



Natick Finance Committee

Pursuant to Chapter 40, Section 3 of the Town of Natick By-Laws, I attest that the attached copy is the approved copy of the minutes for the following Meeting:

Town of Natick Finance Committee

Meeting Date: June 30, 2020

The minutes were approved through the following action:

Motion:	Approval, as amended
Made by:	Ms. Wollschlager
Seconded by:	Mr. Scurlock
Vote:	10 – 0 – 0
Date:	August 25, 2020

Respectfully submitted,

Bruce Evans

Clerk

Natick Finance Committee



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

Virtual Meeting accessed via:

ZOOM Online Meeting Access

(Click this link) Or type into

browser:

[https://us02web.zoom.us/](https://us02web.zoom.us/j/83613639639)

j/83613639639 Meeting ID: 836-

1363-9639 Direct Dial:+1 929 205

6099; ID: 83613639639#

DAY, DATE AND TIME

June 30, 2020 at 7:00 PM

MEETING AGENDA

Posted: Friday June 26 2020 12:30 PM

Revised and Posted: Friday June 29, 2020 2:15 PM

Notice to the Public: 1) Finance Committee meetings may be broadcast/recorded by Natick Pegasus. 2) The meeting is an open public meeting and interested parties can attend the meeting. 3) Those seeking to make public comments (for topics not on the agenda or for specific agenda items) are requested to submit their comments in advance, by 2:00 PM on the day of the meeting, to the Chair: phayes.fincom@natickma.org. Comments will be posted on NovusAgenda and read aloud for the proper agenda item. Please keep comments to 350-400 words. 4) The Chat function on Zoom Conferencing will be disabled.

MEETING AGENDA

1. Call to Order
 - a. Pledge of Allegiance & Moment of Silence
 - b. Advisement of Pegasus Live Broadcast and Recording for On-Demand Viewing
 - c. Review of Meeting Agenda and Ordering of Items
2. Announcements
3. Public Comments
4. Meeting Minutes
5. Review & Approve Meeting Minutes for June 16, 2020 and June 23, 2020
6. Town Administrator's FY2020 Budget - Public Hearing
 - a. June 8, 2020 Amended Preliminary Budget and June 25, 2020 Amended Preliminary Budget
7. 2020 Spring Annual Town Meeting Warrant Articles - Public Hearing
 - a. Article 8 Fiscal 2021 Omnibus Budget
 - b. Article 15 - Capital Equipment
 - c. Possible reconsideration of Article 3 - Elected Officials Salary
 - d. Possible reconsideration of Article 6 - Collective Bargaining
 - e. Possible reconsideration of Article 7 - Fiscal 2020 Omnibus Budget
 - f. Possible reconsideration of Article 9 - Fiscal 2020 Morse Institute Library Budget
 - g. Possible reconsideration of Article 11 - Fiscal 2020 Bacon Free Library Budget
 - h. Possible reconsideration of Article 18 - PEG Access and Cable Related Fund Appropriation or Transfer of Funds
 - i. Possible Reconsideration of Article 20 - Home Rule Petition: Authorization to Issue (1) On Premises Alcoholic Beverages License for 45 East Central Street, Natick, Massachusetts
 - j. Possible Reconsideration of Article 23 - South Main Street Right of Way Acquisitions
 - k. Possible reconsideration of Article 24 - Street Acceptance- Michael Terrace
8. New Business
 - a. Finance Committee representatives to the Financial Planning Committee
9. Committee and Subcommittee Scheduling
10. Adjourn

Meeting may be televised live and recorded by Natick Pegasus. Any times listed for specific agenda items are approximate and not binding. Please note the committee may take the items on this agenda out of order.

SUBMITTED BY _____

MEMBERS PRESENT:

Linda Wollschlager, Interim Chairperson
Bruce Evans, Interim Vice-Chairman, Clerk
Guimel DeCarvalho, Member
Jerry Pierce, Member
Philip Rooney, Member
Mike Linehan, Member
Jim A. Scurlock, Member
Tony Lista, Member
Jeff DeLuca, Member
Julien LaFleur, Member
Todd Gillenwater, Member
Chris Resmini, Member
Dirk Coburn, Member
David Coffey, Member

MEMBERS ABSENT:

Bill Grome, Member

CALL TO ORDER: Meeting was called to order at 7:05 PM

ANNOUNCEMENTS/CITIZEN'S CONCERNS:

Ms. Wollschlager said the Finance Committee Recommendation Book is at the printers and will be sent to Town Meeting members tomorrow.

Mr. Josh Ostroff announced that "Yes for Natick", a PAC, is holding a community budget update on July 7 at 8PM that will be televised on Pegasus. It will have the Town Administrator, Superintendent, Finance Committee Chair, Select Board representative, the Town Moderator, and Rep. David Linsky as panelists.

Mr. Frank Foss, Town Moderator announced that a memo went out to Town Meeting members and is being posted on the Town Meeting web site that provides information on the method and venue of the forthcoming Town Meeting. It will include information on the virtual Town Meeting practice sessions as well as my meeting for new Town Meeting members.

Ms. Wollschlager said you may recall that there was a question during last week's meeting of whether items that were not specifically on tonight's agenda, for example, could be discussed and voted on or whether an item that was on the agenda under possible reconsideration could be discussed and voted on. I requested Town Counsel's opinion on this and she concluded that if an item is on the agenda for possible reconsideration, it is proper to re-vote that item. However, for items not specifically listed on the agenda, because we have the practice of listing those items, to be absolutely 100% bulletproof and make sure that there are no potential challenges on the floor of Town Meeting challenges, there are several articles that we probably should reconsider tonight that were not expected to be on the agenda. They were on the warrant, and we voted on them, but we will be reconsidering them tonight (these are Articles 3, 6, & 7).

Mr. Coffey moved to open the public meeting on the 2020 Spring Annual Town Meeting Warrant Articles and to open the FY21 Town Administrator's Budget hearing, seconded by Mr. Evans, voted 14-0-0

Article 3 – Elected Officials Salary

Mr. Evans moved to reconsider Article 3 and recommend that it be added to the Consent Agenda, seconded by Mr. Gillenwater, voted 13-0-1

Mr. Evans moved to confirm the prior vote on Article 3 and recommend that it be added to the Consent Agenda, seconded by Mr. Gillenwater, voted 13-0-1

Article 6 – Collective Bargaining

The Finance Committee voted 12-0-0 for Favorable Action on Article 6 on Thursday June 25.

Mr. Coburn moved to reconsider Article 6 and recommend that it be added to the Consent Agenda, seconded by Mr. Pierce, voted 13-0-1

Mr. Coburn moved to confirm the prior vote on Article 3 and recommend that it be added to the Consent Agenda, seconded by Mr. Pierce, voted 13-0-1

Article 7 – Fiscal 2020 Omnibus Budget

The Finance Committee voted 12-0-0 for No Action on Article 7 on Thursday June 25.

Mr. Evans moved to reconsider Article 7 and recommend that it be added to the Consent Agenda, seconded by Mr. Pierce, voted 14-0-0

Mr. Evans moved to confirm the prior vote on Article 7 and recommend that it be added to the Consent Agenda, seconded by Mr. Pierce, voted 14-0-0

Article 15 – Capital Equipment

Ms. Wollschlager said that during discussion at the previous meeting, there were errors in Article 15 – these errors have been corrected in the revision presented tonight. Two motions were considered when this topic was last discussed: Favorable Action by Evans/Scurlock and Table Article 15 until June 30 meeting by Coburn/DeCarvalho. Neither of these motions was voted and both motions were rescinded by their makers at this meeting. Ms. Wollschlager briefly reviewed the updated Article 15.

