

Town of Natick

MEMO

To: Finance Committee

From: William Chenard, Deputy Town Administrator - Operations

Date: 3/12/2019

Re: Capital Questions

This memo details the responses to questions from the committee regarding the 2020 capital budget.

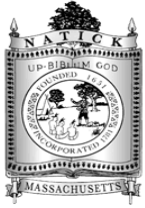
1. The balance in the capital stabilization fund is \$7,524,377. A detail history is attached.
2. The water sewer retained earnings balance is \$714,240. A detail history is attached.
3. The golf course retained earnings balance is \$111,822. A detail history is attached.
4. A copy of the IT Security Assessment RFP is attached.
5. The golf course lease expires December 31, 2050. A copy of the Golf Course lease is attached.
6. There are a total of 27 mower reels at the golf course that require sharpening by the grinder.
7. Minimum auction prices have not been set, however here is the procedural response from the Equipment Maintenance Supervisor; *"We use the Kelly Blue book value to set the reserve price. We usually do not sell below that limit, unless we have proceed to list the item twice without a buyer that meets the reserve. In no instance do we ever sell for an unreasonable low price. The starting bid depends on the value of the item. For example there would be an opening bid of 10 dollars for a trailer with a value of 1000 dollars and a 1000 dollar opening bid with a value of 100,000 dollars. The opening bid is just a starting point."*

If there are any additional questions please forward them.

Capital Stabilization Fund

3/1/2019

Fiscal Year	Beginning Balance	Transfer In	Transfer Out	Investment Income	Ending Balance
2014	\$3,691,483	\$4,240,207	\$2,424,229	\$19,703	\$5,527,164
2015	\$5,527,164	\$2,005,092	\$3,058,758	\$33,585	\$4,507,083
2016	\$4,507,083	\$1,343,888	\$2,033,264	\$20,144	\$3,837,852
2017	\$3,837,852	\$3,925,532	\$1,484,200	\$37,657	\$6,316,840
2018	\$6,316,840	\$3,162,235	\$1,510,800	\$67,810	\$8,036,086
2019 YTD	\$8,036,086	\$2,400,000	\$2,973,950	\$62,241	\$7,524,377



Town of Natick

Water Sewer Retaining Earnings

3/1/2019

<u>Item</u>	<u>Amount</u>	<u>Rationale</u>
Certified Free Cash as of 7/1/2019	\$ 734,740	
<u>2019 Fall Town Meeting</u>		
Capital - Article 14	\$ (20,500)	
<u>2020 Spring Town Meeting Proposed</u>		
Capital - Article 14	\$ (45,000)	
Remaining Unallocated Balance	\$ 669,240	



Town of Natick

Golf Course Retained Earnings

3/1/2019

<u>Item</u>	<u>Amount</u>	<u>Rationale</u>
Certified as of 7/1/2019	\$ 111,822	
<u>2019 Fall Town Meeting</u>		
<u>2020 Spring Town Meeting Proposed</u>		
Capital Article 14	\$ (58,000)	
Capital Article 15	\$ (6,000)	
Remaining Unallocated Balance	\$ 47,822	

Section 3. Scope of Work, Personnel, Etc.

The purpose of this Invitation for Bids (IFB) is to invite prospective vendors to submit a bid to supply a security assessment to The Town of Natick, Massachusetts. The IFB provides vendors with the relevant requirements of the bid.

A. Scope of Work

Pursuant to this IFB, the Successful Bidder shall provide all labor and materials necessary to complete a security assessment of the town's information systems networks.

Without limitation, the Successful Bidder shall complete the assessment in accordance with the following:

- 1) Both External and Internal scans and vulnerability testing must use a combination of open-source and commercial scanners and at a minimum include the following -
 - Port Scanning
 - Service identification
 - System Identification
 - Vulnerability Testing and Verification
 - Prioritization of Remediation
- 2) External Penetration and Vulnerability Testing – perform external penetration and vulnerability testing and scanning against the Town's firewalls and any other target systems provided by the Town to determine vulnerabilities on the Town's external facing interfaces that are exposed to the Internet. The scans will be performed on Town domain information and all public IP ranges used by the Town.
- 3) Internal Security Scans – perform internal security vulnerability scans on systems on the Town LAN and DMZ, at least a minimum of 35 systems must be tested.
- 4) Infrastructure Review – a qualitative review of the Town's firewalls, wireless controller and router configurations, management procedures, review of firewall rules, hardening recommendations, VPN review, network address translations (NAT) and static address translation, etc..

