10,094	\$ 5,844	\$ 2,975	\$ -	\$ -	\$ -	\$ -	\$ 18,913
2009	Capital Equipment - Catch Basin Cleaner	\$ 190,000	\$ 5,031	\$ 4,031	\$ 3,356	\$ 2,656	\$ 1,931	\$ 1,181	\$ 1,781	\$ 19,969
2009	Capital Equipment - S-2 DPW Highway	\$ 50,000	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500
2009	Capital Equipment - H-40 DPW Highway	\$ 45,000	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500
2009	Capital Equipment - LF-2 DPW LF&NR	\$ 41,000	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500
2010	Trash Packer	\$ 150,000	\$ 3,000	\$ 2,500	\$ 1,938	\$ 1,313	\$ 688	\$ -	\$ -	\$ 9,438
2010	Municipal Complex HVAC	\$ 410,000	\$ 9,900	\$ 9,000	\$ 8,100	\$ 7,100	\$ 6,100	\$ 5,000	\$ 7,700	\$ 52,900
2010	Sidewalk Tractor	\$ 117,000	\$ 2,588	\$ 2,288	\$ 1,950	\$ 1,575	\$ 1,200	\$ -	\$ -	\$ 9,600
	Estimated - Ambulance 1	\$ 130,000	\$ 5,200	\$ 4,160	\$ 3,120	\$ 2,080	\$ 1,040	\$ -	\$ -	\$ 15,600
	Estimated - Fire Repeater System	\$ 150,000	\$ 6,000	\$ 4,800	\$ 3,600	\$ 2,400	\$ 1,200	\$ -	\$ -	\$ 18,000
	Estimated - Dump Truck/Plow H-53	\$ 180,000	\$ 7,200	\$ 6,480	\$ 5,760	\$ 5,040	\$ 4,320	\$ 3,600	\$ 7,200	\$ 39,600
	Estimated - Dump Truck/Plow H-44	\$ 180,000	\$ 7,200	\$ 6,480	\$ 5,760	\$ 5,040	\$ 4,320	\$ 3,600	\$ 7,200	\$ 39,600
	Estimated - Dispatch Center	\$ 150,000	\$ 6,000	\$ 4,800	\$ 3,600	\$ 2,400	\$ 1,200	\$ -	\$ -	\$ 18,000
	Estimated - Fire Car #2	\$ 50,000	\$ 2,000	\$ 1,600	\$ 1,200	\$ 800	\$ 400	\$ -	\$ -	\$ 6,000
	Estimated - Oak Street Improvements	\$ 2,000,000	\$ 80,000	\$ 74,667	\$ 69,333	\$ 64,000	\$ 58,667	\$ 53,334	\$ 240,018	\$ 640,018
	Estimated - Route 27 Improvements	\$ 120,000	\$ 4,800	\$ 3,840	\$ 2,880	\$ 1,920	\$ 960	\$ -	\$ -	\$ 14,400
	Estimated - Oak Street Gravel Pit Impr.	\$ 100,000	\$ 4,000	\$ 3,200	\$ 2,400	\$ 1,600	\$ 800	\$ -	\$ -	\$ 12,000
	Estimated - Replace H-52	\$ 50,000	\$ 2,000	\$ 1,600	\$ 1,200	\$ 800	\$ 400	\$ -	\$ -	\$ 6,000
	Estimated - Community Senior Center	\$ 10,000,000	\$ 200,000	\$ 389,474	\$ 368,421	\$ 347,368	\$ 326,315	\$ 305,262	\$ 2,063,104	\$ 3,999,944
	BANs and Issue Costs	\$ -	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ -	\$ 360,000
	Bond Refunding (2)	\$ -	\$ 70,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,000
Sub-Total (Gen'l Gov)			\$ 1,045,589	\$ 1,040,758	\$ 902,902	\$ 770,096	\$ 645,441	\$ 532,402	\$ 2,412,492	\$ 7,349,680