Mr. Evans provided some information from Natick Pegasus on the FCC upgrade to ensure that the microphone and audio system are compliant with new FCC regulations. Mr. LaFleur asked what the consequences of being out of compliance. Mr. Randy Brewer of Natick Pegasus said this issue is that the wireless microphones in the in the Wilson and High School auditoriums are operating in the 600 megahertz band that were recently purchased through auction by the cell phone companies. If we keep operating on those frequencies, we will have interference from cell phones coming on the market now.

Article 15 Motion B

Mr. DeLuca, Chair of the Capital Subcommittee noted that the current truck is at the end of its useful life, During our conversations with DPW, we asked whether this equipment would be usable should the

town change from single-stream to multiple stream where we went to a sorted system and were told that this would be useful in any recycling scenario. Mr. DeLuca also noted that our new recycling contract actually is such that it will cost more than our solid waste disposal due to recycling market conditions, but are not allowed to dispose of recycling materials. Mr. Rooney said that the DPW Mechanics said that the current truck is consistently being repaired and is well beyond its useful life. And investing more in this truck would be throwing good money after bad.

Mr. Foss, Town Moderator noted that once you take an article off the table, the Finance Committee must now deal with it, either vote on it at the meeting or postpone it to a time certain and said that you shouldn't have something languishing on the table.

Ms. Wollschlager suggested moving on to Article 8 because there are some motions that we can vote on without Town Administration being at this meeting.

Article 8 – Motion 1A – Natick Public Schools

This motion is to approve the Town Administrator's appropriation for NPS of \$67,097,246, the same amount we discussed the previous evening on Dr. Nolin.

Mr. Evans said the reason this number is palatable and works for NPS is that they prepaid SPED for FY 21 for \$1.9 million dollars. So we need to differentiate the Town Meeting appropriation of \$67,097,246 and the NPS budget of \$69,001,035 and note that NPS used savings from school closure to close the budget gap and \$69,001,035 needs to the baseline for the next year's budget. Mr. Scurlock said that there has been some debate about this, but did not want to complicate it: Mr. Evans gave a very direct, simple and correct statement.

Questions from the Public

Mr. Foss said he wanted to talk about how he would like to treat Article 8 during Town Meeting. I've been talking to Town Counsel now for years about attempting to put one motion on the floor that covers the entire budget and I think it might be most appropriate this year, for two reasons:

- 1) If someone wishes to make adjustments, they can transfer money from department to department or changes funding sources. If you we voted the way we have voted in the past such as section by section, you cannot do that because you vote each motion separately. If someone wants to make a change by the time you get to Motion E, for example, you may need to reconsider everything you had done in one or more of the other motions that have already passed. This means that you have to individually vote the appropriation and funding sources under each motion, as well as approve Motions H2 and I2 that are approvals not appropriations. After a full debate of all motions, Town Meeting could take one vote to pass the budget.
- 2) At one time, the Legislature was going to require roll-call votes, and the thought of having to call out 180 names for each section and tally those votes for all the sections of Article 8, especially without electronic means would be way too cumbersome.

I have printed a proposed motion wherein we can opt debate all the budget motions at once.

It wouldn't the way you have it here we would be effectively approving the

Mr. Rooney asked whether this approach would mean that we were voting salary and expense spending for each department contained in these motions and it would not impact the way monies are spent

during the year. For example, if we're talking about the police department, they can move around salary money, how they want it but they can't cross borders without offending. Mr. Foss said that was one of the things that I wanted to make certain about with Town Counsel that this vote doesn't vote for the entire budget without departmental budget restrictions. Town administration is still limited to the way the motions are printed under each of the sections. It is solely a voting technique or, or technique to put one motion on the floor. Each of the printed motions in the book that contain the salaries and expenses, are preserved.

M

Mr. Evans asked whether Town Meeting members would debate each motion, and come to a consensus where we're in agreement and then move on to the next motion, or do we vote each individual motion and then vote for an Uber motion.

Mr., Foss said that members would not vote the motions separately. You need only make one vote, but you can discuss each motion and it's completely up to Town Meeting to do it the way they wish to do it. I would prefer to still keep the motions sections because that's how we've normally done this and it preserves what's under each of those sections.

Mr. Evans asked what would happen if a majority of Town Meeting members did not want to do this. Mr. Foss said members could do two things. They could move division, which would divide each of these motions, which is basically what we do anyway. Or Town Meeting could say let's put all these motions together and vote on them, but hold one or more motions out to be voted separately. It's a technique that it's like having multiple motions under an article and you're taking them all up at once. And then if you want to divide or pull a piece out, you can do that.

Questions from the Public

Ms. Catherine Brunell said she thought that language was going to put in the motion about the \$69 million that acknowledged the SPED prepayment.

Ms. Wollschlager said that is not something that is appropriate for the motion, but will be mentioned in the Finance Committee Recommendation Book. And, when we publish our supplement, and our Education & Learning Subcommittee presents their report, I'm sure that will be part of it.

Mr. Linehan moved to recommend Favorable action on Article 8 – Motion A1 to appropriate \$67,097,246 for the purpose of operating NPS, funded from Tax levy of Fiscal Year 2021, seconded by Mr. Pierce, voted 13-0-1.

Roll-call vote:

Mr. Coffey = yes

Mr. Coburn = yes

Ms. DeCarvalho = yes

Mr. DeLuca = abstain

Mr. Evans = yes

Mr. Gillenwater = yes

Mr. LaFleur = yes

Mr. Linehan = yes

Mr. Lista = yes

Mr. Pierce = yes

Mr. Resmini = yes

Mr. Rooney = yes

Mr. Scurlock= yes
Ms. Wollschlager= yes

Questions from the Committee

Ms. Wollschlager said she wanted to note very explicitly for anybody viewing this meeting that the subject matter was discussed at considerable length last Thursday evening. Mr. Evans stated that the Education& Learning Subcommittee nine or ten times and spent a lot of quality time going over a lot of issues and Dr. Nolin and her staff were terrific at turning around the answers and helping us understand why things were done a certain way so we're very grateful for their time and effort.

Questions from the Public

Dr. Nolin stated the she knows this has been a long and iterative process thanked the Subcommittee for the many hours spent together and said it's a great opportunity for NPS to tell our story and build trust and transparency with the community.

Article 8 – Motion A2 – Keefe Tech

Mr. Evans moved to recommend Favorable action on Article 2 that the Town appropriate \$1,334,398 for the purpose of operating South Middlesex Regional Vocational Technical School (Joseph P. Keefe Technical School), funded from Tax levy of Fiscal Year 2021, seconded by Mr. Scurlock, voted 14-0-0.

Questions from the Committee

Mr. Evans said the Education & Learning Subcommittee met with Dr. Jon Evans several times. The reason that the Keefe Tech allocation is less than last year is that Natick enrollment in this particular year is less than in previous years, Keefe Tech is actually expanding overall so this decline in enrollment has nothing to do with the health of Keefe Tech – they're actually doing very well and have a good relationship with the NPS.

Ms. Coburn opined that it's serendipity that we're saving a little money off of this budget. For members of the public watching or listening, the quality of the Keefe Tech programs is strong - several neighbors and friends have had children attend Keefe Tech and I wanted to speak up in favor of the quality of this program.

Ms. Wollschlager said if anyone has a middle-school-age child who might be remotely interested in Keefe Tech, I encourage parents to have their child it out. It is not just a vocational school; there are students who also go on to college.

Roll-call vote:

Mr. Coffey = yes
Mr. Coburn = yes
Ms. DeCarvalho = yes
Mr. DeLuca = yes
Mr. Evans = yes
Mr. Gillenwater = yes
Mr. LaFleur = yes
Mr. Linehan = yes
Mr. Lista = yes
Mr. Pierce = yes

Mr. Resmini = yes
Mr. Rooney = yes
Mr. Scurlock= yes
Ms. Wollschlager= yes

Ms. Malone, Town Administrator joins the meeting.