Deliverables

The Successful Bidder shall deliver a report to the Town that at a minimum includes a detailed analysis report on the results of all vulnerability and security testing identifying high, medium and low risk vulnerabilities, network infrastructure review and a detailed remediation roadmap.

LEASE AGREEMENT

This Agreement made as of the 1st day of January, 2000 by and between ALEXANDER P. DOWSE AND JONATHAN H. DOWSE of 100 North Main Street, Sherborn, MA (hereinafter the "Lessor") and the Town of Natick, Massachusetts (hereinafter the "Lessee"), pursuant to the authority conferred by Chapter 164 of the Acts and Resolves of 1998.

The parties hereto agree as follows:

1. LEASE:

In consideration of the rents, covenants and agreements herein stipulated, the Lessor does hereby lease unto the Lessee, and the Lessee does hereby lease from the Lessor, upon the terms and conditions and for the term set forth herein, the following vacant land (hereinafter the "Leased Premises"):

The land in Sherborn, Middlesex County, Massachusetts shown on EXHIBIT A attached hereto and incorporated herein by reference, which land abuts the Town of Natick Landfill, together with any interest which the Lessor has in the Sudbury Aqueduct shown on Exhibit "A". The Leased Premises contains approximately 39 acres of land.

2. TERM:

This Lease Agreement shall be for the initial term of fifty (50) years beginning on January 1, 2000 and ending December 31, 2050 (the "Initial Term").

3. OPTION TO EXTEND:

Provided the Lessee is not then in default in payment of rent or any of the other conditions and covenants contained in this Lease, Lessee shall have the option of extending this Lease for an additional period of forty-nine (49) years (the "Extended Term"). Lessee shall exercise this option by giving Lessor written notice thereof not less than six (6) months prior to the expiration of the Initial Term of this Lease. The rent and the annual increases in the rent during the Initial Term and this Extended shall be calculated as provided for in Section 4. Rent.

4. RENT:

The Lessee shall pay to the Lessor the sum of \$40,000 for the first year (January 1, 2000 to December 31, 2000) of the Initial Term of the Lease in four (4) equal installments of \$10,000 payable on Tuesday, March 7th, April 1st, July 1st and September 1st, 2000. Thereafter, equal quarterly installments of the annual rent for each year of the Lease shall be made on January 2nd, April 1st, July 1st and September 1st.

For the succeeding years of the Lease ^{Term}commencing with January 1, 2001 and each January 1st thereafter, during the Initial Term and the Extended Term of this Lease, the yearly rent shall be increased from the rent of the previous year of the Lease ^{Term}by an index which shall be the Consumer Price Index for Urban Wage Earners and Clerical Workers, Boston, MA area, for the most recent year available or its successor index, published by United States

Department of Labor, Bureau of Labor Statistics, or its successor agency, provided, however, the increase in rent in any one year shall not be less than three percent (3%) or more than seven percent (7%) above the rent for the previous year.

This Lease is to be a net, net, net Lease to the Lessor and all provisions of this Lease shall be interpreted as such. All expenses associated with the Leased Premises, including, but not limited to real estate taxes and insurance shall be paid by and shall be the sole responsibility of the Lessee.

5. CHAPTER 21E

The Lessee shall have until ^{ALY IS} 5/5, 2000 to conduct, at Lessee's sole cost and expense, such environmental studies as Lessee shall deem necessary in order to satisfy itself that there are no C.21E issues to be dealt with in conjunction with the Leased Premises. On and after this date, unless otherwise agreed upon in writing, the Lessee shall obligate itself to take full responsibility for all C.21E issues affecting the Lease Premises on and after January 1, 2000 and shall indemnify and hold the Lessor harmless against any such liability. This Section 5 shall apply only to C.21E issues and liability, which is caused by the use and occupancy of the Leased Premises by the Lessee and/or its assigns.

