



TOWN OF NATICK

Meeting Notice

POSTED IN ACCORDANCE WITH THE PROVISIONS OF M.G.L. CHAPTER 30A, Sections 18-25

Natick Finance Committee

PLACE OF MEETING

School Committee Meeting Room -
3rd Flr., 13 East Central St. Natick,
MA

DAY, DATE AND TIME

August 30, 2018 at 7:00 PM

MEETING AGENDA

1. **Public Concerns/ Comments**
 - a. Resident and Taxpayer Concerns and Comments
2. **New Business**
 - a. FY'18 Financial and Budget Review with Town Administrator
 - b. Town Administrators FY '19 Strategic Assessment and Focus
 - c. Re-organization of the Finance Committee leadership
3. **2018 Fall Town Meeting Warrant Articles - Public Hearing**
 - a. Article 2 - Stabilization Fund
 - b. Article 3 - Operational/Rainy Day Stabilization Fund
 - c. Article 4 - Capital Stabilization Fund
 - d. Article 5 - Other Post-Employment Benefits (OPEB) Appropriation or Transfer of Funds
 - e. Article 6 - Appropriate Funds for the Family of Michael McDaniel Jr.
 - f. Article 7 - Transfer of Unexpended Bond Proceeds
 - g. Article 15 - West Natick Fire Station Appropriation of Funding
 - h. Article 16 - West Natick Fire Station Land Disposition
 - i. Article 25 - Amend the South Middlesex Regional Vocation School Agreement
 - j. Article 29 - Amend Article 2 of the Town of Natick Home Rule Charter
4. **Adjourn**

Please note the committee may take the items on this agenda out of order.

SUBMITTED BY

ITEM TITLE: Resident and Taxpayer Concerns and Comments

ITEM SUMMARY: *a. A time not to exceed 4-5 minutes per resident/taxpayer and/or 15 minutes in total time for all speakers, to allow for brief resident/taxpayer comments on topics within the scope of the Committee charge but not on the current agenda*
b. There is no debate or discussion between the resident/taxpayer and the committee except as determined by the Chair

ITEM TITLE: FY'18 Financial and Budget Review with Town Administrator

ITEM SUMMARY:

ITEM TITLE: Town Administrators FY '19 Strategic Assessment and Focus
ITEM SUMMARY:

ITEM TITLE: Re-organization of the Finance Committee leadership

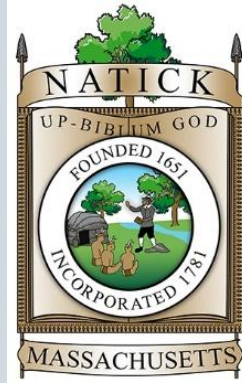
ITEM SUMMARY: Nominate and vote to appoint the Chair, Vice Chair and Secretary of the committee of the whole

ITEM TITLE: Article 2 - Stabilization Fund

ITEM SUMMARY:

ATTACHMENTS:

Description	Upload Date	Type
Articles 2, 3, 4 and 6 Motions	8/29/2018	Exhibit
Updated Presentation & Motions incl. Article 15 & 25	8/30/2018	Exhibit



Fall Annual Town Meeting

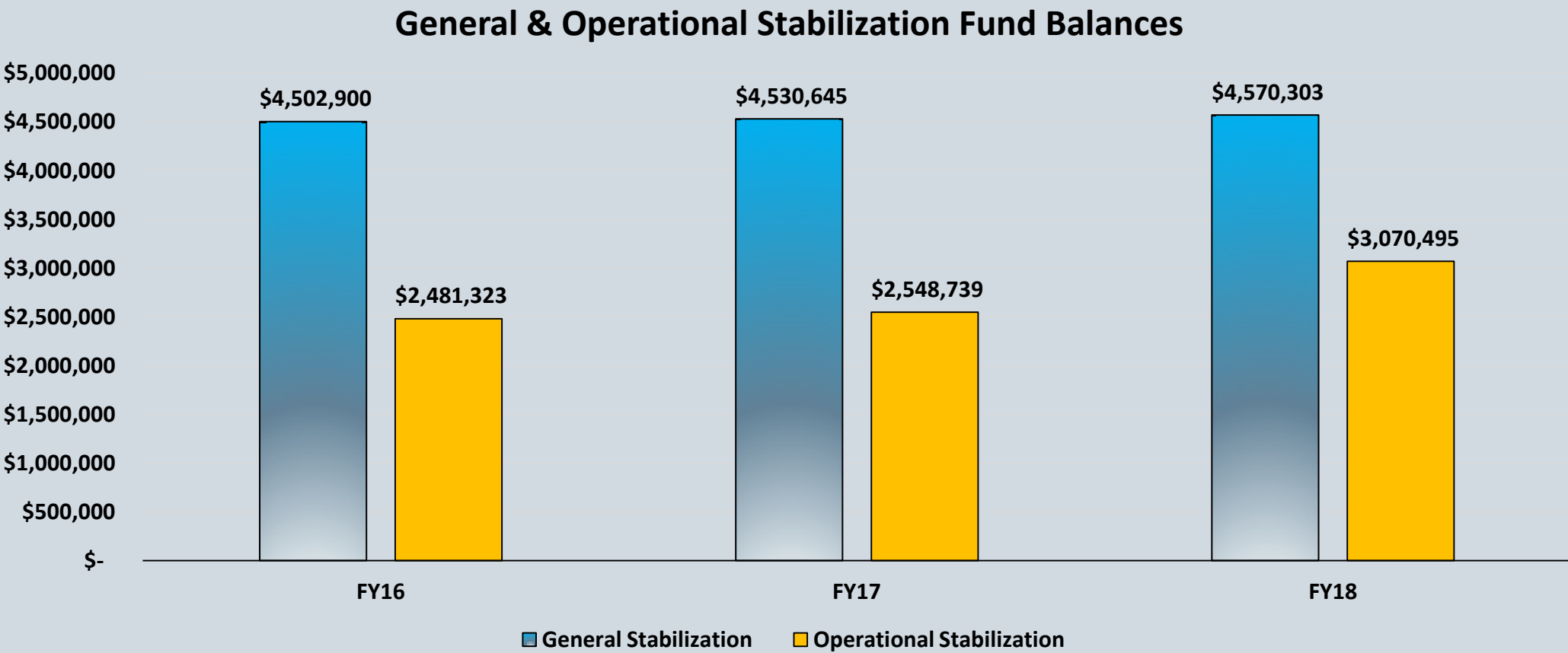
Articles 2-6

FINANCE COMMITTEE 8-30-18

TOWN ADMINISTRATOR, MELISSA MALONE

DEPUTY TOWN ADMINISTRATOR / FINANCE DIRECTOR, JOHN M. TOWNSEND

General & Operational Stabilization Fund Summary



Article 2: General Stabilization

Fiscal Year	Beginning Balance	Transfer In	Transfer Out	Investment Income	Ending Balance
2014	\$4,289,775			\$15,881	\$4,305,656
2015	\$4,305,656	\$150,000		\$20,275	\$4,475,931
2016	\$4,475,931			\$26,969	\$4,502,900
2017	\$4,502,900			\$27,745	\$4,530,645
2018	\$4,530,645			\$39,659	\$4,570,303

Article 2 Motion (DRAFT)

MOTION: (Requires majority vote)

“Move that the Town vote to appropriate **\$300,000** from free cash for the purpose of supplementing the Stabilization Fund established under Article 22 of the warrant for Annual Town Meeting of 1961, as authorized by Chapter 40, Section 5B of the General Laws, as amended.”

Article 3: Operational Stabilization

Fiscal Year	Beginning Balance	Transfer In	Transfer Out	Investment Income	Ending Balance
2014	\$856,478	\$856,633		\$4,822	\$1,717,933
2015	\$1,717,933	\$625,000		\$41,472	\$2,384,405
2016	\$2,384,405			\$96,918	\$2,481,323
2017	\$2,481,323			\$67,417	\$2,548,740
2018	\$2,548,740	\$500,000		\$21,755	\$3,070,495

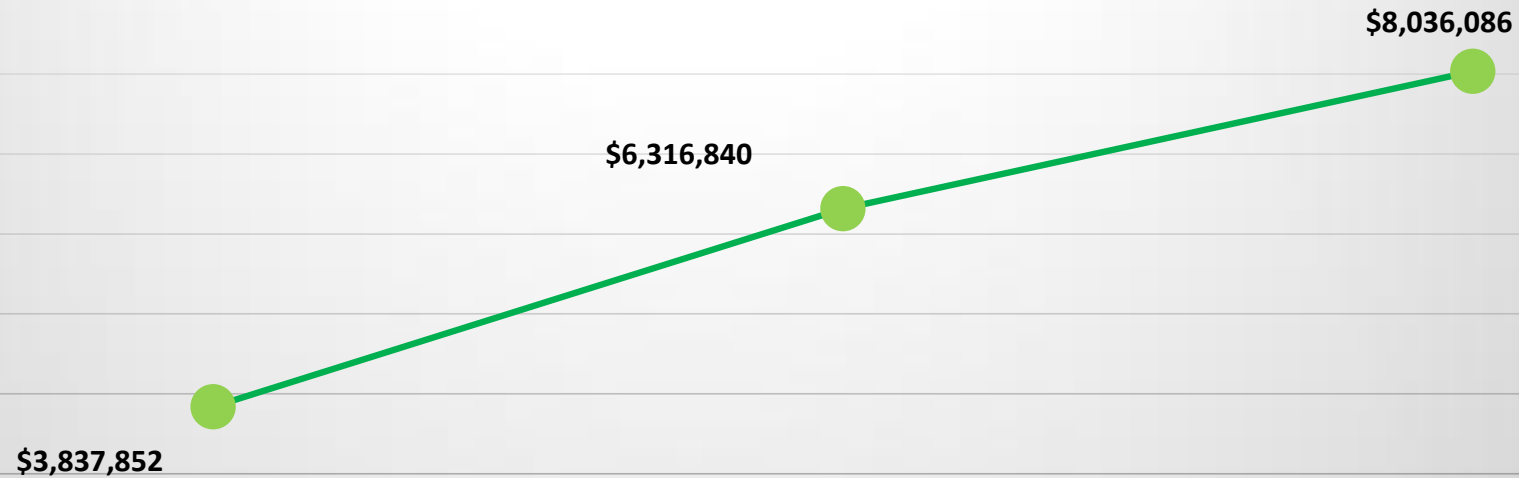
Article 3 Motion (DRAFT)

