

The background image shows the entrance to Natick Center. A large tree is on the left. In the center, a sign reads "WELCOME TO NATICK CENTER". Behind the sign is a black metal fence and a building. The ground is covered with fallen leaves.

Board of Selectmen Financial Options Presentation

October 23rd 2020

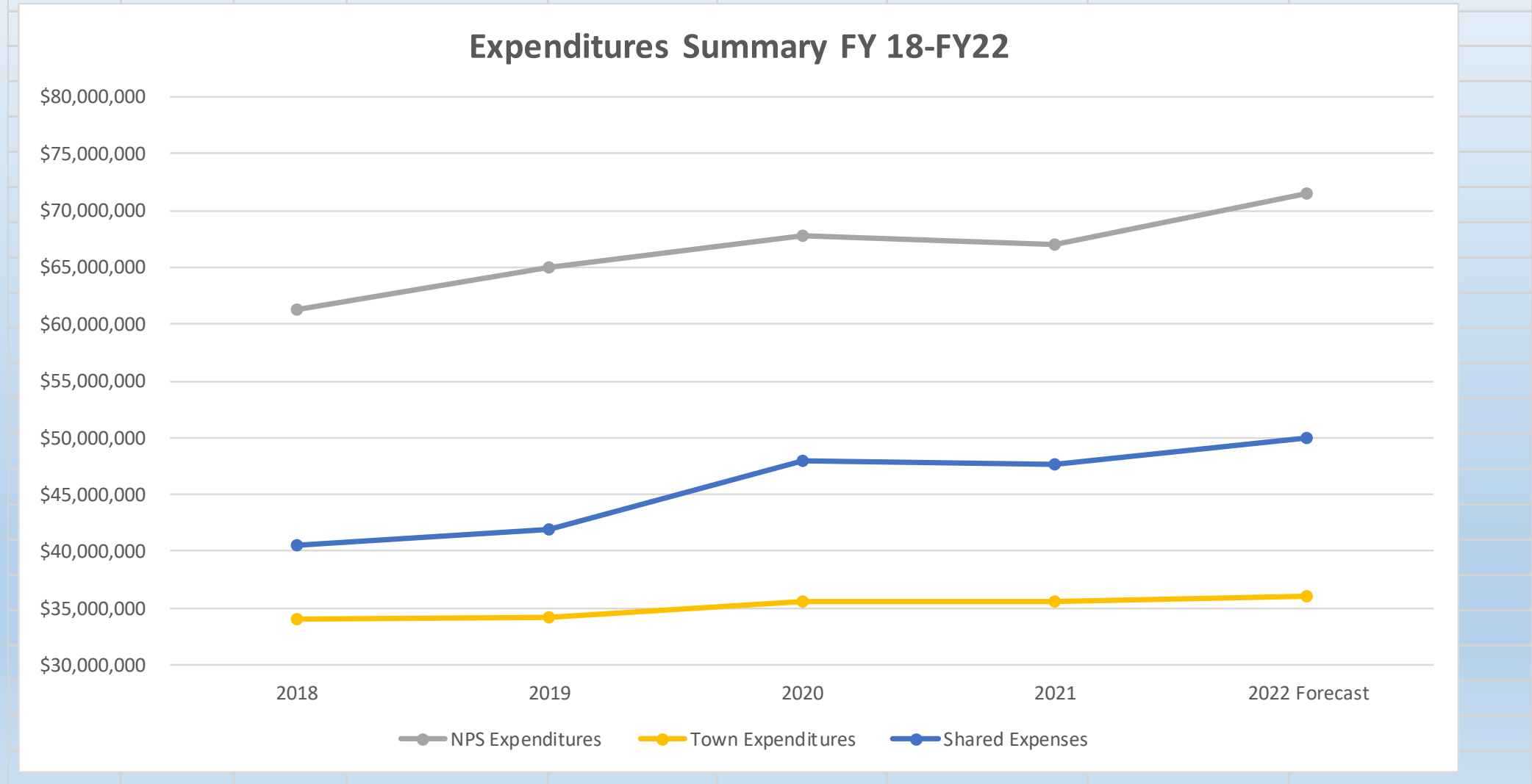


What we need to do?