6. USE OF LEASED PREMISES:

Lessor agrees that during the Initial Term of the Lease and continuing during the Extended Term of the Lease, Lessee shall have the right to conduct, at Lessee's sole cost, expense and risk, such inspections as the Lessee may reasonably require, without material damage being imposed upon the Leased Premises, to determine whether the Leased Premises is suitable for use as a golf course, including the right to make or cause to be made engineering studies, including surveys, test borings and percolation tests for the purpose of determining subsoil conditions, and such other soil tests, analyses and studies of the Leased Premises as the Lessee may deem necessary or as may be required by the rules and regulations of the Conservation Commissions, Planning Boards, and any other governmental boards or agencies of the Town of Sherborn, Town of Natick, or of the Commonwealth of Massachusetts for the purpose of obtaining permits and approvals for using the Leased Premises as a golf course. ~~At the end of either the Initial Term or at the end of the Extended Term of the Lease, the Lessee shall restore the Leased Premises, as nearly as possible, to its condition immediately prior to Lessee's activities on the Leased Premises.~~ During the Initial Term and the Extended Term of the Lease the Lessee shall be permitted to use the Leased Premises for development, construction, equipping, maintenance and operation of a municipal golf course and other recreational facilities, which shall not include any structures.

7. ALTERATIONS:

Except as provided under Paragraph 6 herein, Lessee shall have no right to alter the Leased Premises in any manner without the prior written consent of the Lessor, which consent, if given, shall be at the sole discretion of the Lessor.

8. DISTURBANCE, ILLEGAL USE:

Neither the Lessee nor its employees or invitees, visitors, agents or servants shall make or suffer any unlawful, noisy or otherwise offensive use of the Leased Premises, or commit or permit any nuisance to exist thereon, or cause any damage to the Leased Premises, or create

any substantial interference with the rights, comfort, safety or enjoyment of the Lessor, or make any use whatsoever thereof other than as permitted by this Lease and the rules and regulations of the Town of Natick and the Town of Sherborn, and the rules, regulations and laws of the Commonwealth of Massachusetts.

9. INDEMNIFICATION:

The Lessee agrees to indemnify and hold harmless the Lessor, its servants, agents, employees and representatives, from and against all liability, loss or damage resulting from the use and occupation of the Leased Premises by the Lessee, its employees, invitees, guests, visitors, servants, or agents, except to the extent that such liability, loss or damage arises out of the negligence or willful misconduct of the Lessor, the Lessor's employees, officers, agents or representatives. Nothing in this Lease shall release the Lessor or its officers, employees and agents from liability for damage to persons or property caused by the negligence or willful misconduct of the Lessor or the Lessor's employees, officers, agents or representatives.

10. INSURANCE:

The Lessee shall, at its sole cost and expense, provide and maintain the following insurance throughout the Initial term, and the Extended Term of this Lease:

Commercial General Liability	-	\$1,000,000
Personal Injury	-	\$1,000,000
Products/Completed Operations	-	\$1,000,000
Automobile	-	\$1,000,000 (Combined single limit)
Excess Liability - Umbrella Form (Provides coverage over commercial General liability insurance and auto insurance)	-	\$1,000,000
Workers' Compensation	-	As required by statute
Employer's Liability	-	\$500,000/\$500,000/\$500,000

The Lessor shall be named as an additional insured regarding this Lease for Commercial General Liability, Automobile and Excess Liability Umbrella Form.

At the conclusion of the second year of the Initial Term of the Lease and every five (5) years thereafter during the Initial Term and the Extended Term of this Lease, the parties shall review the foregoing insurance requirements to determine if any revisions are necessary in order that the existing insurance coverage accurately reflects the then current insurance risks affecting the Leased Premises.

11. NOTICE TO CURE DEFAULTS:

In the event of any default in the performance or observance of any agreement or covenant in this Lease to be performed or observed by the Lessee, the Lessor shall give written notice

thereof to the Lessee and grant the Lessee a period of thirty (30) days after the giving of such notice in which to cure such default prior to availing itself of any remedy otherwise available to the Lessor by reason of such default and that should such default be cured if the same is repairable or, if not repairable, fair compensation therefor shall be offered, within such period, it shall for all purposes of this Lease be deemed to have been cured retroactively to the date thereof as if it had never happened.

12. RIGHT OF TERMINATION:

This Lease is made on condition that if the Lessee shall neglect or fail to perform or observe any of the covenants contained herein, and on its part to be performed or observed, and shall have failed to take appropriate steps to remedy such breach or default within thirty (30) days after written notice of such breach or default has been given by the Lessor to the Lessee, then, and in any of said cases (notwithstanding any prior consent or waiver of any former breach of covenant in a former instance), the Lessor may, immediately, or at any time thereafter, and without further demand or notice, enter into and upon the Leased Premises or any part thereof in the name of the whole, and repossess the same, and expel the Lessee and those claiming by, through, or under the Lessee and remove the Lessee's effects without being deemed guilty of any manner of trespass and without prejudice to any other remedies that the Lessor may then have against the Lessee for any breach hereunder, and upon entry as aforesaid this Lease shall terminate.

13. LESSEE'S COVENANTS IN EVENT OF TERMINATION:

The Lessee covenants that in case of any termination of the Lease Agreement, by reason of the default of the Lessee, then, at the option of the Lessor:

- (a) The Lessee shall forthwith pay to the Lessor as damages hereunder a sum equal to the quarterly rent and other payments called for hereunder (if any), without proration, which are due from the Lessee for the final quarterly period of occupancy by the Lessee; and
- (b) The Lessee shall furthermore indemnify the Lessor from and against any loss and damage sustained by reason of any termination caused by the default of, or the breach by, the Lessee. Lessor's damages hereunder shall include, but shall not be limited to the reasonable cost incurred in moving and storage charges incurred by Lessor in moving any of Lessee's property pursuant to eviction proceedings, and attorneys fees incurred by the Lessor in termination of this Lease Agreement by reason of default of the Lessee.

The Lessor shall also be entitled to any and all other remedies provided by law. All rights and remedies are to be cumulative and not exclusive.

14. REMOVAL OF GOODS:

The Lessee further covenants and agrees that if the Lessor shall remove any of the Lessee's property pursuant to the terms hereof or of any Court order, the Lessor shall not be liable or responsible for any loss or of damage to Lessee's property, except to the extent that such loss or damage arises out of the gross negligence or willful misconduct of the Lessor's employees, agents or representatives, and the Lessor's act of so removing such property shall be deemed to be the act of and for the account of the Lessee, provided, however, that if the Lessor removes the Lessee's property it shall comply with all applicable laws, and shall exercise due care in the handling of such property to the fullest practical extent under the circumstances.

15. RIGHT OF ENTRY:

The Lessor may enter upon the Leased Premises to inspect the Leased Premises, to make repairs thereto, or to show the Leased Premises to prospective tenants or purchasers. The Lessor may also enter upon the Leased Premises if it appears to have been abandoned by the Lessee or as otherwise permitted by law.

16. SURRENDER:

At the expiration or earlier termination of this Lease Agreement, the Lessee shall peaceably yield up to Lessor the Leased Premises in the condition in which the Lessee is required to keep the same pursuant to the terms hereof.

17. ASSIGNMENT:

The Lessee shall not assign this Lease Agreement or sublet all or any part of the Leased Premises without the prior written consent of the Lessor.

18. WAIVER:

The waiver of or breach of any term, condition, covenant, obligation or agreement of this Lease Agreement shall not be considered to be a waiver of that or any other term, condition, covenant, obligation or agreement or of any subsequent breach thereof.

19. SEPARABILITY:

If any provision of this Lease Agreement or portion thereof or the application of any provision of this Lease Agreement to any person or circumstance is held invalid by final judgement of a court of competent jurisdiction, the remainder of the Lease Agreement (or the remainder of such provision) and the application thereof to other persons or circumstances shall continue in effect to the extent permitted by law.

20. QUIET ENJOYMENT:

Lessor covenants that so long as Lessee pays the rent and performs its obligations under this Lease Agreement, Lessee shall peaceably and quietly have, hold and enjoy the Leased Premises for the term, subject to the terms and provisions of this Lease Agreement, and the Lessor shall not disturb or interfere with the Lessee's use and occupation of the Leased Premises.

21. SUBORDINATION:

Lessee shall upon the written request of the Lessor subordinate this Lease and the lien hereof to the lien of any present or future mortgage or mortgages upon the Leased Premises or any property of which the Leased Premises are a part irrespective of the time of execution or the time or recording of any such mortgage or mortgages. The word mortgage as used herein includes mortgages, deeds of trust or other similar instruments and modifications, extensions, renewals and replacements thereof and any and all advances thereunder. The Lessee's obligations to subordinate this Lease shall be conditional upon the agreement by such mortgagee that in the event of any entry by the mortgagee to foreclose such mortgage or in the event of a foreclosure of such mortgage, the Lessee, if it is not then or thereafter in default with respect to any of the covenants or conditions of this Lease by the Lessee to be performed or observed, shall peaceably hold and enjoy the Leased Premises for the remainder of the unexpired term of this Lease upon same terms, covenants and conditions as in this Lease contained and without any hindrance or interruption from the mortgagee.

22. PROVISION FOR NOTICES:

Unless otherwise notified in writing the Lessor and Lessee agree that any notice or communication relating to this Lease shall be deemed to have been duly delivered when sent by registered or certified mail addressed to the receiving party if such notice is sent:

To the Lessor:	100 North Main Street, Sherborn, MA 01770;
To the Lessee:	Town Administrator, Town of Natick Natick Town Hall, 13 East Central Street Natick, MA 01760.

23. PERMITS AND APPROVALS:

Notwithstanding any other provision of this Lease, the Lessee's obligations under this Lease are expressly conditioned upon the Lessee obtaining all required Federal, Massachusetts and municipal final permits and approvals for the use of the Leased Premises allowed by this Lease, including without limitation zoning, wetlands and environmental permits and approvals. If such final permits and approvals are not obtained, or if any such final permit or approval ceases to be in effect during the Initial Term or the Extended Term of this Lease, the Lessee shall have the right to terminate this Lease upon written notice to the Lessor. "Final permits and approvals" in this context includes final resolution of any administrative or judicial appeal which results in the issuance of such a permit or approval.

24. RETAINED RIGHTS OF LESSOR:

Notwithstanding any other provision of this Lease, Lessor and Lessee agree that in the event Lessor shall develop any of the remaining property of the Lessor which abuts the Leased Premises, the Lessor shall have the right to use and to construct a roadway across that portion of the Leased Premises for public vehicular and pedestrian access and egress between the Lessor's remaining property and Meadowbrook Road, all as more particularly shown on the Plan attached hereto as EXHIBIT A, if such access and egress is required by a land use board or commission of the Town of Sherborn, including without limitation, the Sherborn Planning Board and the Sherborn Conservation Commission.

25. FENCING:

In order (1) to delineate the boundary line between the Leased Premises and the remaining property of the Lessor, (2) to provide security for the Lessor's apple orchards and the Leased Premises, and (3) to provide some degree of safety to those individuals using the Lessor's apple orchards and to those individuals using the Leased Premises, Lessee agrees to install and maintain a six (6) foot high barrier fence along that portion of the boundary line of the Leased Premises that abuts the Lessor's apple orchards, as more particularly shown on the Plan attached hereto as EXHIBIT "A", the type and style of which shall be agreed upon by Lessor and Lessee, with such agreement not to be unreasonably withheld by either party.

26. MISCELLANEOUS:

This Agreement sets forth the entire understanding of the parties. This Agreement shall be modified or amended only by written agreement of the parties. This Agreement shall be binding upon and shall inure to the benefit of the assigns and successors in interest of the parties hereto.

This Agreement shall be governed by the laws of the Commonwealth of Massachusetts.

This Agreement shall be signed in multiple counterparts and each signed document shall have the force and effect of an original document.

IN WITNESS WHEREOF, the parties hereto set their hands and seals as of the date first above written.

WITNESS:

Mark H. Rand

Mark H. Rand

John W. Natick

Alexander P. Dowse
Alexander P. Dowse, Lessor

Jonathan H. Dowse
Jonathan H. Dowse, Lessor

Town of Natick, Lessee:
By its Town Administrator

Frederick C. Conley
Frederick C. Conley