Ms. Wollschlager brought Ms. Malone up to speed and said we started discussion on Article 15, but stopped because there are questions from our Committee and the public that we needed your support to address. So we moved on to Article 8, the Omnibus budget. Now that we've finished with the schools, it would be a great time for you to give an overview on the recent budget changes before we talk about the details of each individual department budgets.

Ms. Malone summarized the journey to developing the FY21 budget. We started to adjust this budget on March 24, where we gave our initial understanding of the financial impacts of COVID-19 and what that would mean for the balance of FY20. We met every week with the Select Board and updated them on where we were financially and issues that would need to be addressed. In May, knowing that we had to revise the preliminary budget, we looked at revenue and adjusted our revenue assumptions downward with a 20% decrease in state aid and a 30% decrease in local receipts that was supported by the Select Board. Unfortunately, we have no reason that these numbers are too conservative. In fact, we received new information late yesterday that confirmed our fears on local receipts. Typically our projected meals and hotel tax fourth quarter is between \$600,000 & \$650,000 and the number that received this morning was only \$190,000. Consequently, we are working hard to end FY20 in the black by using municipal department savings. Subsequent to the revenue assumptions adopted in May and supported by our analysis. We worked to create an amended preliminary budget that recognized that the January preliminary budget could no longer be supported because it was dependent on revenues that are unlikely to materialize. The amended preliminary budget was introduced on June 8 and we've condensed what is normally a six month process into less than six weeks and produced a budget book approximately 230 pages, including debt schedule and references for the community. Subsequent to the June 8, amended preliminary budget, we listened to feedback from both the Select Board and the community and re-shaped the budget. All the reductions were put back into the budget. We were able to do that because, in the amended preliminary budget, there was a line item of \$850,000 for collective bargaining agreements. Subsequent to that modification last week, we entered into a MOA with the Firefighters union and Deputy Fire Chiefs union, ratified by the Select Board for a collective bargaining agreement that covers FY19, FY20 & FY21. It is funded partly by money that's available in FY20 in the Selectmen Collective Bargaining line and the balance would come from the Selectmen Collective Bargaining line in FY21. That leaves approximately \$10,000 in that line item for FY21. In light of this new change, we do have a revised roll-up and respectfully request reconsideration of Article 6 - Collective Bargaining so that we can bring this to Town Meeting on July 11.

Ms. Wollschlager asked whether the revised roll-up was available. Ms. Malone said they just left executive session with the Select Board, so she hadn't sent them to Ms. Wollschlager yet, but would do so. Ms. Wollschlager noted the correct figure for Article 8 – Motion A2 (Keefe Tech). Ms. Wollschlager noted that Article 6 is on the agenda tonight and the Committee could consider it for a second time tonight.

Questions from the Public

Ms. Catherine Brunell asked whether there are additional changes to those reviewed at the June 25 Finance Committee meeting. Ms. Malone said there are additional changes that include the proposed collective bargaining agreements for the firefighters and the deputy chiefs.

Ms. Brunell said she heard that \$10,000 remains in the Contract Settlements line item and for clarification. Ms. Malone noted that the town is straddling two fiscal years to fund this contract settlement. The June 8 amended preliminary budget had \$850,000 for collective bargaining agreements. In restoring everything back to that June 8 budget, that was approximately \$400,000, leaving a balance of \$400,000 in that line item and that that line item is needed in order to satisfy the proposed contract, and leaves approximately \$10,000 in the contract settlements line item. However, there is money in FY20 that also assisted in satisfying these contracts.

Ms. Malone explained that the June 8 budget included reductions that had savings that town administration believed we needed to start doing in the first quarter of FY21 reflecting the where the economic indicators seem to be headed, and based on the data points that we have. However, based on the feedback that we received, all of those reductions were put back in the budget. The revenue that was used to fund those cancelled reductions was a portion of the \$850,000 CBA line item. That left a balance of approximately \$400,000. And, to settle our public safety contracts, we need to use that \$400,000. Thus, the budget that we will be reviewing tonight is balanced. The funds we utilized are the funds that were present in the June 8 budget, but have been reallocated to the various departments to reinstate salary line items and for retroactive pay for public safety unions.

Ms. Julie McDonough, Chair, School Committee asked whether the Town Administrator is stating that there are now no reductions in service or staff on the municipal side. Ms. Malone said all reductions proposed in the June 8 budget were restored. However, it is our recommendation that in the coming months given the fiscal numbers and fiscal forecast that we strongly begin to plan for possible reductions because our analysis suggests we will need to do more drastic modifications in the fall because we will only have three quarters left of the fiscal year.

Mr. Townsend said that Mr. O'Brien sent updated motions to Ms. Wollschlager and Mr. Evans and we can also put them up on the screen to make it easier for the committee to consider these motions.

Article 8 – Motion B1 (Emergency Management, Police, Parking Enforcement)**Article 8 – Motion B2 (Fire)*****Discussed concurrently***

Ms. Wollschlager asked Mr. Rooney if he had anything further to add from our discussion last Thursday night on public safety. Mr. Rooney said the only change he expects to see is an increase in the Fire salaries item resulting from the new collective bargaining agreement and changes to the Select Board Contract Settlements line item. Ms. Malone cautioned the committee that some funding would come from FY20 and the rest would come from FY21.

Ms. Malone added that some positions were also restored via the use of grants or other funding sources. For example, we were able to keep a dispatcher in the Police budget for FY21 by using a one-time 911 grant to fund that compensation. As Mr. Rooney pointed out, the 1% increase in FY21 for the Superior Officers and Dispatchers is reflected in the salaries line item in this article. We anticipate that parking revenue will decrease, but we are being supportive of our businesses, and we will continue to watch closely on the demand for parking enforcement.

Ms. DeCarvalho asked if other service reductions were considered. Ms. Malone said the Police budget had an initial reduction in clerical staffs who are two individuals that prepare the necessary court

documents and also respond to any records requests from individuals. We have restored those two union positions. There is also a slight reduction in the police accreditation line (\$3,000 for consulting costs).

Ms. Wollschlager explained that the Committee will hear Article 6 that we'll talk about later, which are the CBA settlements. But Article 8 Motion B2 contains the adjustment upward to the salary line to reflect the 1% salary increase for Firefighters and Deputy Fire Chiefs. The Police budget we saw last Thursday already reflects the agreed salary line increases.

Mr. Lista asked if the town was at full service level for Motion B1. Ms. Malone said the town is not at full service level. Two additional patrol officers that were included in the January preliminary budget and these positions were cut from the budget. This is unfortunate because the town has had more pedestrian accidents and has received numerous complaints on speeding and requests for better traffic enforcement. When we look across our police shift staffing (particularly the nightshift), we are running beyond lean as compared with comparably sized communities. Ms. Malone gave credit to the Police and Fire Departments who participated in a full scale, active shooter drill at the mall and utilized federal funds for much of that drill. This budget is very bare in the sense of the expectation of the residents.

Ms. Cathi Collins noted that a parking enforcement person was hired last year with the understanding that, if the revenue didn't come in, we wouldn't keep that person. I thought Ms. Malone stated the parking revenues will decrease. Ms. Malone said parking enforcement revenues in FY20 did generate enough revenue to cover the compensation for these two individuals. As we move into in FY21, in difficult economic times, revenue across the board will look different. And this is just one of the many areas that may need to be reduced and we will have to adjust our budgets all accordingly.

Ms. Collins said that the June 8 budget included the dispatchers who have now been restored, but also included 0.5 FTE for a police officer who was planned to start in January. Is that person still in the budget? Ms. Malone that the police officer sport spot is appropriately budgeted.