- Don't kick the can down the unaccepted road
- Adapt – take action we don't have to do it all at once
- Prioritize – where should we spend?
- Responsible – consider all aspects of the community
- Don't just budget – plan

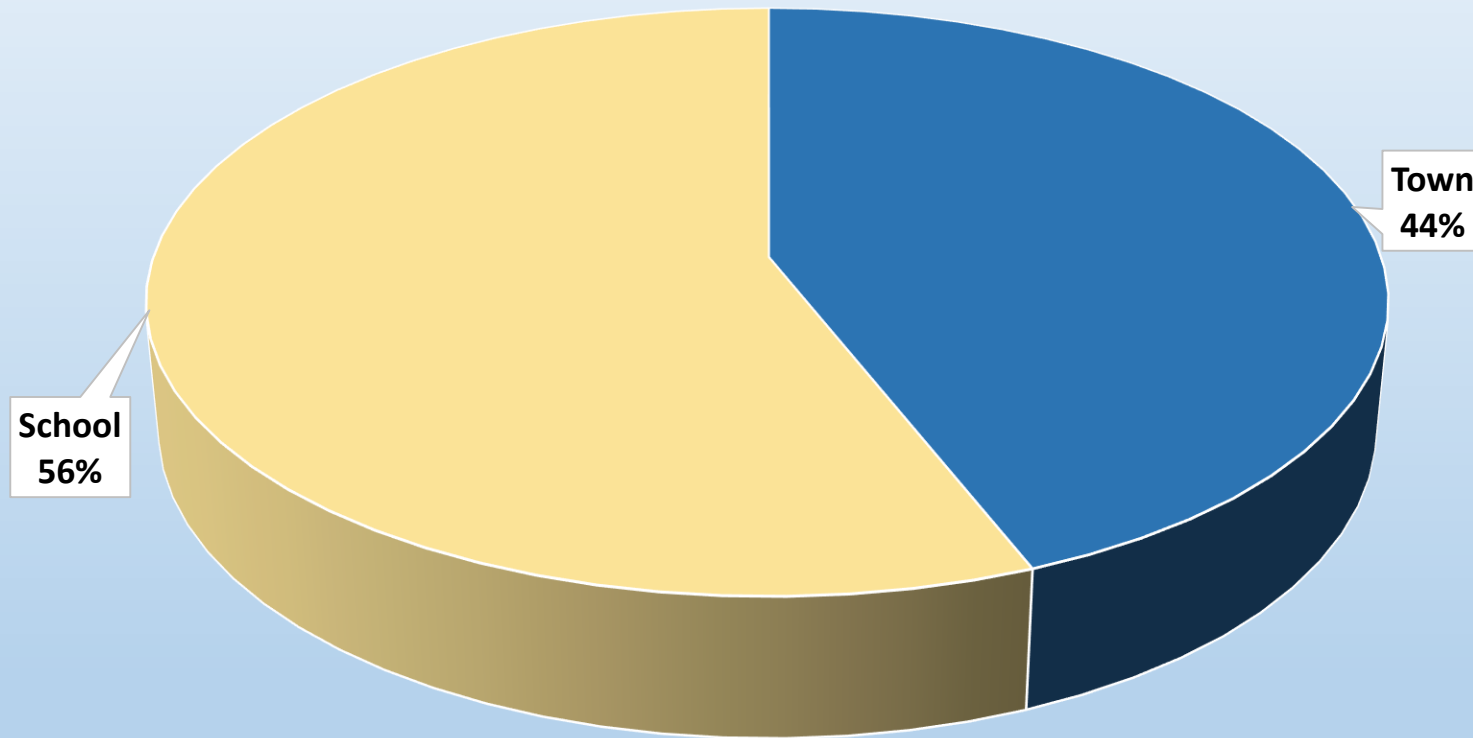
*Shared with the Community January 14, 2019