MOTION: (Requires majority vote)

“Move that the Town vote to appropriate \$500,000 from free cash for the purpose of supplementing the Stabilization Fund established under Article 4 of the warrant for 2011 Spring Annual Town Meeting, as authorized by Chapter 40, Section 5B of the General Laws, as amended.”

Article 4: Capital Stabilization

Capital Stabilization Fund Balance



	FY16	FY17	FY18
Capital Stabilization	\$3,837,852	\$6,316,840	\$8,036,086

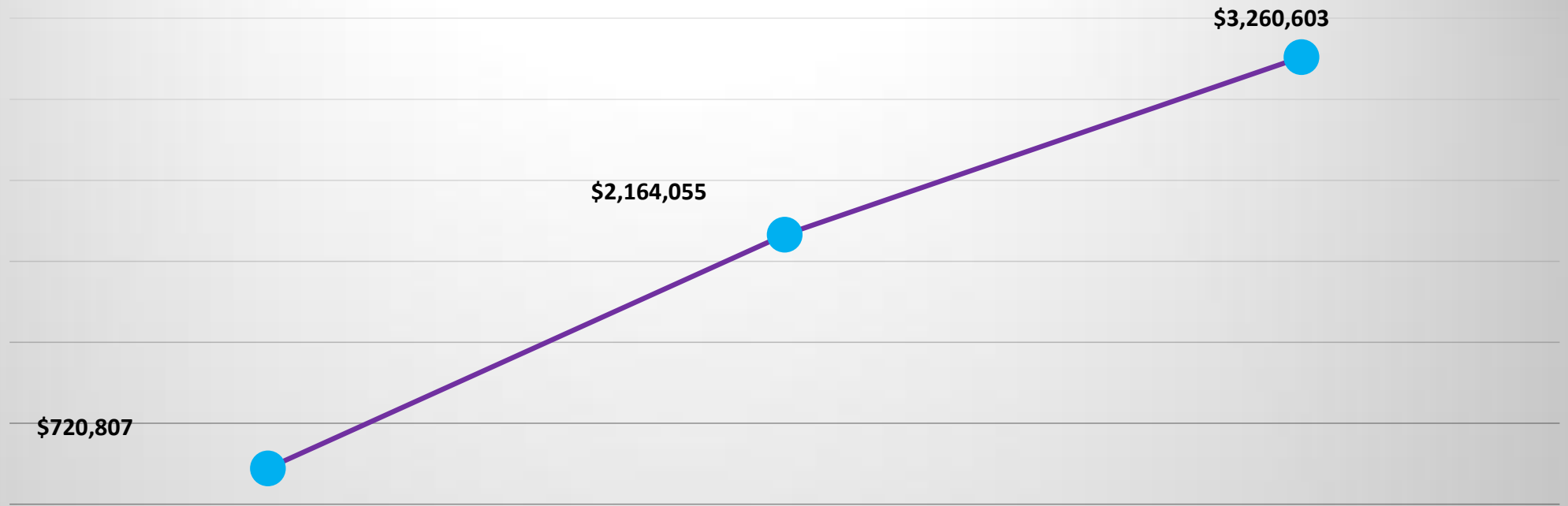
Article 4 Motion (DRAFT)

MOTION: (Requires two thirds vote)

“Move that the Town vote to appropriate \$1,409,678 from free cash for the purpose of supplementing the Capital Stabilization Fund established by the vote of Article 2 of the 2010 Fall Annual town Meeting, as authorized by chapter 40, Section 5B of the General Laws, as amended.”

Article 5: OPEB

OPEB TRUST FUND BALANCE



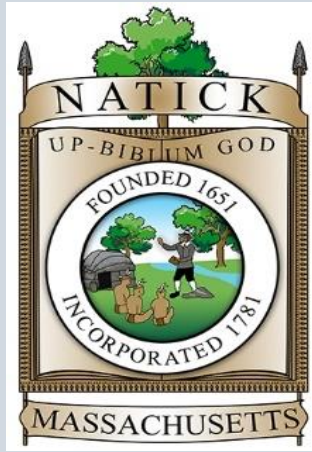
	FY16	FY17	FY18
OPEB TRUST FUND	\$720,807	\$2,164,055	\$3,260,603

Article 6 Motion (DRAFT)

MOTION (requires majority vote):

“Move to appropriate the sum of \$36,622.20 in addition to \$100,000 appropriated under Article 1 of the 2014 Spring Annual Town Meeting and the \$50,000 appropriated under Article 1 of the 2015 Spring Annual Town Meeting, said sum to be deposited to a “529 Educational Savings Plan” to be held in the name of The Kathleen McDaniel Educational Trust, Kathleen McDaniel being the widow of Michael McDaniel Jr., long time employee of the Town of Natick Department of Public Works, killed in the line of duty on February 4, 2014.

Questions & Comments



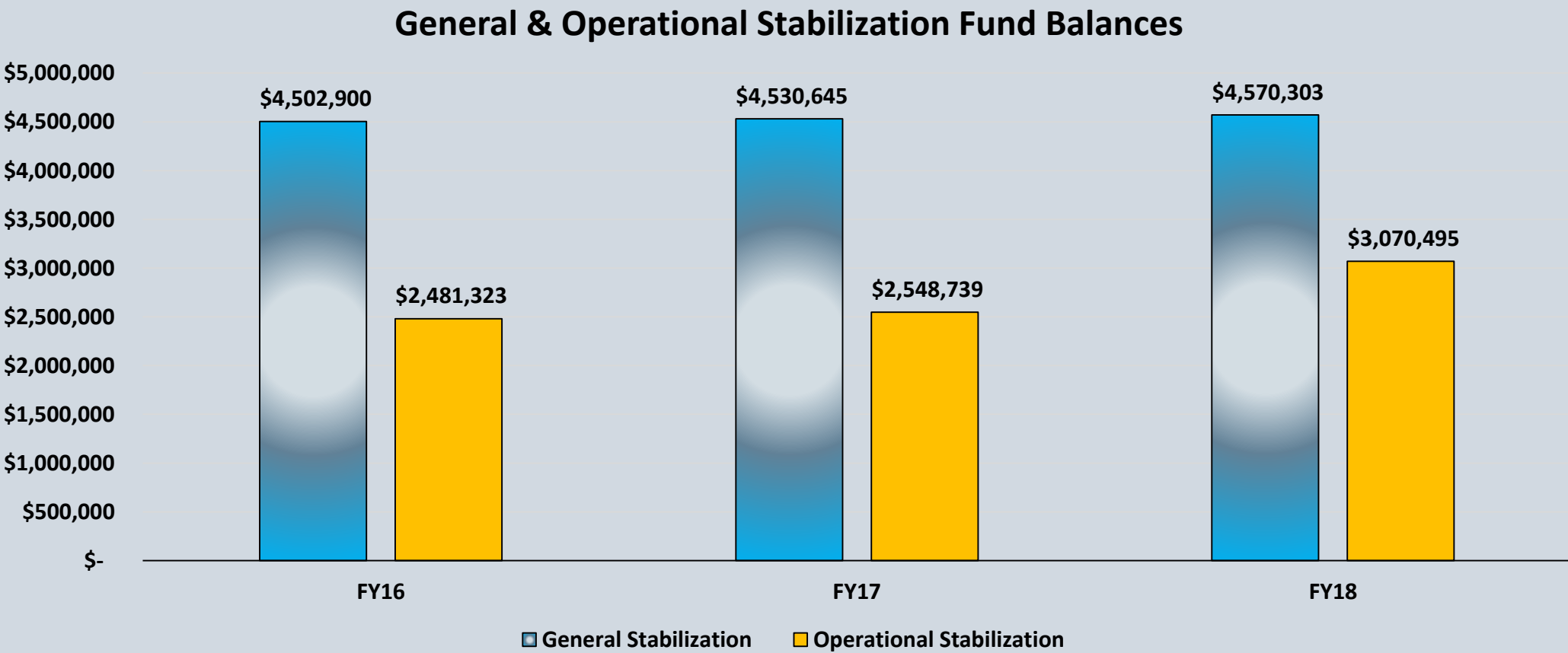
Fall Annual Town Meeting Articles 2-6, 15, 20 & Relevant Data

FINANCE COMMITTEE 8-30-18

TOWN ADMINISTRATOR, MELISSA MALONE

DEPUTY TOWN ADMINISTRATOR / FINANCE DIRECTOR, JOHN M. TOWNSEND

General & Operational Stabilization Fund Summary



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2017	\$4,502,900			\$27,745	\$4,530,645
2018	\$4,530,645			\$39,659	\$4,570,303

Article 2 Motion (DRAFT)

MOTION: (Requires majority vote)

“Move that the Town vote to appropriate **\$250,000** from free cash for the purpose of supplementing the Stabilization Fund established under Article 22 of the warrant for Annual Town Meeting of 1961, as authorized by Chapter 40, Section 5B of the General Laws, as amended.”