Motions for Article 8, Motion B: Public Safety

Motion B1: (Requires majority Vote)

Move that the Town vote to appropriate the Total Budget Amount shown below for the purpose of operating the department shown under the associated categories, said funds are to be expended under the direction of the Department Head:

Emergency Management

Expenses	\$39,100
Total Emergency Management	\$39,100

Parking Enforcement

Salaries	\$114,144
Expenses	\$104,833
Total Parking Enforcement	\$218,977

Police

Salaries	\$7,345,073
Expenses	\$300,613
Total Police	\$7,645,686

Total Budget Amount for Motion B1

\$7,903,763

And that the above Total Budget Amount be raised from the following sources:

Tax Levy of Fiscal Year 2021	\$7,823,763
Parking Meter Revenues	\$80,000

Mr. Evans moved to recommend Favorable action on Article 8 Motion B-1 to appropriate \$7,903,763 to be expended under the authority of the Department Head, with \$7,823,763 from FY21 Tax levy and \$80,000 from Parking Meter revenues as shown above, seconded by Mr. Linehan, voted 12-1-0.

Roll-call vote:

Mr. Coburn = yes
 Mr. Coffey = yes
 Ms. DeCarvalho = no
 Mr. DeLuca = yes
 Mr. Evans = yes
 Mr. Gillenwater = yes
 Mr. LaFleur = yes
 Mr. Linehan = yes
 Mr. Lista = yes
 Mr. Resmini = yes
 Mr. Rooney = yes
 Mr. Scurlock = yes
 Ms. Wollschlager = yes

Debate:

Mr. Rooney reiterated that both the Police Chief and Fire Chief were asked whether these budgets were sufficient to provide level service and both said that their budgets were.

Motion B2: (Requires majority vote)	
Move that the Town vote to appropriate the Total Budget Amount shown below for the purpose of operating the department shown under the associated categories, said funds are to be expended under the direction of the Department Head:	
Fire	
Salaries	\$8,984,589
Expenses	\$283,275
Total Fire	\$9,267,864
Total Budget Amount for Motion B2	\$9,267,864
And that the above <u>Total Budget Amount</u> be raised from the following sources:	
Tax Levy of Fiscal Year 2021	\$9,267,864

Questions from the Committee

Mr. Coburn asked whether the salary line item reflects the CBA. Ms. Wollschlager confirmed that it did include that figure.

Mr. Evans moved to recommend Favorable action on Article 8 Motion B-1 to appropriate \$9,267,864 to be expended under the authority of the Department Head, funded from FY21 Tax levy as shown above, seconded by Mr. Linehan, voted 12-1-0.

Roll-call vote:

Mr. Coburn = yes
Mr. Coffey = yes
Ms. DeCarvalho = no
Mr. DeLuca = yes
Mr. Evans = yes
Mr. Gillenwater = yes
Mr. LaFleur = yes
Mr. Linehan = yes
Mr. Lista = yes
Mr. Resmini = yes
Mr. Rooney = yes
Mr. Scurlock = yes
Ms. Wollschlager = yes

Debate:

Mr. Evans said that he is to hear that this contract is settled because that means that both the Police and Fire departments have settled contracts.

Mr. Coburn said he will support this budget and appreciated the work that department leadership and Town Administration have done to come up with these budgets in a challenging year. He remains concerned about voting for these things in the absence of having even a ballpark feeling of equity among all municipal employees with regard to this CBA process. And, depending on what we learn, I may wish to change my vote as a Town Meeting member.

Mr. Lista said he sent a number of questions to the General Government Subcommittee and thanked Chief Lentini for his thoughtful responses. Like Mr. Coburn. I'm quite supportive of the Fire Department budget, but am concerned that there may be some bargaining units that have taken concessions this fiscal year while others have not.

Ms. DeCarvalho reiterated the issues with respect to some bargaining units taking no COLA and others getting COLA increases and questioned the equity as compared with the school personnel budget.

Article 8 – Motion C – Public Works

Ms. Wollschlager noted that this budget, unlike a lot of budgets we're looking at tonight has a change with respect to what was proposed in January. Two LFNR laborers to support the Kennedy Middle School and the CRT who were included in the June 8 budget are now out of the budget. I had a conversation with the DPW Director who said they'll figure out a way to make it work. Ms. Malone noted that one of the things they recognize is that the new KMS facilities and CRT coming on-line, we will have more extensive use of our open space and that requires LFNR services which is why these positions were originally in the budget. It is quite unfortunate that they needed to be removed. Hopefully, in the months ahead, we'll be able to realign to better match the department resources with the community needs.

Ms. DeCarvalho asked whether volunteer resources are available to help with park and trail clean-up.

Ms. Malone said that are volunteer organizations that do help with trash. However, while we very much value volunteers, we also open ourselves up to some potential liability. I don't think volunteers should

be taking the role of full time employees. Just recently, for example, we had a DPW laborer who was pricked with a needle and had to take precautionary medication.

Mr. Scurlock commented that the Committee has often heard that the DPW will find a way to get things done and have made some heroic efforts to do so. The CRT is a significant piece of real estate and DPW is chronically under-staffed. Ms. Wollschlager said that these cuts were made just last week after the Subcommittee meetings were completed and that's why she reached out to the DPW Director, but noted that if money allows, this may be one of the positions that might be funded mid-year or in FY22.

Comments from the Public

Mr. Josh Ostroff, Chair, CRT Advisory Committee noted the Committee is developing an operations and maintenance plan with the director of DPW and other town staff to determine how to maintain this asset to the standard that the community would expect. Volunteers have been helpful with trail maintenance, but that typically is clearing trash or brush from a walking trail. It's an entirely different thing to maintain a newly built CRT built to state and federal standards that requires the right equipment, training, and insured personnel. The Advisory Committee is also working collaboratively with the Friends of Natick Trails is to sell assets, sponsor benches and, and other things and those funds will go to the town in support of trail maintenance.

Motions for Article 8, Motion C: Public Works	
Motion for Section C : (Requires a majority vote)	
Move that the Town vote to appropriate the Total Budget Amount shown below for the purpose of operating the departments shown under the associated categories, said funds are to be expended under the direction of each Department Head or Director:	
Department of Public Works	
Salaries	\$3,955,991
Expenses	\$2,972,185
Municipal Energy	\$1,443,100
Snow & Ice	\$550,000
Total Department of Public Works	\$8,921,276
Total Budget Amount for Motion C	\$8,921,276
And that the above <u>Total Budget Amount</u> be raised from the following sources:	
Tax Levy of Fiscal Year 2021	\$8,921,276

Mr. Evans moved to recommend Favorable action on Article 8 Motion C to appropriate \$8,921,276 to be expended under the authority of the Department Head, funded from FY21 Tax levy as shown above, seconded by Mr. Scurlock, voted 11-1-1.

Roll-call vote:

Mr. Coburn = abstain
 Mr. Coffey = yes
 Ms. DeCarvalho = no
 Mr. DeLuca = yes
 Mr. Evans = yes
 Mr. Gillenwater = yes
 Mr. LaFleur = yes
 Mr. Linehan = yes

Mr. Lista = yes
Mr. Resmini = yes
Mr. Rooney = yes
Mr. Scurlock= yes
Ms. Wollschlager= yes

Debate

Mr. Evans noted that he is concerned about DPW not getting those two LFNR workers because LFNR is already understaffed and we're asking them to do more things. I would say that these should be high priority positions to fill as soon as we can.

Mr. Scurlock reiterated that DPW always does their best for the town, often under trying circumstances. And, they always have challenges with turnover, so I do worry about this.

Mr. Coffey said that he was pleasantly surprised to see the cut of the LFNR workers because, at a time when we're not able to add a police officer even though we have traffic and safety concerns and a time when we aren't re-hiring teachers to fill vacant teaching positions, it struck me as peculiar that we'd be filling these positions while not filling these other more vital roles.

Mr. Coburn said he will abstain from this vote. Current and past DPW management has done a great job getting what needs to be done completed, even when resources are tight. Further, Mr. Coburn is concerned about equity because there are DPW contracts that have yet to be settled.