			2018	2019	2020	2021	2022 Forecast	% Change from 18-22
General Fund Expenditure			\$ 151,527,046	\$ 153,498,551	\$ 165,143,819	\$ 159,838,941	\$ 167,745,774	11%
General Fund Revenue			\$ 151,588,533	\$ 153,450,864	\$ 165,262,819	\$ 167,430,959	\$ 161,138,326	6%
NPS Expenditures			\$ 61,250,150	\$ 64,952,439	\$ 67,810,346	\$ 67,097,246	\$ 71,532,279	17%
Town Expenditures			\$ 34,100,341	\$ 34,227,726	\$ 35,662,017	\$ 35,515,203	\$ 36,098,136	6%
Shared Expenses			\$ 40,516,222	\$ 41,942,965	\$ 47,924,475	\$ 47,591,596	\$ 49,968,463	23%



FY21 Debt Service Budget

Figures as of January 2020



Debt Service Breakdown

Town Principal \$4,817,602
Town Interest \$2,058,705
Subtotal \$6,876,307

School Principal \$5,104,989
School Interest \$3,639,097
Subtotal \$8,744,086

Free Cash Appropriated for Operations

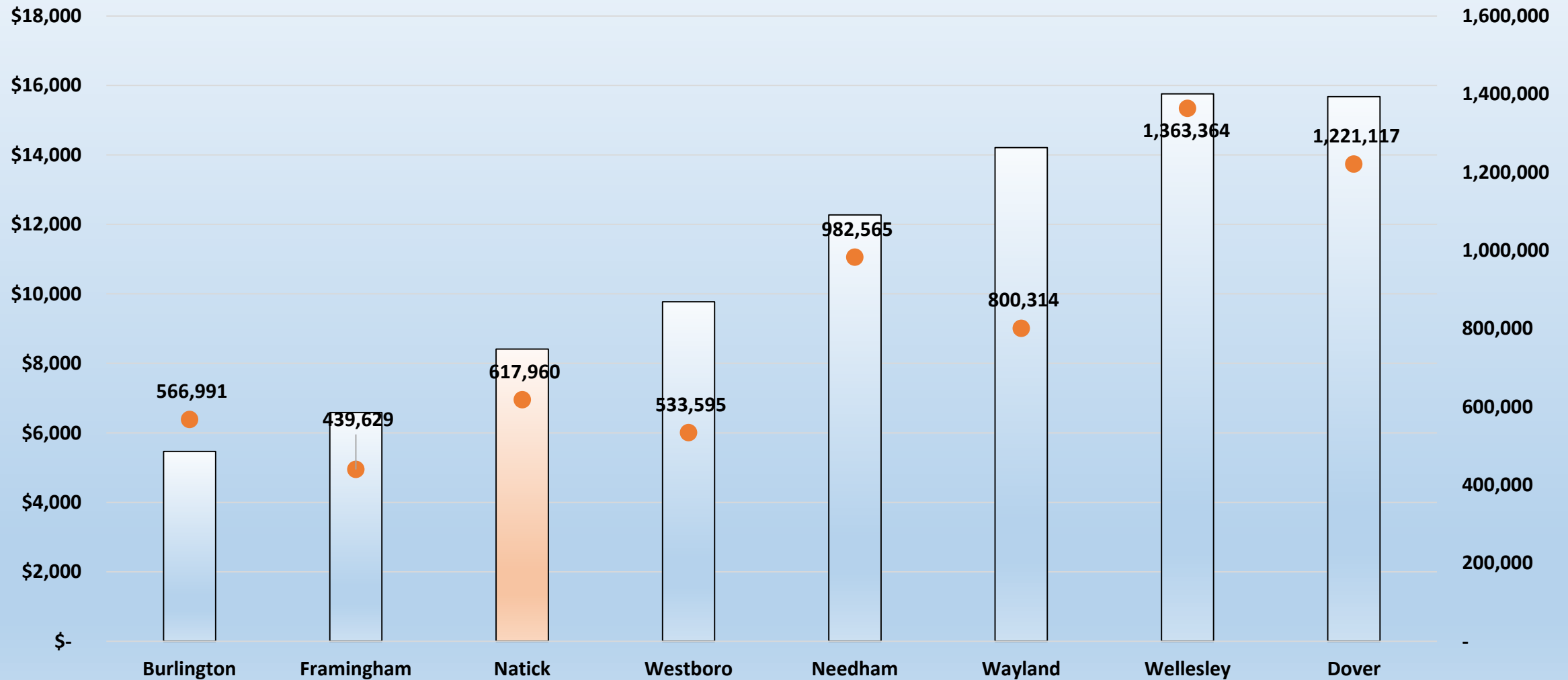


General Fund Revenue/Expenditure Summary 10-21-20

	2019	2020	2021	2022	2021 AP v 2022 Scenario		
General Fund Revenues	Actual	Recap	Amended Prelim	Forecast Budget	\$ (+/-)	% (+/-)	
Tax Levy	\$ 111,530,485	\$ 121,635,689	\$ 125,159,992	\$ 130,571,275	5,411,283	4.32%	2.5% Levy, 2.2 New Growth, plus debt exclusions
State Aid	\$ 14,553,519	\$ 14,938,819	\$ 14,889,559	\$ 13,400,603	(1,488,956)	-10.00%	Assumes 10% decline in FY22 with 3% annual increases
Local Receipts	\$ 17,659,742	\$ 17,901,540	\$ 12,531,132	\$ 12,131,132	(400,000)	-3.19%	
Other Local Receipts					-		
Indirect	\$ 2,262,021	\$ 2,585,229	\$ 2,752,576	\$ 2,752,576	-	0.00%	
Free Cash	\$ 6,579,906	\$ 5,191,574	\$ 6,653,460	\$ 2,000,000	(4,653,460)	-69.94%	
Stabilization Fund (s)	\$ 2,973,950	\$ 3,617,000	\$ 4,161,500	\$ -	(4,161,500)	-100.00%	
Overlay Surplus	\$ 500,000	\$ 500,000	\$ 1,000,000	\$ -	(1,000,000)	-100.00%	
Other Available Funds	\$ 308,393	\$ 291,309	\$ 282,740	\$ 282,740	-	0.00%	
					-		
Total General Fund Revenues	156,368,016	166,661,160	167,430,959	161,138,326	(6,292,633)	-3.76%	
General Fund Expenses	2019	2020	2021	2022			
	Actual	Recap	Amended Prelim	Forecast Budget			
Education & Learning							Current Delta 21 AP -22 Scenario
Natick Public Schools	\$ 64,952,436	\$ 67,810,346	\$ 67,097,246	\$ 71,532,279	4,435,033	6.61%	\$ (6,607,448.00)
Keefe Tech	\$ 1,594,984	\$ 1,554,748	\$ 1,334,398	\$ 1,334,398	-	0.00%	
Morse Institute Library	\$ 2,179,464	\$ 2,357,551	\$ 2,357,612	\$ 2,365,612	8,000	0.34%	
Bacon Free Library	\$ 177,621	\$ 190,792	\$ 182,306	\$ 182,306	-	0.00%	
Public Safety	\$ 16,473,105	\$ 16,802,303	\$ 17,171,627	\$ 17,326,627	155,000	0.90%	
Public Works	\$ 8,346,326	\$ 8,913,228	\$ 8,921,276	\$ 9,001,276	80,000	0.90%	
Health & Human Services	\$ 2,360,898	\$ 2,713,620	\$ 2,676,631	\$ 2,686,631	10,000	0.37%	
Administrative Support Services	\$ 5,608,818	\$ 7,766,070	\$ 6,630,119	\$ 7,072,052	441,933	6.67%	
Committees	\$ 101,297	\$ 120,550	\$ 115,550	\$ 115,550	-	0.00%	
Shared Expenses					-		
Fringe Benefits	\$ 14,918,523	\$ 16,756,666	\$ 16,938,091	\$ 17,797,095	859,004	5.07%	
Prop & Liab. Insurance	\$ 742,467	\$ 847,150	\$ 863,972	\$ 863,972	-	0.00%	
Retirement	\$ 9,416,416	\$ 10,070,552	\$ 10,843,395	\$ 12,307,258	1,463,863	13.50%	
Debt Services	\$ 9,540,738	\$ 16,626,732	\$ 15,143,814	\$ 15,143,814	-	0.00%	
Reserve Fund	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	-	0.00%	
Facilities Management	\$ 2,923,926	\$ 3,490,001	\$ 3,552,324	\$ 3,606,324	54,000	1.52%	
General Fund Oper. Expenses	\$ 139,587,019	\$ 156,270,309	\$ 154,078,361	\$ 161,585,194	7,506,833	4.87%	
Capital Improvements	\$ 2,973,950	\$ 3,617,000	\$ 1,861,500	\$ 1,861,500	-	0.00%	
School Bus Transportation	\$ 402,095	\$ 410,137	\$ 421,416	\$ 421,416	-	0.00%	
State & County Assessments	\$ 1,507,563	\$ 1,504,841	\$ 1,416,751	\$ 1,416,751	-	0.00%	
Cherry Sheet Offsets	\$ 468,705	\$ 359,312	\$ 320,913	\$ 320,913	-	0.00%	
Snow Removal Supplement	\$ 717,717	\$ 525,565	\$ 350,000	\$ 400,000	50,000	14.29%	
Overlay	\$ 1,591,768	\$ 1,150,000	\$ 1,150,000	\$ 1,150,000	-	0.00%	
Golf Course Deficit	\$ 240,000	\$ 240,000	\$ 240,000	\$ 240,000	-	0.00%	
General Stabilization Fund	\$ 250,000	\$ 250,000			-		
Operational Stabilization Fund	\$ 500,000	\$ 250,000			-		
Capital Stabilization Fund	\$ 2,400,000	\$ 1,519,347			-		
One-to-One Technology Stab Fund	\$ -	\$ -			-		
FAR Bonus Stabilization Fund	\$ -	\$ -			-		
OPEB Trust Fund	\$ 441,723	\$ 375,639	\$ 250,000	\$ 250,000	250,000		
Misc. Articles	\$ 396,622	\$ 112,000	\$ 100,000	\$ 100,000	100,000		
	\$ 11,890,143	\$ 10,313,841	\$ 5,760,580	\$ 6,160,580	400,000	6.94%	
Total General Fund Expenses	\$ 151,477,162	\$ 166,584,150	\$ 159,838,941	\$ 167,745,774	7,906,833	4.95%	
Net Excess / (Deficit)	4,890,854	77,010		(6,607,448)	(6,607,448)		



FY20 Avg. Single Family Tax Bill & Assessed Value

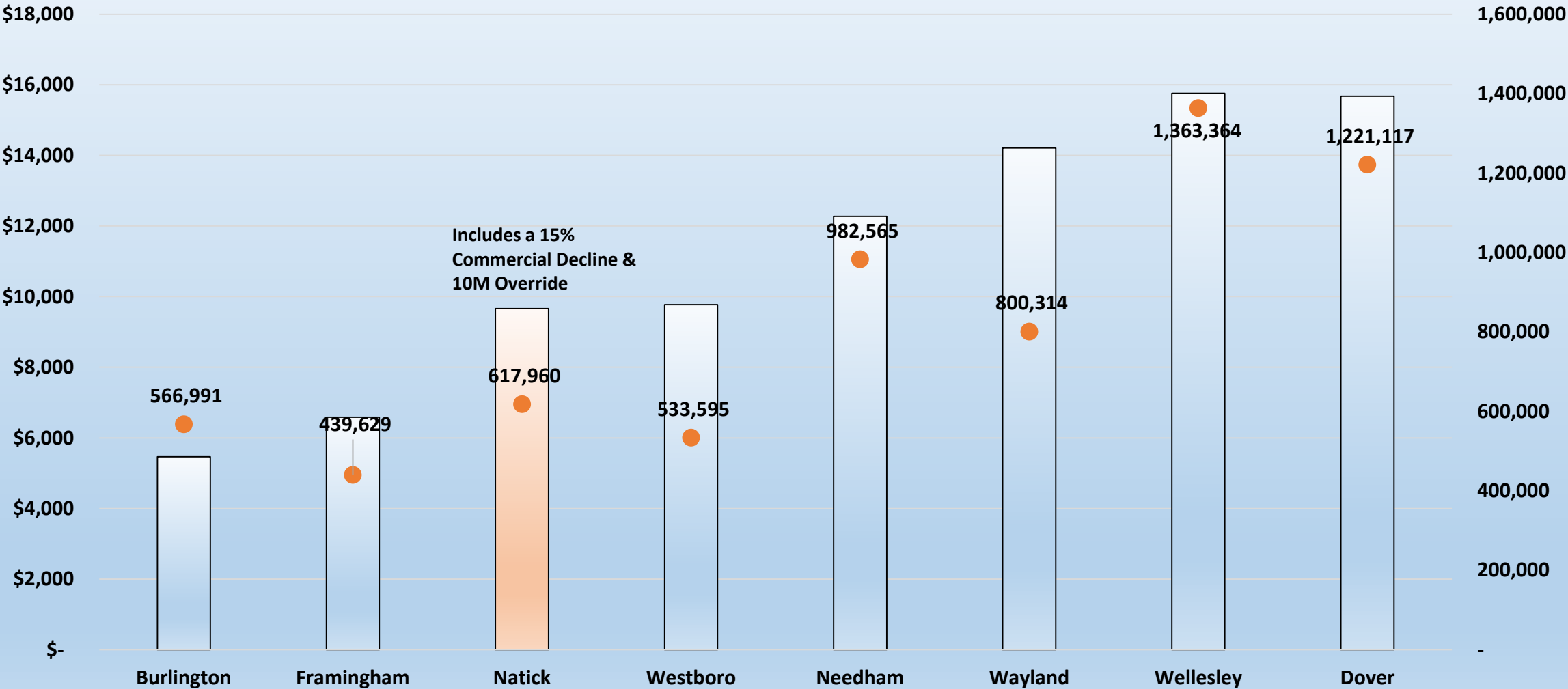


**Residential Property Increases with Scenerios of Commercial Decline and 10MM Override, Example Property
Value \$617,960**





FY20 Avg. Single Family Tax Bill & Assessed Value



Financial Options

The background image is a faded photograph of a historic building. It is a three-story structure made of red brick with decorative stone masonry at the base and around the windows. The windows are tall and arched. The building is set in a lush green environment with large trees and a lawn. The text 'Financial Options' is centered over the building in a large, black, sans-serif font.

Option 1

Stabilization Account	Beginning Balance	Spring Town Meeting Appropriation	Total Current Balance	Recommended Special Town Meeting Appropriation	Proposed Ending Balance
General	\$ 5,197,059	\$ -	\$ 5,197,059	\$ -	\$ 5,197,059
Operational	\$ 4,146,552	\$ (2,300,000)	\$ 1,846,552	\$ 5,884,079	\$ 7,730,631
Capital	\$ 5,035,707		\$ 5,035,707		\$ 5,035,707
Inflow & Infiltration	\$ 767,486		\$ 767,486		\$ 767,486
One-to-One	\$ 7,230		\$ 7,230		\$ 7,230
Far Bonus	\$ 2,665,979		\$ 2,665,979		\$ 2,665,979
			Total General + Operational Stabilization	\$ 12,927,690	
			FY 22 Projected Deficit	\$ 6,607,448	

This option considers using 1.3 million dollars of would be stabilization funds for School Cost of Living Adjustment Salary Increases, Various Municipal Projects/Positions/Merit Increases and a CED position. This options means we will have to use ALL of any new stabilization funds for FY22 along with existing stabilization funds to bridge the gap in FY22. This leaves us with out existing funds to try and bridge any gaps in FY23 with existing stabilizations funds. If for instance the projected FY 22 deficit stays the same in FY 23, then we will **NOT** have enough stabilization funds to make up our projected deficit.



Article 1

Fiscal 2021 Omnibus Budget (Town Administrator)

MOTION A (Requires two-thirds majority vote):

Move that the Town vote to increase the appropriation voted by the 2020 Spring Annual Town Meeting under Article 8 for the following budgets by the sum of \$3,381,093, said sum to be distributed as follows:

- To supplement the Shared Expenses budget as voted under Article 8 Motion G of the 2020 Spring Annual Town Meeting by adding \$118,828 to the Debt Service budget.
 - To supplement the Shared Expenses as voted under Article 8 Motion G of the 2020 Spring Annual Town Meeting by adding \$100,000 to the Employee Fringe budget for the benefits reserve line item.
 - To supplement the Shared Expenses as voted under Article 8 Motion G of the 2020 Spring Annual Town Meeting by adding \$500,000 to the Reserve Fund – Finance Committee line item.
 - To supplement the Natick Public Schools budget as voted under Article 8 Motion A1 of the 2020 Spring Annual Town Meeting by adding \$1,308,000 to the Salaries and Expenses line item.
 - To supplement the Administrative Support Services budget as voted under Article 8 Motion E of the 2020 Spring Annual Town Meeting by adding \$500,000 to the Expenses line item – Collective Bargaining.
 - To supplement the Shared Expenses as voted under Article 8 Motion G of the 2020 Spring Annual Town Meeting by adding \$300,000 to the Employee Fringe budget for Merit Increases.
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Article 1 (cont.)
Fiscal 2021 Omnibus Budget
(Town Administrator)

MOTION A (continued):

- To supplement the Community Services and Health Services budget as voted under Article 8 Motion D of the 2020 Spring Annual Town Meeting by adding \$55,735 to the Board of Health budget for salaries and \$50,000 to the Community Services Budget for salaries.
- To supplement the Public Works Budget as voted under Article 8 Motion C of the 2020 Spring Annual Town Meeting by adding \$65,032 to the Public Works Department Budget- LFNR- for salaries.
- To supplement the Administrative Support Services Budget as voted under Article 8 Motion E of the 2020 Spring Annual Town Meeting by adding \$52,000 to the Community Development Department Budget for salaries.
- To supplement the Administrative Support Services Budget as voted under Article 8 Motion E of the 2020 Spring Annual Town Meeting by adding \$91,000 to the Finance Department Budget for salaries.
- To supplement the Administrative Support Services Budget as voted under Article 8 Motion E of the 2020 Spring Annual Town Meeting by adding \$75,000 to the Information Technology Budget for salaries.
- To supplement the Public Safety Budget as voted under Article 8 Motion B1 of the 2020 Spring Annual Town Meeting by adding \$103,233 to the Police Department Budget for police salaries.
- To supplement the Administrative Support Services Budget as voted under Article 8 Motion E of the 2020 Spring Annual Town Meeting by adding \$30,000 to the Community Development Department Budget for salaries.

With the above Budget be raised from the following sources:

State Aid for Fiscal Year 2021	\$ 751,093
Tax Levy for Fiscal Year 2021	\$ 2,630,000



Article 1

Fiscal 2021 Omnibus Budget (Town Administrator)

MOTION B (Requires two-thirds majority vote):

Move that the Town vote to amend Article 8 Motion G of the 2020 Spring Annual Town Meeting as follows:

After the phrase “And that the above Total Budget Amount be raised from the following sources:”,

- delete the phrase “Overlay Surplus \$1,000,000”,
 - delete the phrase “State Aid \$10,213,391” and insert “State Aid \$12,377,486”,
 - delete the phrase “Free Cash \$2,000,000” and insert the phrase “Free Cash \$”3,530,000”
 - delete the phrase “Tax Levy of Fiscal Year 2021 \$16,591,811” and insert the phrase “Tax Levy of Fiscal Year 2021 \$13,961,811”.
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Article 5

Operational/Rainy Day Stabilization Fund (Town Administrator)

MOTION (Requires majority vote):

Move to amend the main motion of “No Action” to the following:

Move that the Town vote to appropriate the sum of \$5,884,079 from the following sources: \$4,873,460 from Free Cash, \$1,010,619 from Tax Levy for the purpose of supplementing the Stabilization Fund established under Article 4 of warrant for 2011 Spring Annual Town Meeting, as authorized by Chapter 40, Section 5B of the General Laws, amended.