Article 3: Operational Stabilization

Fiscal Year	Beginning Balance	Transfer In	Transfer Out	Investment Income	Ending Balance
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2015	\$1,717,933	\$625,000		\$41,472	\$2,384,405
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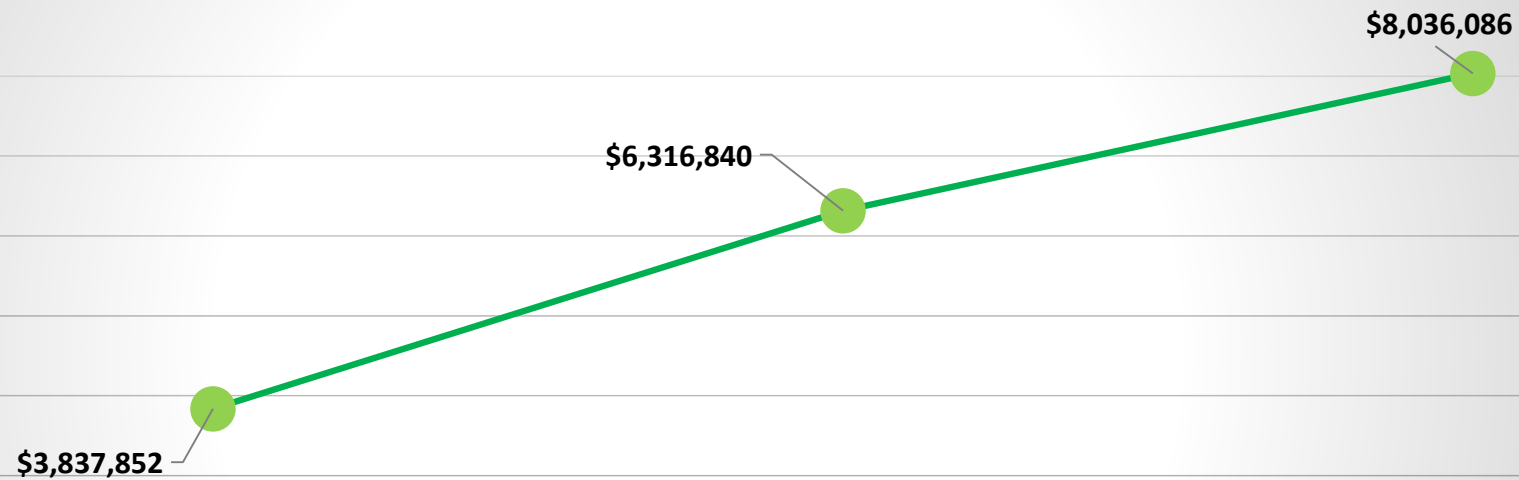
Article 3 Motion (DRAFT)

MOTION: (Requires majority vote)

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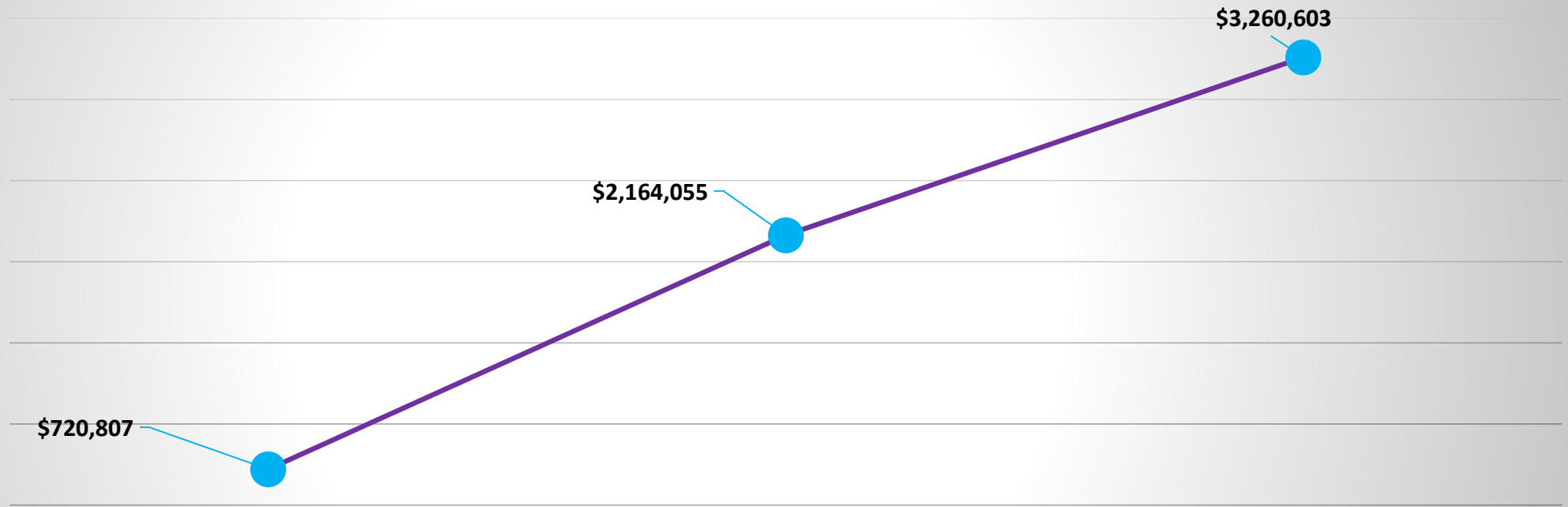
Article 4 Motion (DRAFT)

MOTION: (Requires two thirds vote)

“Move that the Town vote to appropriate \$1,409,678 from free cash for the purpose of supplementing the Capital Stabilization Fund established by the vote of Article 2 of the 2010 Fall Annual town Meeting, as authorized by chapter 40, Section 5B of the General Laws, as amended.”

Article 5: OPEB

OPEB TRUST FUND BALANCE



	FY16	FY17	FY18
OPEB TRUST FUND	\$720,807	\$2,164,055	\$3,260,603

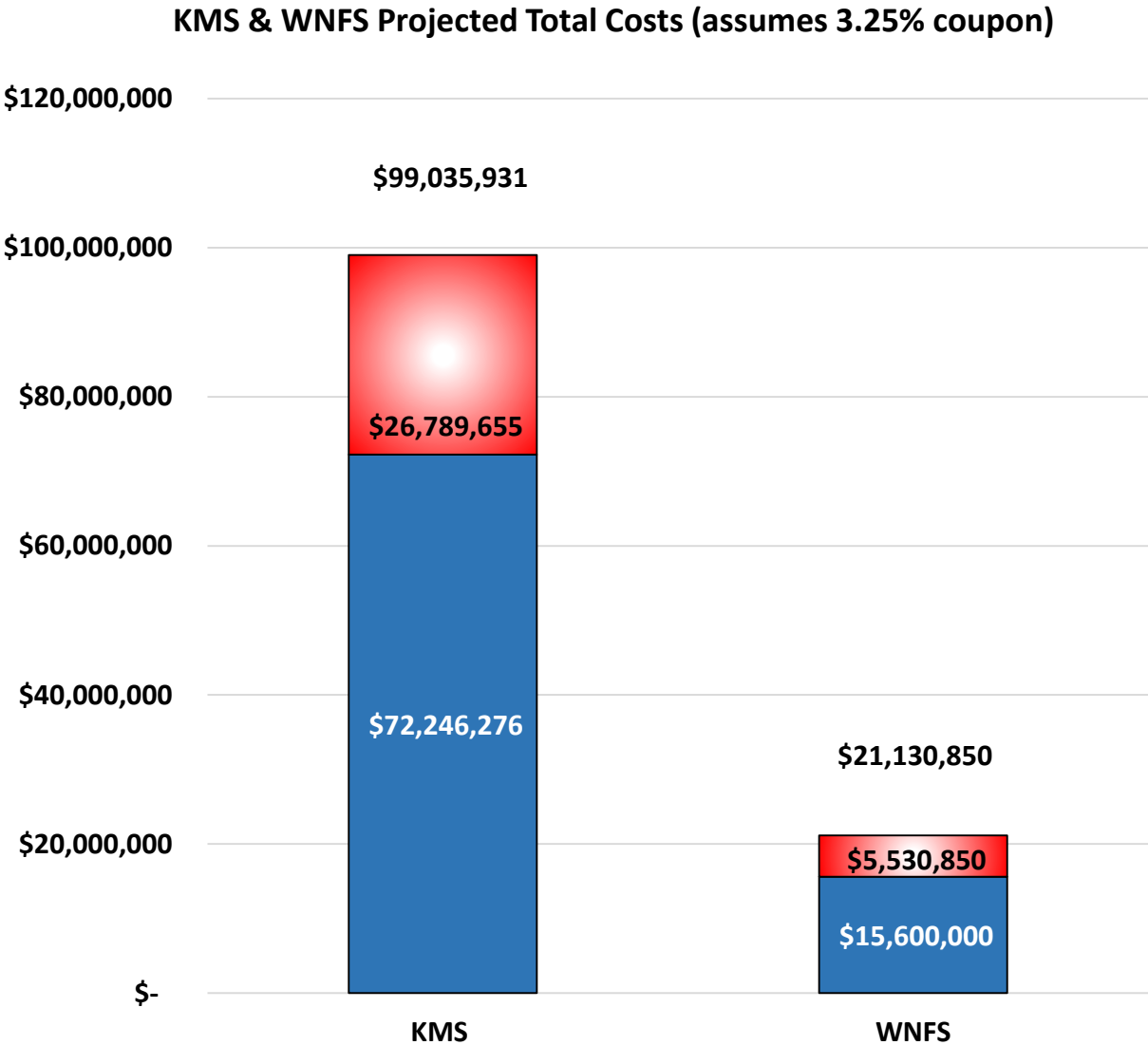
Article 6 Motion (DRAFT)