Mr. Rooney said that he understands the comments; but reminded the Committee that the town is opening two re-developed parks, the opening of the new KMS, as well as opening the CRT and it is prudent to properly maintain these assets.

Mr. Lista noted that as we further discuss these budgets down the road, it would be more helpful for DPW to provide key performance indicators (KPIs) that underscore the breadth of services that DPW provides to the Town.

Ms. Wollschlager said that budget book does contain quite a few KPIs and noted that it's been clear to me as being the DPW Subcommittee Chair for a couple years now that benchmarking studies of some of our surrounding communities show that we are underfunding DPW. We're the only department that does not have an Assistant Director. Wellesley has approximately doubled the number of LFNR workers as we have. We're very fortunate to have a great group of people who deliver the great level of service on a very tight budget. At some point, I worry about that with the CRT and with KMS opening, which has a new turf field and also an outdoor classroom that will require significant maintenance, this will be a big challenge. I hope that, if the revenue picture does improve, we take a really hard look to understand the importance of DPW to our community. At a time when people want to get out of the house and enjoy those open spaces, residents want those spaces to be well-maintained.

Article 8 – Motion D – Community Services and Health Services

Mr. Rooney same no new information came to light since last week. Mr. Rooney did note that the over 60-year old population is the fastest growing age group in town, so community, community services are extremely important. Mr. Rooney added that the Board of Health has been greatly impacted by what is going on with growth in the town, reviewing site plans and new construction inspections, in addition to the post-COVID restaurant inspections required

Questions from the Public

Ms. Brunell asked whether the proposed salary increases in the Board of Health is in the revised budget.

Ms. Malone said that the proposed salary increase for the Director of Public Health to be funded from the Director of Strategic Initiatives and Capital Partnerships was removed

Ms. Brunell asked whether the decrease in indoor activities has been accounted for in the Community Services budget. Ms. Malone said this was taken into account. We tried to be creative this summer in using the CSC, but did not have the custodians to support that. And again, we will need to make reductions and modifications given where the economy is and where things are pointing at this time.

Motion for Section D: (Requires majority vote)	
Move that the Town vote to appropriate the Total Budget Amount shown below for the purpose of operating the following departments under the direction of each Department Head or Director:	
Community Services	
Salaries	\$1,481,600
Expenses	\$524,358
Total Community Services	\$2,005,958
Board of Health	
Salaries	\$593,823
Expenses	\$76,850
Total Board of Health	\$670,673
Total Budget Amount for Motion D:	\$2,676,631
And that the above Total Budget Amount be raised from the following sources:	
Tax Levy of Fiscal Year 2021	\$2,676,631

Mr. Evans moved to recommend Favorable action on Article 8 Motion D to appropriate \$2,676,631 to be expended under the authority of the Department Head, funded from FY21 Tax levy as shown above, seconded by Mr. Linehan, voted 11-2-0.

Roll-call vote:

Mr. Coburn = yes

Mr. Coffey = yes

Ms. DeCarvalho = no

Mr. DeLuca = yes

Mr. Evans = yes

Mr. Gillenwater = yes

Mr. LaFleur = yes

Mr. Linehan = yes

Mr. Lista = no

Mr. Resmini = yes

Mr. Rooney = yes

Mr. Scurlock = yes

Ms. Wollschlager = yes

Debate:

Mr. Evans noted that others have talked about the reductions in the Community Services budget that have occurred due to the combination of departments. The Health Department has done an exceptional job during the COVID crisis, working long hours with minimal staffing and they've done a lot of work on restaurant re-openings and making that happen. So when next time you're at dining somewhere in one of our local restaurants, outdoors, or even going inside, thank the Department of Health for doing a great job.

Mr. Linehan stated that the Board of Health is one of our smaller departments and almost everything they do is critical, but under the radar doing essential, preventive work

Article 8 – Motion E – Administrative Support ServicesQuestions from the Committee

Ms. Wollschlager asked Mr. Sean O'Brien, Assistant Director, Finance to review the changes to the Select Board CBA line item.

Mr. O'Brien noted that the CBA line is included in the expense line for the Select Board. So the CBA line is about \$9,000 - \$10,000 after the transfer to the Fire Department. Mr. Rooney agreed that the figures now made sense.

Mr. Linehan asked why the contract settlements line item isn't called out separately. Ms. Wollschlager said that the omnibus budget only lists salaries and expenses without further breakdown.

Mr. Coburn asked whether Town Meeting has voted this as a separate line item in the past. By not breaking CBA out as its own line item, the remainder could be used for any other Select Board expense and said he was uncomfortable with this.

Mr. Foss noted that Mr. Coburn is correct in that, in past years, there was a separate line that showed CBA budget, but they were combined into the expenses last year and this year. Ms. Wollschlager noted that the detail you are looking for will still be present for Town Meeting members to see in the Recommendation Book.

Mr. Evans asked if it would be possible for us to note what goes in /out of these line items in the narrative for the contract settlements line items, i.e., moves from Selectmen's Expenses to the Police and Fire Departments. Ms. Wollschlager agreed to do so.

Questions from the Public

Mr. Anthony Humeniuk, resident expressed concern about the depletion of the CBA line item and asked whether there are other unions that aren't under contract and are operating at the previous CBA rate to assess what that potential liability could be. Ms. Wollschlager asked if Mr. Humeniuk could hold that question until the discussion on Article 6 that deals with collective bargaining.

Mr. Foss said he went back to the 2018 Town Meeting Recommendation Book and there were four line items under Board of Selectmen, including contract settlements. In 2018, that item was \$1,383,000 and is now just under \$10,000 and asked how this line item will be replenished moving forward. Ms. Malone said Town Administration has to do a full scale review line-by-line of every department budget and every new initiative under consideration and make a decision, as a community what we're willing to pay for these services. There's no mechanism to directly replenish the CBA line item that I anticipate to happen in the fall. As I mentioned last week, we will have minimal free cash available in the fall. The contract settlements in Article 6 were negotiated in good faith and we request the Committee's support in bringing them forward to Town Meeting.

Ms. Collins stated that in all her years on this on the Finance Committee, CBA settlements was a separate line item, just like the school bus subsidy article is a separate article so that it cannot be incorporated into a budget without Town Meeting's express vote. I sincerely request that Town Administrator back it out and make it a separate line item.

Ms. Brunell asked if the Finance Committee votes to support Motion E tonight and you need more money in this line item to address Article 6, what would be the process to review that. Ms. Wollschlager said the process would be that the Committee could reconsider Article 8 – Motion E, with the caveat that the money would have to come from somewhere else.

Motion for Article 8 Motion E: Administrative Support Services	
Motion E: (Requires majority vote)	
Move that the Town vote to appropriate the Total Budget Amount shown below for the purpose of operating the departments shown under the associated categories, said funds are to be expended under the direction of each Department Head or Director:	
Board of Selectmen	
Salaries	\$1,139,521
Expenses	\$464,738
Total Board of Selectmen	\$1,604,259
Personnel Board	
Expenses	\$1,000
Total Personnel Board	\$1,000
Town Report	
Expenses	\$4,100
Total Town Report	\$4,100
Legal	
Expenses	\$400,000
Total Legal Services	\$400,000
Finance	
Salaries	\$1,176,005
Expenses	\$422,330
Total Finance	\$1,598,335
Motion continued on next Page --->	

Information Technology	
Salaries	\$359,889
Expenses	\$1,190,500
Total Information Technology	\$1,550,389
Town Clerk	
Salaries	\$276,201
Expenses	\$47,350
Total Town Clerk	\$323,551
Elections	
Salaries (Registrars)	\$98,150
Expenses (Registrars)	\$55,500
Total Elections	\$153,650
Sealer of Weights & Measures	
Salaries	\$30,400
Expenses	\$990
Total Sealer Weights/Meas.	\$31,390
Community Development	
Salaries	\$882,545
Expenses	\$80,900
Total Community Development	\$963,445
Total Budget Amount for Motion E	\$6,630,119
And that the above Total Budget Amount be raised from the following sources:	
Tax Levy of Fiscal Year 2021	\$6,630,119

Debate

Mr. Evans strongly urged Town Administration to break out salaries, expenses and contract settlements as separate items so people can see readily what's going on and to eliminate the possibility of this cash not being used for its intended purpose.

Mr. Coburn said he is going to vote against this budget because he doesn't have confidence that the budget is adequately funded to support an equitable approach to compensating municipal employees.

Mr. Rooney acknowledged that he understands Mr. Coburn's points, but until we know what the open contracts are and the status of those negotiations, there is no reason for us not to approve this. Ms.

Wollschlager stated that this topic would be addressed when Article 6 is discussed.

Ms. Wollschlager said that she shares the concern that the message that we're sending to our town employees is that our contract settlements are on a first-come-first-serve-basis. And the ones that have been able to settle so far have gotten the entire slice of the pie. I'm going to vote in favor of this motion because I'm hopeful that we will make sensible adjustments in the fall when we have a better picture on our revenue numbers

Mr. Evans moved to recommend Favorable action on Article 8 Motion E to appropriate \$6,630,119 to be expended under the authority of the Department Head or Director, funded from FY21 Tax levy as shown above, seconded by Mr. Scurlock, voted 11-1-0.

Roll-call vote:

Mr. Coburn = yes

Mr. Coffey = yes

Ms. DeCarvalho = no

Mr. DeLuca = yes

Mr. Evans = yes

Mr. Gillenwater = yes

Mr. LaFleur = yes

Mr. Linehan = yes

Mr. Lista = no

Mr. Resmini = yes

Mr. Rooney = yes

Mr. Scurlock= yes

Ms. Wollschlager= yes

Motion F – Committees and Commissions

Mr. Rooney stated that there were no changes from last Thursday's review.

Mr. Linehan moved to recommend Favorable action on Article 8 Motion F to appropriate \$115,500 for the purpose of operating the multi-member board shown under the associated categories, funded from FY21 Tax levy as shown above, seconded by Mr. Evans, voted 14-0-0.

Roll-call vote:

Mr. Coburn = yes

Mr. Coffey = yes

Ms. DeCarvalho = yes

Mr. DeLuca = yes

Mr. Evans = yes

Mr. Gillenwater = yes

Mr. LaFleur = yes
 Mr. Linehan = yes
 Mr. Lista = yes
 Mr. Resmini = yes
 Mr. Rooney = yes
 Mr. Scurlock= yes
 Ms. Wollschlager= yes

Motion for Article 8, Motion F: Committees and Commissions	
Motion F: (Requires majority vote)	
Move that the Town vote to appropriate the Total Budget Amount shown below for the purpose of operating the the multi-member board shown under the associated categories, said funds are to be expended under the direction of each multi-member board:	
Finance Committee	
Expenses	\$32,800
Total Finance Committee	\$32,800
Commission on Disability	
Expenses	\$750
Total Commission on Disability	\$750
Natick Cultural Council	
Expenses	\$700
Total Natick Cultural Council	\$700
Historical Commission	
Expenses	\$750
Total Historical Commission	\$750
Historic District Commission	
Expenses	\$550
Total Historic District Commission	\$550
Affordable Housing Trust	
Expenses	\$80,000
Total Affordable Housing Trust	\$80,000
Total Budget Amount for Motion F	\$115,550
And that the above <u>Total Budget Amount</u> be raised from the following sources:	
Tax Levy of Fiscal Year 2021	\$115,550
	\$115,550

Debate:

I think this is the appropriate time to recognize the job that Mr. Evans is doing filling in and doing double-duty. If you recall, we used to have someone who transcribed our minutes and now it's Mr. Evans doing this, I anticipate that our Finance Committee line item is overstated to some extent, but I'm still going to support the budget because we will need that budget for transcription next year.

Article G – Shared Expenses

Mr. Rooney reminded the Committee that many of these items are fixed by either regulation or agreement with insurance companies and lenders. However, it also includes the Facilities Management department that is shared between the municipal and school segments. Mr. Rooney noted that the only change from last week was the change that reinstated the project manager position and removed the two custodial positions. Ms. Malone are happy to answer that, again, recognizing the need to have finality on the budget for Town Meeting, we removed the request for two custodians that we were trying to hire in recognition of the need to address the ongoing public health crisis and will have to revisit this in the fall. The swap of the Project Manager and two custodians yielded an approximate \$20,000 savings. We modified the summer Parks and Recreation schedule to focus on outdoor programming only and will not be using the CSC center gym.

Questions from the Committee

Mr. Linehan requested confirmation that the town is contributing 100% of the retirement funding for current employees, using pay-as-you-go for annual retirement payouts, and in catch-up mode so that at some point in the future, the pension funds will be fully funded. Ms. Malone said the Town pension plan is approximately 65% funded and projects to have it fully funded by 2030, based on the last actuarial valuation. Note that this line item is the town pension plan and doesn't include the LIUNA pension plan and the town and the employees contribute to the LIUNA pension fund. The \$10 million is the employer contribution and the outstanding liability is approximately 35, meaning if we had to pay every employee all that they've accrued to date, we'd only be able to pay them 65 cents on the dollar. Ms. Malone emphasized that the town is chipping away at the pension funding. We're concerned about what will happen with the economy and estimate that the Town's employer contribution may have to increase to reach that objective of full funding by 2030 or extend the date for being fully funded further out past 2030. The Pension Board will closely track where investments are headed and where the general economy is going depending on what is in the portfolio.

Mr. Linehan said his understanding of the phrase "pay-as-you-go") was used in the past to indicate lead some people, including me, to believe that the full amount of additional pension liability was getting covered and then we were also contributing to digging out of the hole. That doesn't sound like what's happening. Ms. Malone said when you look at the actuarial valuation (I'm happy to supply it again to this committee); the normal cost is the cost of what it currently costs for an employee. The issue with pensions is that, in paying the employer contribution, you're paying in for the person sitting in the seat now, and you're honestly paying out for the person who was sitting in the seat 10 years ago who is now receiving the pension. Whether the Town pension plan or the LIUNA pension plan, full funding requires millions and millions of dollars. Right now, the most accurate report we have states fully funded by 2030. However, I'm saying that, given the recent disruptive events and the estimates of a long, gradual recovery that 2030 date may need to be pushed out.

Ms. DeCarvalho noted that her understanding is the Town has an obligation to make up the difference when the pension funding does not reach its objectives. Ms. Malone said the Pension Assessment line item is the Town Pension plan and is funded approximately 7% higher than it was last year. Not taking into account any COVID events or other extenuating circumstances. It's expected to increase at minimum 7% for the next three to four years.

Ms. DeCarvalho asked whether this pension fund had underperformed in the past in years when typical mutual funds made 15-20% returns. Ms. Malone said she could double-check the actuarial report, but thought that in 2018, the returns were lower. Mr. Townsend emphasized that the Town does not run the pension plan – that is run by the Natick Contributory Retirement Board (NCRB), a separate state-regulated entity. We don't have any input with regard to their investments or the returns or anything else on how that money is managed. The rates that we pay are set by the NCRB and approved by PERAC, the state board that regulates them and we have to pay those rates. NCRB is required to have the plan fully funded by the year 2030. I encourage members to look at the PERAC website if they want to look into more details on the returns (found by going to the Mass. State website and searching for PERAC). PERAC also oversees all different towns so you can see how NCRB stacks up against other towns.

Mr. LaFleur asked whether the full funding by 2030 was a statutory requirement or softer guidance. Mr. Townsend said that there are two different plans that towns can opt for – either funding by 2030 or fully funded by either 2036 or 2040. The Town opted for the 2030 plan.

Mr. LaFleur asked, given Ms. Malone's comments on the current financial predicament we find ourselves in, it seems like 2030 may be in jeopardy - what plans does the Town have to ensure the town is on track for 2030. Mr. Townsend said, looking back at previous economic downturns, there were some fairly steep increases on the employer contribution side of payment to pension plans. We don't yet know whether the Legislature will take a look at this and decide to provide some relief to towns on this topic and possibly push these dates out. Again, we need to monitor this very closely and track what the Town needs to do.

Mr. LaFleur asked if we hit the 2030 target does that mean that the employer contribution amount can go down some amount once the pension is fully funded. Mr. Townsend said that is a question that the NCRB must decide. Beyond the Town Pension, the general consensus of most towns and cities beyond this is other post-employment benefits (or OPEB) that will need to be funded. Right now, the town pays OPEB on a "pay-as-you-go" basis, with the thought that once the Town Pension is fully funded, and then you will switch over a large proportion of your funding to reduce OPEB liability.

Questions from the Public

Ms. Brunell commented that when she first heard the Facilities Management Project Manager position discussed at the Financial Planning Committee, it was positioned as an either/or proposition with the two custodian positions. Tonight, I heard that the Project Manager is back in the budget and the custodians are removed, but the Town Administrator is hopeful to find money elsewhere in the budget to fund the custodian positions at Fall Town Meeting. I'm hopeful that these positions get funded.

Mr. Evans moved to recommend Favorable Action on Article 8 Motion G to appropriate \$47,591,596 for the purpose of funding the accounts and funds shown below, said funds are to be expended under the direction of the following officials or committees: Employee Fringe Benefits - Town Administrator; Property and Liability Insurance - Town Administrator; Contributory Retirement System Pension Liability – Collector/Treasurer; Non Contributory Retirement Pension Liability - Comptroller; Debt Service - Collector/Treasurer; Reserve Fund – Finance Committee; Facilities Management - Town Administrator & Superintendent of Public Schools, and that the above Total Budget Amount be raised from the following sources:

<i>Tax Levy of Fiscal Year 2021</i>	<i>\$16,591,811</i>
<i>State Aid</i>	<i>\$10,213,391</i>
<i>Local Receipts</i>	<i>\$12,531,078</i>
<i>Free Cash</i>	<i>\$2,000,000</i>
<i>Overlay Surplus</i>	<i>\$1,000,000</i>

<i>Title V Septic</i>	<i>\$0</i>
<i>Water-Sewer User Fees</i>	<i>\$2,697,486</i>
<i>Golf User Fees</i>	<i>\$55,090</i>
<i>General Stabilization Fund</i>	<i>\$2,300,000</i>
<i>Premiums</i>	<i>\$80,578</i>
<i>School Building Assistance</i>	<i>\$122,162</i>
<i>TOTAL</i>	<i>\$47,591,596</i>

, seconded by Mr. Scurlock, **voted 13-1-0**

Roll-call vote:

Mr. Coburn = yes
 Mr. Coffey = yes
 Ms. DeCarvalho = no
 Mr. DeLuca = yes
 Mr. Evans = yes
 Mr. Gillenwater = yes
 Mr. LaFleur = yes
 Mr. Linehan = yes
 Mr. Lista = yes
 Mr. Resmini = yes
 Mr. Rooney = yes
 Mr. Scurlock = yes
 Ms. Wollschlager = yes

Motion G: (Requires majority vote)	
Move that the Town vote to appropriate the Total Budget Amount shown below for the purpose of funding the accounts and funds shown below, said funds are to be expended under the direction of the following officials or committees: Employee Fringe Benefits - Town Administrator; Property and Liability Insurance - Town Administrator; Contributory Retirement System Pension Liability - Collector/Treasurer; Non Contributory Retirement Pension Liability - Comptroller; Debt Service - Collector/Treasurer; Reserve Fund - Finance Committee; Facilities Management - Town Administrator & Superintendent of Public Schools.	
INSURANCES & BENEFITS	
Employee Fringe	
Other Personnel Services	\$16,938,091
Other Personnel Services - Merit / Performance	\$0
Total Employee Fringe	\$16,938,091
Property & Liability Insurance	
Purchased Services	\$863,972
Total Prop. & Liab. Insurance	\$863,972
RETIREMENT	
Contributory Retirement	
Pension Assessment	\$10,825,274
Total Contributory Retirement	\$10,825,274
Non-Contributory Retirement	
Pensions	\$18,121
Total Non-Contributory Retirement	\$18,121
DEBT SERVICE	
Expenses	\$15,143,814
Total Debt Service	\$15,143,814
FACILITIES MANAGEMENT	
Facilities Management	
Salaries	\$2,847,824
Expenses	\$704,500
Total Facilities Management	\$3,552,324
Total Budget Amount for Motion G	\$47,591,596

Debate

Mr. Evans thanked Mr. Townsend, Mr. O'Brien and Ms. Malone for taking us through the changes to this budget and giving us clarification on where we are with the pension funds. The economy is not doing great so the pension fund isn't doing great, but we have a plan to get back on track. We need economic stability to get back on track, but we're working towards 2030 as that target. We're doing the right things as a community and are actually doing better than other peer communities on OPEB so I'm pretty comfortable voting favorably on this budget.

Mr. DeLuca noted that he was appreciative of the discussion of unfunded pension liability. Unfunded liabilities are a major impact on municipal budgets for various reasons. One aspect that wasn't included in this discussion is the impact of unfunded pension liabilities on bonds. When a municipality issues a bond, one of the first questions asked by the rating agencies and investors is what our pension funding situation looks like, how fully funded we are, what our pension fund's projected returns are, etc. In my opinion, the Town does a great job with our unfunded liabilities and I think our OPEB funding is on track. This budget gets us where we need to be now and then in the future, we'll have to re-examine it to see what our rate of return is, what our expenses are.

Article 8 – Motion H1 – Water and Sewer Enterprise Fund

Ms. Wollschlager said there is no updated information on this budget from last Thursday.

Questions from the Committee

Mr. Coburn asked what the Water & Sewer retained earnings balance is. Mr. Townsend said that 2019 Water & Sewer retained earnings is \$796,119 and Sassamon Trace Golf Course is \$72,756. An important note is that for both these enterprise funds, as a result of amended financial procedures, towns can tap into these retained earnings, if necessary. Moving into FY21, retained earnings are usually certified at the same time that free cash is, so these balances will be updated when we get our free cash certification.

Mr. Evans moved to recommend Favorable action on Article 8 Motion H1 to appropriate \$14,009,365 for the purpose of operating the departments shown under the associated categories, said funds are to be expended under the direction of each Department Head or Director: to appropriate \$115,500 for the purpose of operating the multi-member board shown under the associated categories, funded from FY21 Tax levy as shown above, seconded by Mr. Linehan, voted 13-0-0.

Roll-call vote:

Mr. Coburn = yes	Mr. Linehan = yes
Mr. Coffey = yes	Mr. Lista = yes
Ms. DeCarvalho = yes	Mr. Resmini = yes
Mr. DeLuca = yes	Mr. Rooney = yes
Mr. Evans = yes	Mr. Scurlock= yes
Mr. Gillenwater = yes	Ms. Wollschlager= yes
Mr. LaFleur = yes	

Motion H1: (Requires majority vote)	
Move that the Town vote to appropriate the Total Budget Amount shown below for the purpose of operating the departments shown under the associated categories, said funds are to be expended under the direction of each Department Head or Director:	
Water & Sanitary Sewer Operations	
Salaries	\$2,150,485
Expenses	\$7,944,172
Total Sanitary Sewer	\$10,094,657
Utility Billing	
Salaries	\$106,487
Expenses	\$89,000
Total Utility Billing	\$195,487
Fringe Benefits	
Expenses	\$927,843
Total Employee Benefits	\$927,843
Water & Sewer Debt Service	
Principal	\$1,990,352
Interest	\$601,004
Total Debt Service	\$2,591,356
Water & Sewer Reserve Fund	
Expenses	\$200,000
Total W & S Reserve Fund	\$200,000
Total Budget Amount for Motion H1	\$14,009,365
And that the above Total Budget Amount be raised from the following sources:	
Water-Sewer User Fees	\$14,009,365

Debate

Mr. Coburn said the response to my question indicates that this is a fairly dynamic area of our public finance, meaning that as revenues flow in, they are funding very current expenses. The retained earnings are around 5% of just the direct expenses, let alone the indirect costs we will consider under Motion H2. For the public's benefit, that this means if there is disruption or volatility in this operation, as has occurred in so many operations during the pandemic emergency, water and sewer rates may need to be adjusted.

Ms. Wollschlager noted that while some towns and cities were adversely affected by the COVID crisis, in particular Boston where fewer people coming to work in the city, water usage has declined, and that is causing problems because they are not getting the revenues in to sustain their operations. The other thing I just wanted to re-emphasize is that the MWRA did reduce our assessment by \$150,000 whereas our typical assessment goes up on the order of 5% (this year it's about 1% in recognition of the hard times many communities are having).

Article 8 Motion H2 – Water and Sewer Indirects

Ms. Wollschlager noted that the Finance Committee need only approve that these are the indirect costs provided by Town Administration – this is not an appropriation.

Mr. Evans moved to recommend approval of the following indirect cost allocations raised in the General Fund, seconded by Mr. Linehan, voted 12-1-0.

Roll-call vote:

Mr. Coburn = yes	Mr. Linehan = yes
Mr. Coffey = yes	Mr. Lista = yes
Ms. DeCarvalho = no	Mr. Resmini = yes
Mr. DeLuca = yes	Mr. Rooney = yes
Mr. Evans = yes	Mr. Scurlock = yes
Mr. Gillenwater = yes	Ms. Wollschlager = yes
Mr. LaFleur = yes	

Motion H2: (Requires majority vote)-	
Water/Sewer Indirect Cost Allocations	
Move that the Town vote to APPROVE the following indirect cost allocations raised in the General Fund:	
PERCENTAGE ALLOCATIONS	TOTAL
DPW Administration	\$182,238
Engineering Services	\$336,060
Equipment Maintenance	\$456,329
Highway Sanitation Recycling	\$318,306
Facility Maintenance	\$87,559
Public Safety	\$169,146
Finance - Administration	\$231,406
Town Administration	\$190,572
Community Development	\$110,278
Information Technology	\$155,548
Procurement	\$32,760
Human Resources	\$3,968
Legal Services	\$76,813
Property & Liability Insurance	\$317,681
Utilities	\$32,683
Vehicle Fuel	\$153,000
Sub Total - General Fund	\$2,896,332

Water Sewer Staff Performing General Fund Functions	
GIS Services	-\$52,393
W/S Admin. Asst. - DPW	-\$29,101
W/S Admin. Asst. - Collector	-\$60,746
Snow and Ice Removal	-\$56,626
Subtotal - Water Sewer	-
Total Water and Sewer Indirect Costs	\$2,697,4
And that the sum of \$2,697,486 appropriated in the General Fund be raised from the following source:	
Water-Sewer User Fees	\$2,697,486

Article 8 Motion I1 – Sassamon Trace Enterprise Fund

Ms. Wollschlager said there was no updated information.

Mr. Linehan moved to recommend Favorable Action on the appropriation of \$918,177 for the purpose of operating the departments shown under the associated categories; said funds are to be expended under the direction of each Department Head or Director, funded from \$240,000 FY21 Tax levy and \$678,177 from Golf User Fees, seconded by Mr. Linehan, voted 10-1-2.

Roll-call vote:

Mr. Coburn = yes	Mr. Linehan = yes
Mr. Coffey = yes	Mr. Lista = yes
Ms. DeCarvalho = no	Mr. Resmini = yes
Mr. DeLuca = abstain	Mr. Rooney = yes
Mr. Evans = yes	Mr. Scurlock = yes
Mr. Gillenwater = yes	Ms. Wollschlager = yes
Mr. LaFleur = abstain	

Article 8 Motion I2 – Sassamon Trace Enterprise Fund Indirects

Mr. Coburn moved to recommend approval of the following indirect cost allocations raised in the General Fund:

Motion I2: (Requires Majority Vote)	
Sassamon Trace Enterprise Fund Indirect Allocations	
Move that the Town vote to APPROVE the following indirect cost allocations raised in the General Fund:	
PERCENTAGE ALLOCATIONS	TOTAL
Public Works Administration	\$1,367
Equipment Maintenance	\$3,704
Highway, Sanitation, Recycling	\$1,062
Recreation	\$8,793
Land Facilities and Natural Resources	\$10,999
Public Safety	\$1,691
Finance	\$4,190
Town Administration	\$6,352
Procurement	\$328
Human Resources	\$657
Legal Services	\$1,280
Property & Liability Insurance	\$6,354
Utilities	\$3,763
Vehicle Fuel	\$2,550
Total Golf Indirect Costs	\$55,090
And that the Sum of \$55,090 appropriated in the General Fund be raised from the following source:	
Golf User Fees	\$55,090

Seconded by Mr. Linehan, voted 12-1-0,

Roll-call vote:

Mr. Coburn = yes	Mr. Linehan = yes
Mr. Coffey = yes	Mr. Lista = yes
Ms. DeCarvalho = no	Mr. Resmini = yes
Mr. DeLuca = yes	Mr. Rooney = yes
Mr. Evans = yes	Mr. Scurlock= yes
Mr. Gillenwater = yes	Ms. Wollschlager= yes
Mr. LaFleur = yes	

Committee Scheduling

The Finance Committee will meet Thursday July 2 to discuss:

- Any potential changes to the June 8, 2020 Amended Preliminary Budget and June 25, 2020 Amended Preliminary Budget
- 2020 Spring Annual Town Meeting Warrant Articles - Public Hearing
 - o Possible reconsideration of Article 6 - Collective Bargaining
 - o Possible Reconsideration of Article 8 - Omnibus Budget
 - o Possible reconsideration of Article 15 - Capital Equipment
 - o Possible Reconsideration of Article 20 - Home Rule Petition: Authorization to Issue (1) On Premises Alcoholic Beverages License for 45 East Central Street, Natick, Massachusetts
 - o Possible reconsideration of Article 22 - Amend Article 10 of the Natick Town Bylaws

Mr. Coburn moved to close the public hearing on the 2020 Spring Annual Town Meeting Warrant Articles and to open the FY21 Town Administrator's Budget hearing, seconded by Mr. Evans, voted 12-1-0

Roll-call vote:

Mr. Coburn = yes	Mr. Linehan = yes
Mr. Coffey = yes	Mr. Lista = yes
Ms. DeCarvalho = no	Mr. Resmini = yes
Mr. DeLuca = yes	Mr. Rooney = yes
Mr. Evans = yes	Mr. Scurlock= yes
Mr. Gillenwater = yes	Ms. Wollschlager= yes
Mr. LaFleur = yes	

Mr. Linehan moved to adjourn, seconded by Mr. Evans, voted 12-0-0 at 11:09 PM

Roll-call vote:

Mr. Coburn = yes	Mr. Linehan = yes
Mr. Coffey = yes	Mr. Lista = yes
Mr. DeLuca = yes	Mr. Resmini = yes
Mr. Evans = yes	Mr. Rooney = yes
Mr. Gillenwater = yes	Mr. Scurlock= yes
Mr. LaFleur = yes	Ms. Wollschlager= yes