Town of Natick

Home of Champions

Department: General Fund Debt Service - Interest

Year of Issue	Project	Amount Issued	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Issue	Total
			Interest	Interest	Interest	Interest	Interest	Interest	Balance	Interest
1998	Lilja School	\$ 475,000	\$ 7,925	\$ 6,763	\$ 5,575	\$ 4,363	\$ 3,125	\$ 1,875	\$ 625	\$ 30,250
1998	Lilja School	\$ 7,490,000	\$ 123,947	\$ 105,766	\$ 87,193	\$ 68,230	\$ 48,875	\$ 29,325	\$ 9,775	\$ 473,110
1999	Lilja School	\$ 300,000	\$ 6,542	\$ 5,801	\$ 5,051	\$ 4,292	\$ 3,521	\$ 2,745	\$ 3,540	\$ 31,493
2000	Bennet-Hemenway School	\$ 13,200,000	\$ 328,680	\$ 295,680	\$ 262,350	\$ 228,360	\$ 193,875	\$ 159,060	\$ 283,800	\$ 1,751,805
2004	Wilson Middle School	\$ 9,850,000	\$ 289,088	\$ 269,288	\$ 249,488	\$ 229,688	\$ 205,188	\$ 180,688	\$ 613,113	\$ 2,036,538
2004	Wilson Middle School	\$ 1,300,000	\$ 38,269	\$ 35,669	\$ 33,069	\$ 30,469	\$ 27,219	\$ 23,969	\$ 81,331	\$ 269,994
2004	Kennedy Middle School	\$ 1,000,000	\$ 12,000	\$ 8,000	\$ 4,000	\$ -	\$ -	\$ -	\$ -	\$ 24,000
2008	Lilja School *Refunded	\$ 135,555	\$ 2,700	\$ 2,213	\$ 1,725	\$ 1,238	\$ 713	\$ 188	\$ -	\$ 8,775
2008	Brown School *Refunded	\$ 469,310	\$ 6,925	\$ 4,650	\$ 2,863	\$ 1,400	\$ -	\$ -	\$ -	\$ 15,838
2009	School Bldg Improvements	\$ 785,000	\$ 21,123	\$ 17,169	\$ 14,500	\$ 11,732	\$ 8,866	\$ 5,900	\$ 2,997	\$ 82,288
2010	Kennedy Renovations	\$ 1,200,000	\$ 29,400	\$ 27,000	\$ 24,300	\$ 21,300	\$ 18,300	\$ 15,000	\$ 23,100	\$ 158,400
2010	Memorial Renovations	\$ 1,670,000	\$ 40,763	\$ 37,363	\$ 33,538	\$ 29,288	\$ 25,163	\$ 20,625	\$ 31,763	\$ 218,500
	Estimated - Johnson Boilers	\$ 450,000	\$ 18,000	\$ 16,200	\$ 14,400	\$ 12,600	\$ 10,800			\$ 72,000
	Estimated - Memorial Fire Alarm System	\$ 275,000	\$ 11,000	\$ 9,900	\$ 8,800	\$ 7,700	\$ 6,600			\$ 44,000
	Estimated - Johnson Exterior Windows	\$ 200,000	\$ 8,000	\$ 7,200	\$ 6,400	\$ 5,600	\$ 4,800			\$ 32,000
	Estimated - High School	\$ 88,900,000	\$ 1,125,000	\$ 1,125,000	\$ 1,829,400	\$ 1,737,930	\$ 1,646,460	\$ 1,554,990	\$ 12,439,920	\$ 21,458,700
Sub-Total (Schools)			\$ 2,069,361	\$ 1,973,660	\$ 2,582,651	\$ 2,394,187	\$ 2,203,503	\$ 1,994,364	\$ 13,489,963	\$ 26,707,689
General Fund Total			\$ 3,114,950	\$ 3,014,418	\$ 3,485,552	\$ 3,164,284	\$ 2,848,944	\$ 2,526,766	\$ 15,902,455	\$ 34,057,368
Total Amount Remaining			\$ 34,057,368	\$ 30,942,418	\$ 27,928,000	\$ 24,442,448	\$ 21,278,164	\$ 18,429,221	\$ 15,902,455	\$ -

Summary of Debt - General Fund										
	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Issue	Total		
General Fund Principal	\$ 5,666,535	\$ 5,571,429	\$ 7,716,448	\$ 7,351,448	\$ 6,896,310	\$ 6,716,310	\$ 56,826,132	\$ 96,744,611		
General Fund Interest	\$ 3,114,950	\$ 3,014,418	\$ 3,485,552	\$ 3,164,284	\$ 2,848,944	\$ 2,526,766	\$ 15,902,455	\$ 34,057,368		
Total Annual Debt Service	\$ 8,781,485	\$ 8,585,846	\$ 11,202,000	\$ 10,515,732	\$ 9,745,254	\$ 9,243,075	\$ 72,728,587	\$ 130,801,980		
Total Amount Remaining	\$ 130,801,980	\$ 122,020,495	\$ 113,434,648	\$ 102,232,648	\$ 91,716,916	\$ 81,971,662	\$ 72,728,587	\$ -		



Town of Natick

Home of Champions

Department: Debt Service

Leased Equipment

	2009	2010	2011	2012	2011 vs. 2012	
	Actual	Actual	Appropriated	Preliminary	\$	%
Police Motorcycles	\$ 12,600	\$ 14,220	\$ 15,000	\$ 15,000	0	0.00%
Motor Vehicle Excise Tax	\$ -	\$ -	\$ 750	\$ 750	0	0.00%
Mailing Equipment	\$ 16,111	\$ 16,470	\$ 24,250	\$ 24,250	1,450	6.36%
Purchased Services	\$ 28,711	\$ 30,690	\$ 40,000	\$ 40,000	1,450	3.76%
Total Leased Equipment	\$ 28,711	\$ 30,690	\$ 40,000	\$ 40,000	1,450	3.76%

Added to Debt Total



Town of Natick

Home of Champions

Department: Debt Service

Line-Item Detail

Narrative:

Principal Payments:

The requested budget amount of \$5,666,535 represents repayment of principal for multiple land acquisition, building projects, and capital improvements.

Interest Payments:

The requested budget amount of \$3,114,950 represents the respective interest payments associated with general obligation bonds issued for the projects referenced above.

Bond Anticipation Notes:

The requested budget amount of \$65,000 represents the estimated amount of interest associated potential short term borrowing. This amount also includes issue costs (bond counsel, financial advisor, rating agency fees, etc.) for authorized borrowings.

Leased Equipment:

Motorcycle leases for the Police Department \$15,000, Excise Tax for leased motorcycles \$750, and leased postage / mail room equipment \$24,250. Total leased equipment budget \$40,000.



Town of Natick

FY 2012 Preliminary Budget

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Town of Natick

Home of Champions

Department: Reserve Fund

Appropriation Summary

	2009	2010	2011	2012	2011 vs. 2012	
	Actual	Actual	Appropriated	Preliminary	\$	%
Other Charges						
Reserve for Appropriation	0	0	400,000	400,000	0	0.00%
Total Operating Expenses	0	0	400,000	400,000	0	0.00%

Total Reserve Fund	0	0	400,000	400,000	0	0.00%
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Budget Overview:

As provided for under M.G.L. Ch. 40, Section 6, every city or town in Massachusetts is allowed to maintain a reserve account or fund within their respective operating budget for "extraordinary or unforeseen expenditures." The Reserve Fund is under the control of the Finance Committee. Disbursements are made by department heads and/or the Town Administrator or the Superintendent requesting transfers be made to their respective budgets.

Reserve Fund History Summary - FY 2004 through 2010

	2004	2005	2006	2007	2008	2009	2010
Appropriations							
Spring Town Meeting	\$ 536,070	\$ 250,000	\$ 300,000	\$ 250,000	\$ 300,000	\$ 400,000	\$ 400,000
Fall Town Meeting			\$ 250,000	\$ 63,500		\$ 76,000	\$ -
Total Appropriation	\$ 536,070	\$ 250,000	\$ 550,000	\$ 313,500	\$ 300,000	\$ 476,000	\$ 400,000
Total Transfers	\$ (403,928)	\$ (222,274)	\$ (403,606)	\$ (225,408)	\$ (220,912)	\$ (402,153)	\$ (208,774)
Ending Balance	\$ 132,142	\$ 27,726	\$ 146,394	\$ 88,092	\$ 79,088	\$ 73,847	\$ 191,226

A detailed description of individual transfers is on the following page.



Town of Natick

Home of Champions

Department: Reserve Fund

Budget Detail:

	2009	2010	2011	2012	2011 vs. 2012	
	Actual	Actual	Appropriated	Preliminary	\$	%
Reserve for Appropriation	-	-	400,000	400,000	0	0.00%
Other Charges	-	-	400,000	400,000	0	0.00%
Total Reserve Fund	\$ -	\$ -	400,000	400,000	0	0.00%

Reserve Fund History

This sheet shows the Reserve Fund transfers for FY 2007-FY 2009.

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Original Appropriation	\$ 250,000.00	\$ 300,000.00	\$ 400,000.00	\$ 400,000.00
Revised Appropriation	\$ 313,500.00	\$ 300,000.00	\$ 476,000.00	\$ 400,000.00
Clerk - Salaries	\$ (1,500.00)			\$ (13,500.00)
Clerk - Election Coding		\$ (2,700.00)		
DPW - Facility Repairs/Maintenance	\$ (50,000.00)	\$ (134,000.00)	\$ (45,793.00)	
DPW - Gasoline/Diesel	\$ (51,450.00)			
DPW - Engineering - Pleasant Street			\$ (50,000.00)	
DPW - Street Lighting	\$ (46,000.00)			
DPW - Charles River Dam Project			\$ (100,000.00)	
DPW - Town Hall & Fire/Police Boilers				\$ (105,653.00)
Finance Committee - Salaries		\$ (2,700.00)		
Finance Committee - Printing				\$ (9,621.34)
Fire - Overtime			\$ (23,000.00)	\$ (35,000.00)
Fire - Radios		\$ (6,559.00)		
Fire - Settlement (Labor)		\$ (16,180.70)		
IT - Software Systems Upgrade/Replacement	\$ (0.48)			
IT - Telephone Upgrade	\$ (16,626.00)			
Legal - FLSA Accounting Services		\$ (3,500.00)		
Legal - Judgments	\$ (10,000.00)			
Parks & Rec - East School Tennis Courts	\$ (18,543.00)			
School Department - HS Emergency Repairs			\$ (87,129.89)	
Selectmen - Town Administrator Search	\$ (17,500.00)			
Veterans - Financial Assistance	\$ (13,789.00)	\$ (55,272.20)	\$ (96,229.89)	\$ (45,000.00)
Year-End Balance	\$ 88,091.52	\$ 79,088.10	\$ 73,847.22	\$ 191,225.66