MOTION (requires majority vote):

“Move to appropriate the sum of \$36,622.20 in addition to \$100,000 appropriated under Article 1 of the 2014 Spring Annual Town Meeting and the \$50,000 appropriated under Article 1 of the 2015 Spring Annual Town Meeting, said sum to be deposited to a “529 Educational Savings Plan” to be held in the name of The Kathleen McDaniel Educational Trust, Kathleen McDaniel being the widow of Michael McDaniel Jr., long time employee of the Town of Natick Department of Public Works, killed in the line of duty on February 4, 2014.”

Article 15 WNFS: Town Administrator’s Financing Recommendation:

KMS Level Debt Service 20 Years & WNFS Hybrid Debt Service 20 Years (5 yr. level debt, 15 yrs. level principal)



Tax Payer Tax Bill Impact Projection (assumes 3.25% coupon)					
COMBINED DEBT EXCLUSION IMPACT	FY20	FY21	FY25 Hybrid	FY30	FY39 Final Debt Payment
INCREMENTAL TAX RATE	\$0.73	\$0.73	\$0.75	\$0.73	\$0.71
\$250,000	\$183	\$183	\$188	\$183	\$178
\$500,000	\$365	\$365	\$375	\$365	\$355
\$750,000	\$548	\$548	\$563	\$548	\$533
\$1,000,000	\$730	\$730	\$750	\$730	\$710

Article 15 Motion (DRAFT)

Motion: (Requires a two-thirds majority)

“Move that the Town of Natick vote to appropriate the sum of \$15,560,000 for the purpose of paying costs to design, develop, construct, furnish and equip a new West Natick Fire Station (Fire station #4), located at the site of the current Fire Station #4 and adjoining Town owned properties, including all related facilities, buildings, appurtenant structures, site improvements, and grounds, said sum to be expended under the direction of the Board of Selectmen, and to meet said appropriation the Treasurer, with the approval of the Board of Selectmen, is authorized to borrow said sum under M.G.L. Chapter 44, or any other enabling authority; provided that any appropriation hereunder shall be subject to and contingent upon an affirmative vote of the Town to exempt the amounts required for the payment of interest and principal on said borrowing from the limitations on taxes imposed by M.G.L. 59, Section 21C (Proposition 2 1/2). Any premium received upon the sale of any bonds or notes approved by this vote, less any such premium applied to the payment of the costs of issuance of such bonds or notes, may be applied to the payment of costs approved by this vote in accordance with Chapter 44, Section 20 of the General Laws, thereby reducing the amount authorized to be borrowed to pay such costs by a like amount.”

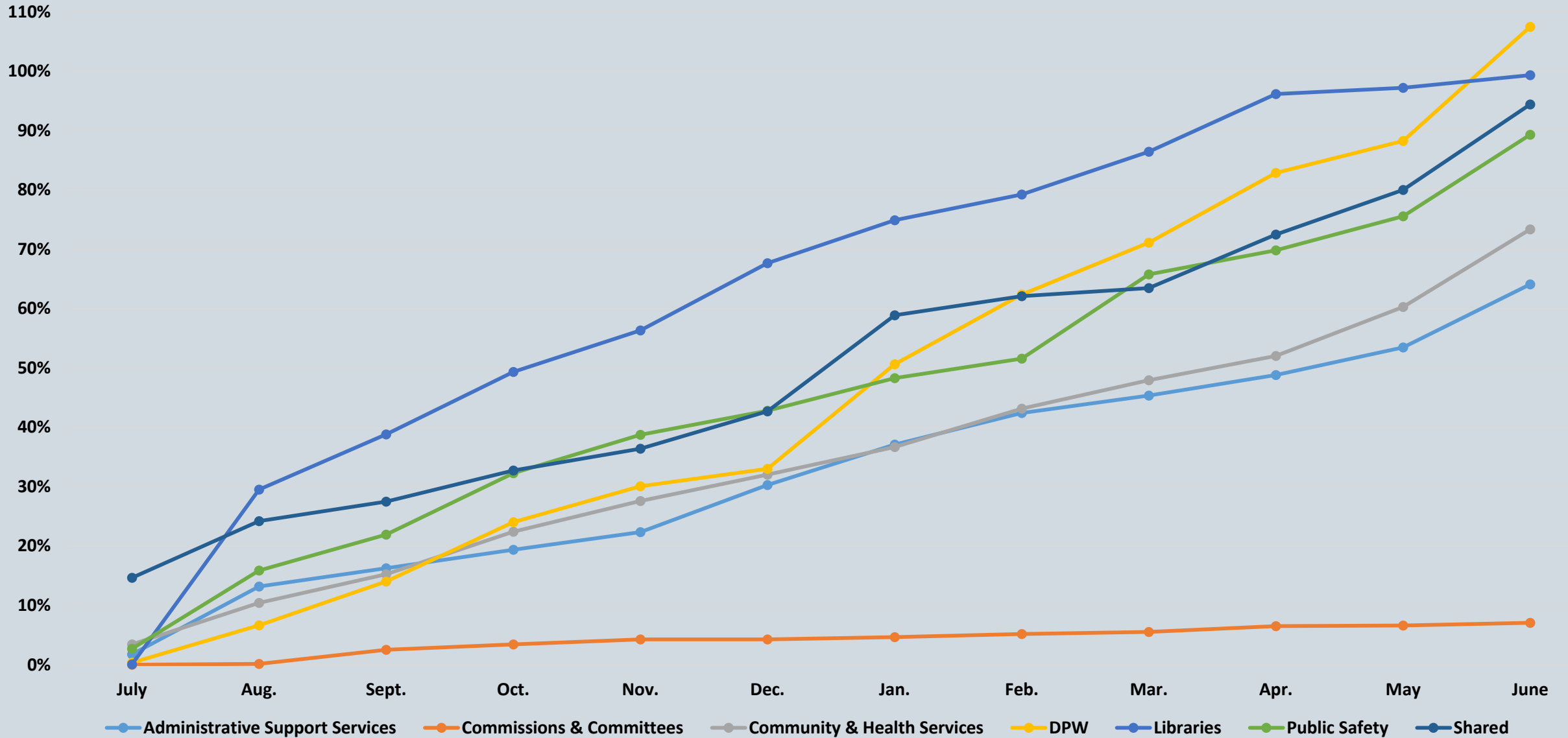
Article 20 Motion (DRAFT)

Motion: (requires a majority vote)

“No Action”

Finance Committee Questions

FY18 Operating Expense Trend



Questions & Comments

ITEM TITLE: Article 3 - Operationaal/Rainy Day Stabilization Fund
ITEM SUMMARY:

ITEM TITLE: Article 4 - Capital Stabilization Fund

ITEM SUMMARY:

ITEM TITLE: Article 5 - Other Post-Employment Benefits (OPEB) Appropriation or
Transfer of Funds

ITEM SUMMARY:

ITEM TITLE: Article 6 - Appropriate Funds for the Family of Michael McDaniel Jr.