Article 7

Other Post-Employment Benefits (OPEB) Appropriation or Transfer of Funds (Town Administrator)

MOTION (Requires majority vote):

Move that the Town vote to appropriate \$250,000 from Free Cash for the purpose of funding the Other Post-Employment Benefits Liability Trust Fund authorized by a vote of the 2017 Spring Annual Town Meeting under Article 15, as authorized by Chapter 32B, Section 20 of the General Laws as amended by Section 15 of Chapter 218 of the Acts 2016.

Option 2

Stabilization Account		Beginning Balance	Spring Town Meeting Appropriation	Total Current Balance	Recommended Special Town Meeting Appropriation	Proposed Ending Balance
General		\$ 5,197,059	\$ -	\$ 5,197,059	\$ -	\$ 5,197,059
Operational		\$ 4,146,552	\$ (2,300,000)	\$ 1,846,552	\$ 8,578,174	\$ 10,424,726
Capital		\$ 5,035,707		\$ 5,035,707		\$ 5,035,707
Inflow & Infiltration		\$ 767,486		\$ 767,486		\$ 767,486
One-to-One		\$ 7,230		\$ 7,230		\$ 7,230
Far Bonus		\$ 2,665,979		\$ 2,665,979		\$ 2,665,979
Total General + Operational Stabilization					\$ 15,460,433	
FY 22 Projected Deficit					\$ 6,607,448	

This option considers not expending 2.63M for both Municipal and School Departments weather the storm for Fiscal Year 21 and save any remaining cash into Operational Stabilization. This allows the Town to cover our \$6,607,448 projected deficit in FY22 without touching any existing stabilization. This would also allow the town to cover a part of remaining new stabilization and use existing stabilization for FY23 to bridge the gap.



Article 1

Fiscal 2021 Omnibus Budget (Town Administrator)

MOTION A (Requires two-thirds majority vote):

Move that the Town vote to increase the appropriation voted by the 2020 Spring Annual Town Meeting under Article 8 for the following budgets by the sum of \$751,093, said sum to be distributed as follows:

- To supplement the Shared Expenses budget as voted under Article 8 Motion G of the 2020 Spring Annual Town Meeting by adding \$118,828 to the Debt Service budget.
- To supplement the Shared Expenses as voted under Article 8 Motion G of the 2020 Spring Annual Town Meeting by adding \$100,000 to the Employee Fringe budget for the benefits reserve line item.
- To supplement the Shared Expenses as voted under Article 8 Motion G of the 2020 Spring Annual Town Meeting by adding \$500,000 to the Reserve Fund – Finance Committee line item.
- To supplement the Public Safety Budget as voted under Article 8 Motion B1 of the 2020 Spring Annual Town Meeting by adding \$32,265 to the Police Department Budget for police salaries.

With the above Budget be raised from the following sources:

State Aid for Fiscal Year 2021	\$751,093
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Article 1

Fiscal 2021 Omnibus Budget (Town Administrator)

MOTION B (Requires two-thirds majority vote):

Move that the Town vote to amend Article 8 Motion G of the 2020 Spring Annual Town Meeting as follows:

After the phrase “And that the above Total Budget Amount be raised from the following sources:”,

- delete the phrase “Overlay Surplus \$1,000,000”,
 - delete the phrase “State Aid \$10,213,391” and insert “State Aid \$12,377,486”,
 - delete the phrase “Free Cash \$2,000,000” and insert the phrase “Free Cash \$3,000,000”.
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Article 5

Operational/Rainy Day Stabilization Fund (Town Administrator)

MOTION (Requires majority vote):

Move to amend the main motion of “No Action” to the following:

Move that the Town vote to appropriate the sum of \$6,414,079 from the following sources: \$5,403,460 from Free Cash, \$1,010,619 from Tax Levy.



Article 7

Other Post-Employment Benefits (OPEB) Appropriation or Transfer of Funds (Town Administrator)

MOTION (Requires majority vote):

Move that the Town vote to appropriate \$250,000 from Free Cash for the purpose of funding the Other Post-Employment Benefits Liability Trust Fund authorized by a vote of the 2017 Spring Annual Town Meeting under Article 15, as authorized by Chapter 32B, Section 20 of the General Laws as amended by Section 15 of Chapter 218 of the Acts 2016.