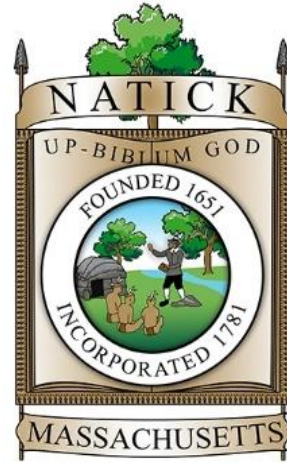
ITEM SUMMARY:

ITEM TITLE: Article 7 - Transfer of Unexpended Bond Proceeds
ITEM SUMMARY:

ITEM TITLE: Article 15 - West Natick Fire Station Appropriation of Funding
ITEM SUMMARY:

ATTACHMENTS:

Description	Upload Date	Type
Fire Station Funding Recommendation to BoS August 20 2018	8/29/2018	Exhibit



Capital Financing Recommendation

Kennedy Middle School & West Natick Fire Station

Board of Selectmen

August 20, 2018

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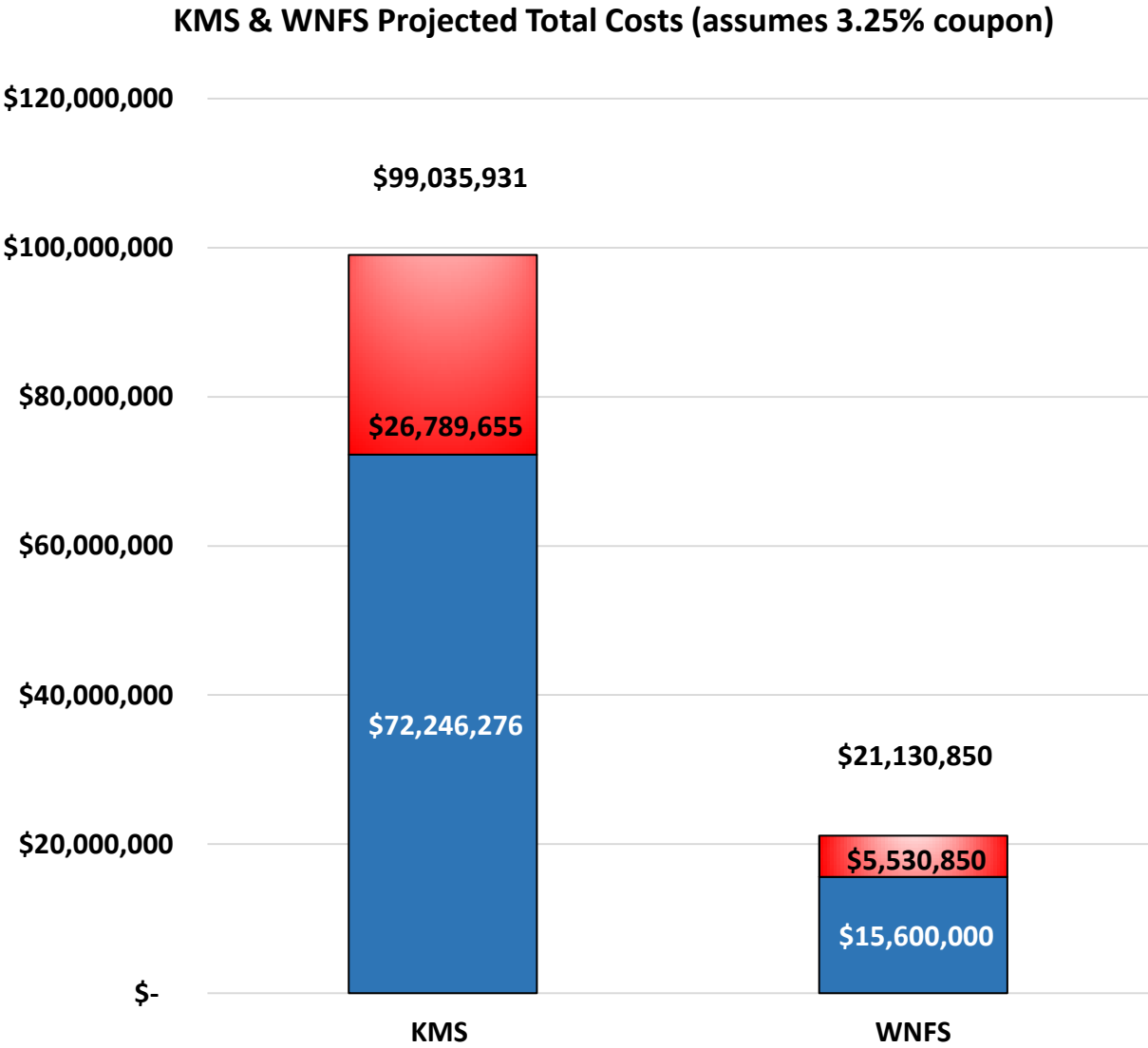
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Town Administrator's Financing Recommendation:

KMS Level Debt Service 20 Years & WNFS Hybrid Debt Service 20 Years (5 yr. level debt, 15 yrs. level principal)



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COMBINED DEBT EXCLUSION IMPACT	FY20	FY21	FY25 Hybrid	FY30	FY39 Final Debt Payment
INCREMENTAL TAX RATE	\$0.73	\$0.73	\$0.75	\$0.73	\$0.71
\$250,000	\$183	\$183	\$188	\$183	\$178
\$500,000	\$365	\$365	\$375	\$365	\$355
\$750,000	\$548	\$548	\$563	\$548	\$533
\$1,000,000	\$730	\$730	\$750	\$730	\$710

Town of Natick, Massachusetts - DEBT EXCLUDED FROM PROP 2 1/2
Financing Plan G - \$15.6M Fire Station 20yrs (Hybrid) & \$72.250M School 20yrs (Level)

SCHOOL ONLY - DEBT SERVICE SCHEDULE

<u>Fiscal Year</u>	<u>Principal</u>	<u>Coupon</u>	<u>Interest</u>	<u>Total P+I</u>
6/30/2020	2,050,000	3.25%	2,901,844	4,951,844
6/30/2021	2,715,000	3.25%	2,237,381	4,952,381
6/30/2022	2,805,000	3.25%	2,147,681	4,952,681
6/30/2023	2,895,000	3.25%	2,055,056	4,950,056
6/30/2024	2,995,000	3.25%	1,959,344	4,954,344
6/30/2025	3,090,000	3.25%	1,860,463	4,950,463
6/30/2026	3,195,000	3.25%	1,758,331	4,953,331
6/30/2027	3,300,000	3.25%	1,652,788	4,952,788
6/30/2028	3,410,000	3.25%	1,543,750	4,953,750
6/30/2029	3,520,000	3.25%	1,431,138	4,951,138
6/30/2030	3,635,000	3.25%	1,314,869	4,949,869
6/30/2031	3,755,000	3.25%	1,194,781	4,949,781
6/30/2032	3,880,000	3.25%	1,070,713	4,950,713
6/30/2033	4,010,000	3.25%	942,500	4,952,500
6/30/2034	4,140,000	3.25%	810,063	4,950,063
6/30/2035	4,280,000	3.25%	673,238	4,953,238
6/30/2036	4,420,000	3.25%	531,863	4,951,863
6/30/2037	4,565,000	3.25%	385,856	4,950,856
6/30/2038	4,715,000	3.25%	235,056	4,950,056
6/30/2039	4,875,000	3.25%	79,219	4,954,219
Total	72,250,000		26,785,931	99,035,931

FIRE STATION ONLY - DEBT SERVICE SCHEDULE

<u>Fiscal Year</u>	<u>Principal</u>	<u>Coupon</u>	<u>Interest</u>	<u>Total P+I</u>
6/30/2020	445,000	3.25%	626,519	1,071,519
6/30/2021	585,000	3.25%	483,031	1,068,031
6/30/2022	605,000	3.25%	463,694	1,068,694
6/30/2023	625,000	3.25%	443,706	1,068,706
6/30/2024	645,000	3.25%	423,069	1,068,069
6/30/2025	850,000	3.25%	398,775	1,248,775
6/30/2026	850,000	3.25%	371,150	1,221,150
6/30/2027	850,000	3.25%	343,525	1,193,525
6/30/2028	850,000	3.25%	315,900	1,165,900
6/30/2029	845,000	3.25%	288,356	1,133,356
6/30/2030	845,000	3.25%	260,894	1,105,894
6/30/2031	845,000	3.25%	233,431	1,078,431
6/30/2032	845,000	3.25%	205,969	1,050,969
6/30/2033	845,000	3.25%	178,506	1,023,506
6/30/2034	845,000	3.25%	151,044	996,044
6/30/2035	845,000	3.25%	123,581	968,581
6/30/2036	845,000	3.25%	96,119	941,119
6/30/2037	845,000	3.25%	68,656	913,656
6/30/2038	845,000	3.25%	41,194	886,194
6/30/2039	845,000	3.25%	13,731	858,731
Total	15,600,000		5,530,850	21,130,850

Projected Debt Costs

Fiscal Year	Outstanding Debt		Approved Projects		Projected	
	Excluded	W/I Levy	W/I Levy	Capital Request	Total General Fund	
2020	\$ 4,334,763	\$ 4,317,229	\$ 1,353,538	\$ 534,689	\$ 10,540,219	
2021	\$ 4,228,171	\$ 3,474,168	\$ 1,325,217	\$ 3,852,140	\$ 12,879,696	
2022	\$ 4,118,730	\$ 2,966,399	\$ 1,296,897	\$ 5,177,169	\$ 13,559,195	
2023	\$ 4,019,639	\$ 2,545,640	\$ 1,268,576	\$ 5,939,079	\$ 13,772,934	
2024	\$ 3,918,068	\$ 2,296,942	\$ 1,240,256	\$ 5,803,856	\$ 13,259,122	
2025	\$ 3,283,696	\$ 1,974,752	\$ 1,196,935	\$ 5,531,552	\$ 11,986,935	
2026	\$ 3,194,884	\$ 1,529,702	\$ 1,169,102	\$ 5,348,488	\$ 11,242,176	
2027	\$ 3,105,128	\$ 1,217,921	\$ 1,086,269	\$ 5,137,763	\$ 10,547,081	
2028	\$ 3,003,197	\$ 1,125,182	\$ 1,060,224	\$ 4,604,614	\$ 9,793,217	
2029	\$ 2,901,266	\$ 1,057,743	\$ 1,034,178	\$ 4,260,595	\$ 9,253,782	
2030	\$ 2,799,335	\$ 924,604	\$ 988,133	\$ 3,945,450	\$ 8,657,522	
2031	\$ 2,697,404	\$ 824,599	\$ 962,737	\$ 3,824,538	\$ 8,309,278	
2032	\$ 160,473	\$ 733,027	\$ 937,342	\$ 3,702,506	\$ 5,533,348	
2033	\$ 155,753	\$ 509,978	\$ 911,946	\$ 3,602,975	\$ 5,180,652	
2034		\$ 308,000	\$ 886,551	\$ 3,503,444	\$ 4,697,994	
2035		\$ 299,850	\$ 326,480	\$ 3,183,913	\$ 3,810,243	
2036		\$ 216,700	\$ 318,472	\$ 2,544,865	\$ 3,080,037	
2037		\$ 161,425	\$ 310,464	\$ 2,125,175	\$ 2,597,064	
2038		\$ 116,725	\$ 302,456	\$ 1,681,919	\$ 2,101,100	
2039			\$ 294,448	\$ 1,632,113	\$ 1,926,561	
2040			\$ 286,440	\$ 1,582,306	\$ 1,868,746	
2041			\$ 278,432	\$ 425,000	\$ 703,432	
2042			\$ 270,424	\$ -	\$ 270,424	
2043			\$ 262,416		\$ 262,416	
2044			\$ 254,408		\$ 254,408	
Total	\$ 41,920,507	\$ 26,600,586	\$ 19,622,338	\$ 77,944,147	\$ 166,087,578	

* This table excludes Fire Station 4 (West Natick) and the Kennedy Middle School

Town of Natick, Massachusetts - DEBT EXCLUDED FROM PROP 2 1/2

Estimated Fire Station: \$ 15,600,000
 Maximum Term of Fire Station: 20 years
 Amortization of Fire Station: **HYBRID DEBT SERVICE**
 Projected Bond Rate for Fire Station: 3.25%

School Total Project Cost: \$ 109,560,000
 Est. MSBA Reimbursement (48.21%) \$ 37,313,724
 Est. Local Share of Project Costs: \$ 72,246,276
 Maximum Term of School: 20 years
 Amortization of School: **LEVEL DEBT SERVICE**
 Projected Bond Rate for School: 3.25%

Dated Date of Bonds: December 1, 2018
 FY2018 Assessed Valuation: \$ 8,229,002,220

Financing Plan G - \$15.6M Fire Station 20yrs (Hybrid) & \$72.250M School 20yrs (Level)

EXEMPT General Fund Debt Service Only

A		B		C		D (A-B-C)		E		F		G		
Fiscal Year	Existing Debt Service (see pages 2-4)	Less: Enterprise Supported Debt Service (see page 5)	Less: Existing General Fund NON-Exempt Debt Service (see pages 6-8)	Existing General Fund Exempt Debt Service (see page 9)	Existing Tax Rate Impact per \$1,000	Plus \$72.250M School Bonds (see pages 10 & 11)	Est. School Debt Service Tax Rate Impact per \$1,000	Plus \$15.6M Fire Station Bonds (see pages 10 & 11)	Est. Fire Station Debt Service Tax Rate Impact per \$1,000	Existing and Projected Exempt Debt Service (D+E+F)	Existing and Projected Est. Tax Rate Impact per \$1,000	Fiscal Year		
2018	13,104,520	2,945,561	5,586,514	4,572,445	0.56	-	-	-	-	4,572,445	0.56	2018		
2019	11,962,957	2,612,729	4,884,224	4,466,004	0.54	-	-	-	-	4,466,004	0.54	2019		
2020	10,997,430	2,369,664	4,293,004	4,334,763	0.53	4,951,844	0.60	1,071,519	0.13	10,358,125	1.26	2020		
2021	9,676,467	1,998,353	3,449,943	4,228,171	0.51	4,952,381	0.60	1,068,031	0.13	10,248,584	1.25	2021		
2022	8,945,596	1,884,692	2,942,174	4,118,730	0.50	4,952,681	0.60	1,068,694	0.13	10,140,105	1.23	2022		
2023	8,099,610	1,558,557	2,521,415	4,019,639	0.49	4,950,056	0.60	1,068,706	0.13	10,038,401	1.22	2023		
2024	7,605,853	1,415,068	2,272,717	3,918,068	0.48	4,954,344	0.60	1,068,069	0.13	9,940,480	1.21	2024		
2025	6,556,894	1,322,671	1,950,527	3,283,696	0.40	4,950,463	0.60	1,248,775	0.15	9,482,933	1.15	2025		
2026	5,641,905	921,339	1,525,682	3,194,884	0.39	4,953,331	0.60	1,221,150	0.15	9,369,365	1.14	2026		
2027	5,080,624	761,595	1,213,901	3,105,128	0.38	4,952,788	0.60	1,193,525	0.15	9,251,440	1.12	2027		
2028	4,728,341	599,963	1,125,182	3,003,197	0.36	4,953,750	0.60	1,165,900	0.14	9,122,847	1.11	2028		
2029	4,420,921	461,913	1,057,743	2,901,266	0.35	4,951,138	0.60	1,133,356	0.14	8,985,760	1.09	2029		
2030	4,135,451	411,513	924,604	2,799,335	0.34	4,949,869	0.60	1,105,894	0.13	8,855,097	1.08	2030		
2031	3,921,516	399,513	824,599	2,697,404	0.33	4,949,781	0.60	1,078,431	0.13	8,725,616	1.06	2031		
2032	1,276,912	383,413	733,027	160,473	0.02	4,950,713	0.60	1,050,969	0.13	6,162,154	0.75	2032		
2033	932,619	266,888	509,978	155,753	0.02	4,952,500	0.60	1,023,506	0.12	6,131,759	0.75	2033		
2034	567,988	259,988	308,000	-	-	4,950,063	0.60	996,044	0.12	5,946,106	0.72	2034		
2035	552,938	253,088	299,850	-	-	4,953,238	0.60	968,581	0.12	5,921,819	0.72	2035		
2036	457,888	241,188	216,700	-	-	4,951,863	0.60	941,119	0.11	5,892,981	0.72	2036		
2037	395,863	234,438	161,425	-	-	4,950,856	0.60	913,656	0.11	5,864,513	0.71	2037		
2038	294,350	177,625	116,725	-	-	4,950,056	0.60	886,194	0.11	5,836,250	0.71	2038		
2039	-	-	-	-	-	4,954,219	0.60	858,731	0.10	5,812,950	0.71	2039		
2040	-	-	-	-	-	-	-	-	-	-	-	2040		
2041	-	-	-	-	-	-	-	-	-	-	-	2041		
2042	-	-	-	-	-	-	-	-	-	-	-	2042		
2043	-	-	-	-	-	-	-	-	-	-	-	2043		
2044	-	-	-	-	-	-	-	-	-	-	-	2044		
Total	109,356,641	21,479,753	36,917,933	50,958,955		99,035,931		21,130,850		171,125,736				

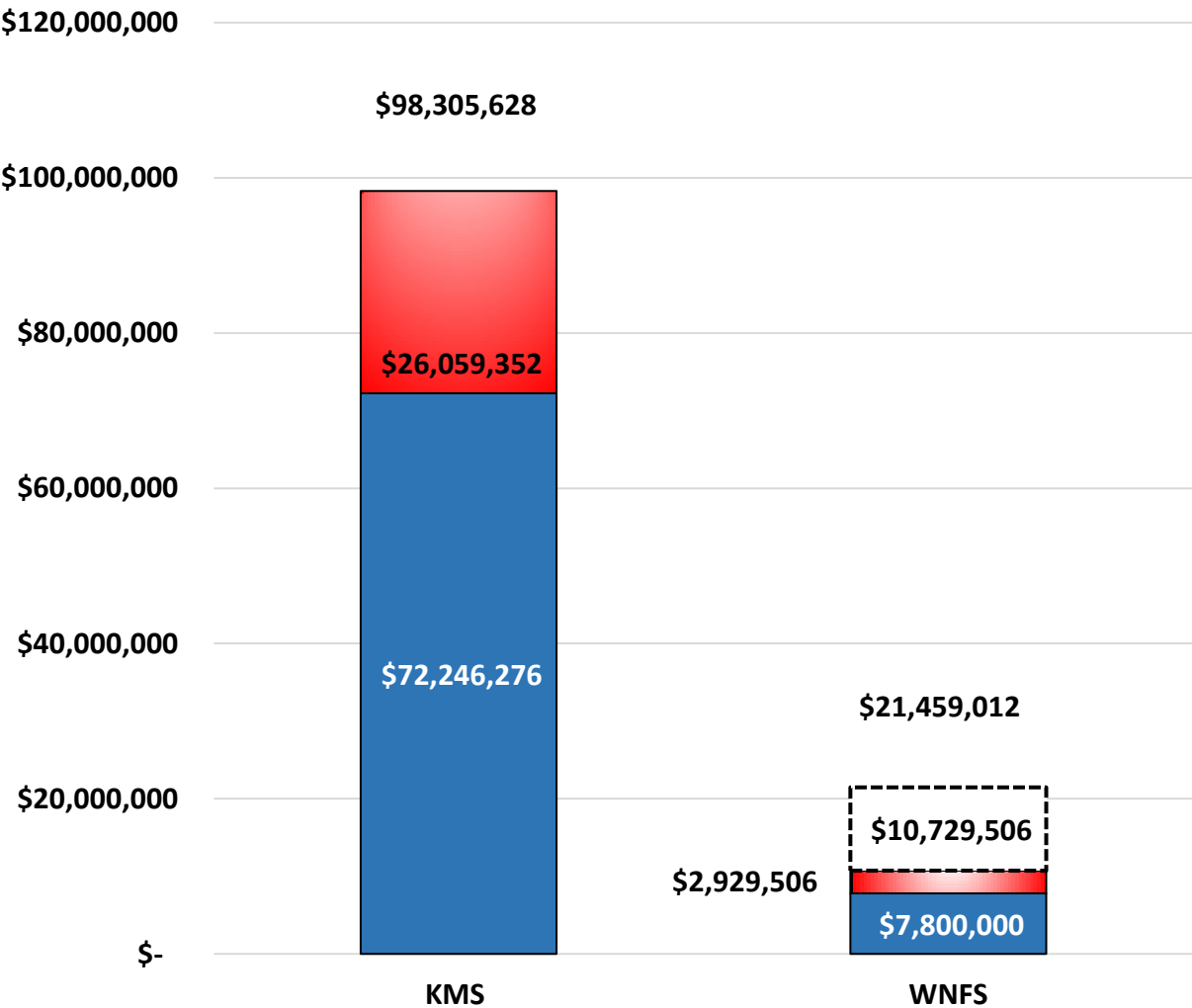
Assumptions:

- ✦ Fire Station structured on a hybrid debt basis; level debt first 5yrs then equal/declining principal.
- ✦ School bonds structured on a level debt basis.
- ✦ Bonds structured a long first coupon; no impact in FY19.

Requested Model Financing 1:

KMS Hybrid Debt Service 20 Years & WNFS Debt Exclusion \$7.8M Level Debt Service; Tax Levy \$7.8M Level Debt Service 20 Years @ 3.25%

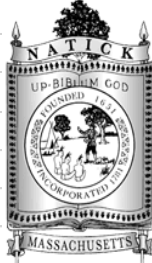

KMS & WNFS Projected Total Costs @ 3.25% Coupon



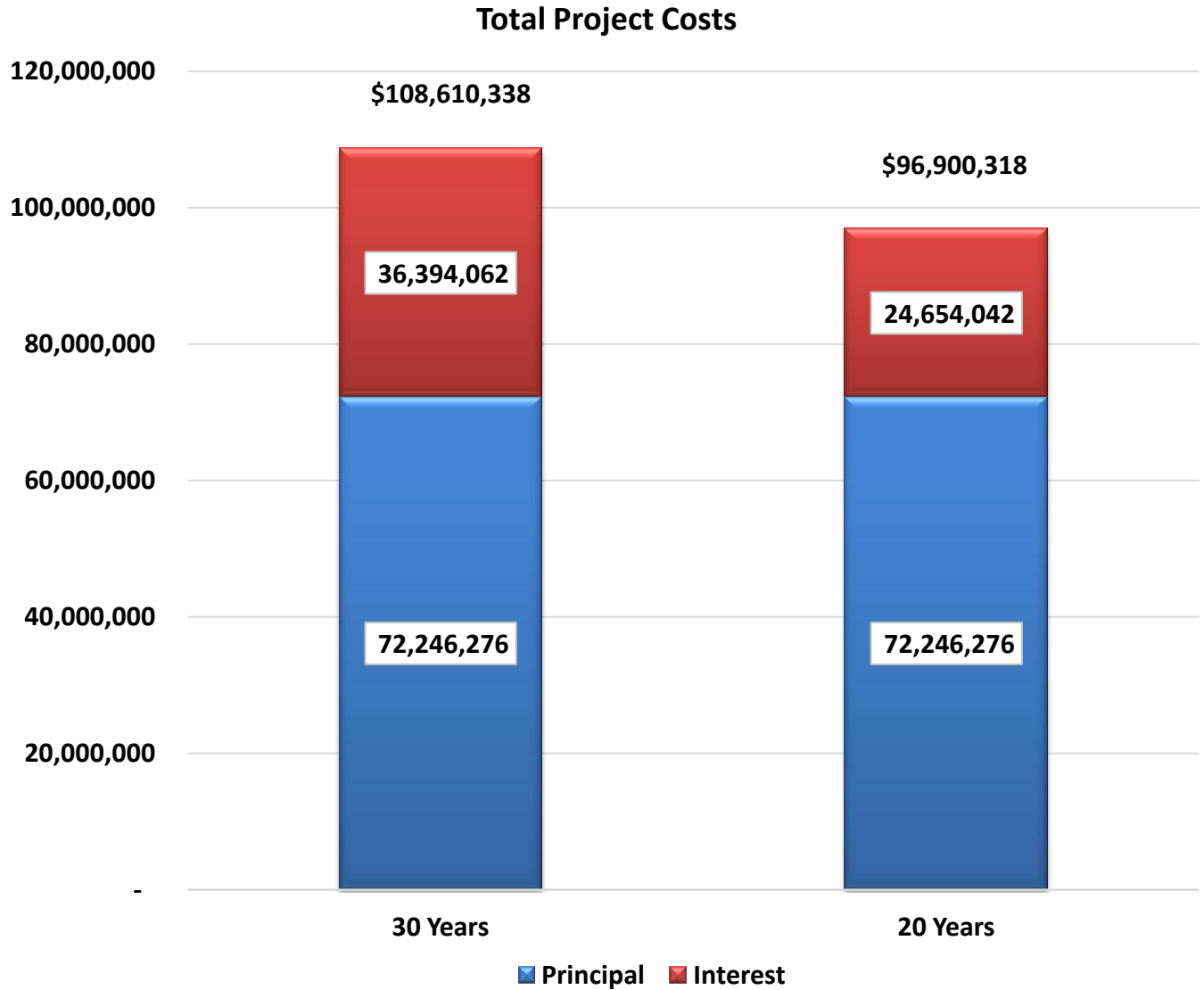
\$7.8M, 20 YEARS @ 3.25% WITHIN TAX LEVY IMPACT					
Fiscal year		Debt Service		Value of Projects Deferred	
2020		\$536,475		\$7.8M spent within the tax levy would potentially defer \$4.4M worth of projects over the first 5 years	
2021		\$536,475			
2022		\$536,475			
2023		\$536,475			
Tax Payer Tax Bill Impact Projection @ 3.25%					
COMBINED DEBT EXCLUSION IMPACT	FY20	FY21	FY25 Hybrid	FY30	FY39 Final Debt Payment
INCREMENTAL TAX RATE	\$0.63	\$0.63	\$0.73	\$0.65	\$0.52
\$250,000	\$158	\$158	\$183	\$164	\$131
\$500,000	\$315	\$315	\$365	\$327	\$262
\$750,000	\$473	\$473	\$548	\$490	\$393
\$1,000,000	\$630	\$630	\$730	\$654	\$523

Requested Model Financing Debt Service Detail:

Debt Service Schedule Detail

		Debt Service								Debt Service			
		Project:	West Natick Fire Station						Project:	KMS			
		Total Cost:			\$ 15,600,000				Total Cost:			\$ 72,246,276	
		Offsetting Funds:			\$ (7,800,000)				Offsetting Funds:			\$ -	
		Cost to be Issued:			\$ 7,800,000				Cost to be Issued:			\$ 72,246,276	
	Term:		20 Years					Term:		20 Years			
	Interest	\$ 2,929,506		3.25%				Interest	\$ 26,059,352		3.25%		
	Starting Year	FY	2020	\$ 10,729,506				Starting Year	FY	2020	\$ 98,305,628		
	<u>Beg Bal</u>	<u>FY</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>End Bal</u>		<u>Beg Bal</u>	<u>FY</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>End Bal</u>
	\$ 7,800,000	2020	\$ 282,975	\$ 253,500	\$ 536,475	\$ 7,517,025	1	\$ 72,246,276	2020	\$ 2,600,000	\$ 2,348,004	\$ 4,948,004	\$ 69,646,276
	\$ 7,517,025	2021	\$ 292,172	\$ 244,303	\$ 536,475	\$ 7,224,853	2	\$ 69,646,276	2021	\$ 2,675,000	\$ 2,263,504	\$ 4,938,504	\$ 66,971,276
	\$ 7,224,853	2022	\$ 301,668	\$ 234,808	\$ 536,475	\$ 6,923,185	3	\$ 66,971,276	2022	\$ 2,750,000	\$ 2,176,566	\$ 4,926,566	\$ 64,221,276
	\$ 6,923,185	2023	\$ 311,472	\$ 225,004	\$ 536,475	\$ 6,611,713	4	\$ 64,221,276	2023	\$ 2,850,000	\$ 2,087,191	\$ 4,937,191	\$ 61,371,276
	\$ 6,611,713	2024	\$ 321,595	\$ 214,881	\$ 536,475	\$ 6,290,119	5	\$ 61,371,276	2024	\$ 2,950,000	\$ 1,994,566	\$ 4,944,566	\$ 58,421,276
	\$ 6,290,119	2025	\$ 332,046	\$ 204,429	\$ 536,475	\$ 5,958,072	6	\$ 58,421,276	2025	\$ 3,894,752	\$ 1,898,691	\$ 5,793,443	\$ 54,526,524
	\$ 5,958,072	2026	\$ 342,838	\$ 193,637	\$ 536,475	\$ 5,615,234	7	\$ 54,526,524	2026	\$ 3,894,752	\$ 1,772,112	\$ 5,666,864	\$ 50,631,772
	\$ 5,615,234	2027	\$ 353,980	\$ 182,495	\$ 536,475	\$ 5,261,254	8	\$ 50,631,772	2027	\$ 3,894,752	\$ 1,645,533	\$ 5,540,285	\$ 46,737,020
	\$ 5,261,254	2028	\$ 365,485	\$ 170,991	\$ 536,475	\$ 4,895,770	9	\$ 46,737,020	2028	\$ 3,894,752	\$ 1,518,953	\$ 5,413,705	\$ 42,842,268
	\$ 4,895,770	2029	\$ 377,363	\$ 159,113	\$ 536,475	\$ 4,518,407	10	\$ 42,842,268	2029	\$ 3,894,752	\$ 1,392,374	\$ 5,287,126	\$ 38,947,516
	\$ 4,518,407	2030	\$ 389,627	\$ 146,848	\$ 536,475	\$ 4,128,780	11	\$ 38,947,516	2030	\$ 3,894,752	\$ 1,265,794	\$ 5,160,546	\$ 35,052,764
	\$ 4,128,780	2031	\$ 402,290	\$ 134,185	\$ 536,475	\$ 3,726,490	12	\$ 35,052,764	2031	\$ 3,894,752	\$ 1,139,215	\$ 5,033,967	\$ 31,158,012
	\$ 3,726,490	2032	\$ 415,364	\$ 121,111	\$ 536,475	\$ 3,311,125	13	\$ 31,158,012	2032	\$ 3,894,752	\$ 1,012,635	\$ 4,907,387	\$ 27,263,260
	\$ 3,311,125	2033	\$ 428,864	\$ 107,612	\$ 536,475	\$ 2,882,262	14	\$ 27,263,260	2033	\$ 3,894,752	\$ 886,056	\$ 4,780,808	\$ 23,368,508
	\$ 2,882,262	2034	\$ 442,802	\$ 93,674	\$ 536,475	\$ 2,439,460	15	\$ 23,368,508	2034	\$ 3,894,752	\$ 759,477	\$ 4,654,229	\$ 19,473,756
	\$ 2,439,460	2035	\$ 457,193	\$ 79,282	\$ 536,475	\$ 1,982,267	16	\$ 19,473,756	2035	\$ 3,894,752	\$ 632,897	\$ 4,527,649	\$ 15,579,004
	\$ 1,982,267	2036	\$ 472,052	\$ 64,424	\$ 536,475	\$ 1,510,216	17	\$ 15,579,004	2036	\$ 3,894,751	\$ 506,318	\$ 4,401,069	\$ 11,684,253
	\$ 1,510,216	2037	\$ 487,393	\$ 49,082	\$ 536,475	\$ 1,022,822	18	\$ 11,684,253	2037	\$ 3,894,751	\$ 379,738	\$ 4,274,489	\$ 7,789,502
	\$ 1,022,822	2038	\$ 503,234	\$ 33,242	\$ 536,475	\$ 519,589	19	\$ 7,789,502	2038	\$ 3,894,751	\$ 253,159	\$ 4,147,910	\$ 3,894,751
	\$ 519,589	2039	\$ 519,589	\$ 16,887	\$ 536,475	\$ (0)	20	\$ 3,894,751	2039	\$ 3,894,751	\$ 126,568	\$ 4,021,319	\$ -

Finance Model 2: Kennedy Middle School Financing – Debt Exclusion

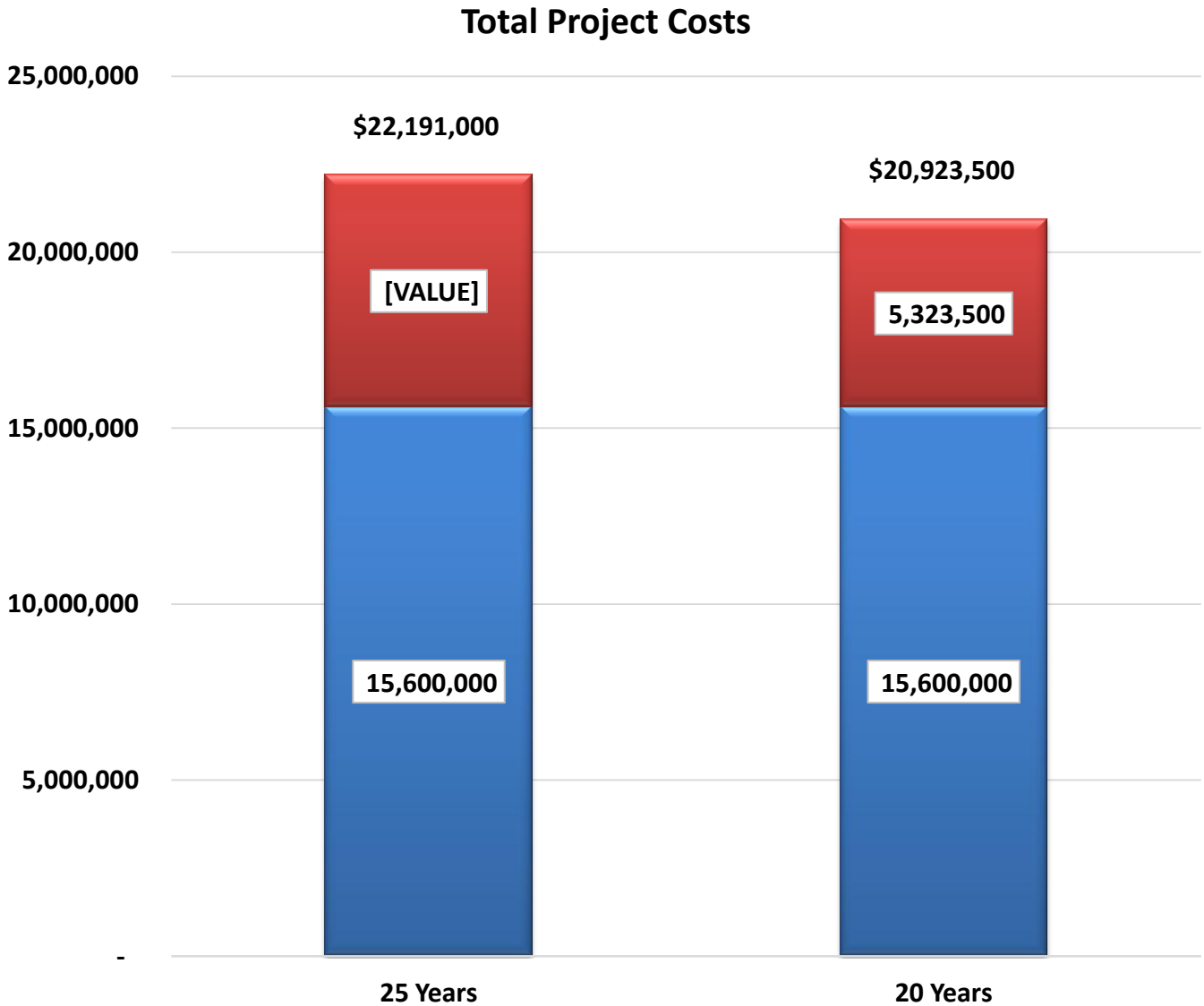


Scenario Highlights:
Offsets – MSBA 37M
Level Principal

KMS DEBT EXCLUSION 20 YRS @ 3.25%*	FY20	FY21	FY22
INCREMENTAL TAX RATE	\$0.6834	\$0.6634	\$0.6534
\$250,000	\$171	\$166	\$163
\$500,000	\$342	\$332	\$327
\$750,000	\$513	\$498	\$490
\$1,000,000	\$683	\$663	\$653

* Tax Impact Table is an estimated projection. Previous projections were modeled with higher interest rates

West Natick Fire Station Financing – Debt Exclusion



Scenario Highlights:
Level Principal

WNFS DEBT EXCLUSION 20 YRS @ 3.25%*	FY20	FY21	FY22
INCREMENTAL TAX RATE	\$0.1434	\$0.1434	\$0.1434
\$250,000	\$36	\$36	\$36
\$500,000	\$72	\$72	\$72
\$750,000	\$108	\$108	\$108
\$1,000,000	\$143	\$143	\$143

* Tax Impact Table is an estimated projection

KMS & WNFS Debt Cost Comparison

Financing Methodology Cost Comparison (assuming 20 Years @ 3.25%)			
	Principal	Interest	Total Cost
Administrator's Recommendation	\$87,846,276	\$32,320,505	\$120,166,781
Requested Financing Model 1: KMS Hybrid Debt Service 20 Years & WNFS Debt Exclusion \$7.8M Level Debt Service; Tax Levy \$7.8M Level Debt Service	\$87,846,276	\$31,918,364	\$119,764,640
Financing Model 2: Level Principal Debt Service	\$87,846,276	\$29,977,542	\$117,823,818

QUESTIONS / CONCERNS?

ITEM TITLE: Article 16 - West Natick Fire Station Land Disposition

ITEM SUMMARY:

ITEM TITLE: Article 25 - Amend the South Middlesex Regional Vocation School Agreement

ITEM SUMMARY:

ITEM TITLE: Article 29 - Amend Article 2 of the Town of Natick Home Rule Charter

ITEM SUMMARY:
