



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:

<https://us02web.zoom.us/j/84592572710>

Meeting ID: 845 9257 2710

Passcode: 751931

One tap mobile
+19292056099,,84592572710# US
(New York)

Dial by your location
+1 929 205 6099 US (New York)
Meeting ID: 845 9257 2710

DAY, DATE AND TIME

October 1, 2020 at 7:00 PM

MEETING AGENDA

Posted: Monday, September 28 2020, 12:04 PM

Revised and Posted:

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
 - a. [Committee policy & procedures available via this link and also at the meeting location](#)
4. Meeting Minutes
 - a. Review & Approve Meeting Minutes for September 22, 2020 and September 24, 2020
5. 2020 Fall Town Meeting Warrant Articles – Public Hearing
 - a. [FATM Article 9 Sherborn Sanitary Sewer Extension \(Pulte Homes\) Inter-Municipal Agreement](#)
 - b. [FATM Article 25 Create Study Committee of Town Meeting to conduct review of Downtown Mixed-Use Zoning](#)
6. 2020 Special Town Meeting Warrant Articles – Public Hearing
 - a. [STM Article 13 Capital Equipment](#)
 - b. [STM Article 14 Capital Improvement](#)
 - c. [STM Article 1 FY 2021 Omnibus Budget](#)
 - d. [STM Article 4 Stabilization Fund](#)
 - e. [STM Article 5 Operational/Rainy Day Stabilization Fund](#)
 - f. [STM Article 6 Capital Stabilization Fund](#)
 - g. [STM Article 7 Other Post-Employment Benefits \(OPEB\) Appropriation or Transfer of Funds](#)
 - h. [STM Article 2 Town Meeting Funding](#)
 - i. [STM Article 9 Personnel Board Classification and Pay Plan](#)
 - j. [STM Article 12 Unpaid Bills](#)
 - k. [STM Article 19 FY20 and FY21 COVID-19 Related Expenses of Natick Public Schools](#)
7. Committee and Subcommittee scheduling
8. 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.

MEMBERS PRESENT:

Linda Wollschlager, Chairperson
Todd Gillenwater, Vice Chair
Bruce Evans, Clerk
Dirk Coburn, Member
David Coffey, Member
Guimel DeCarvalho, Member
Jeff DeLuca, Member
Bill Grome, Member
Julien LaFleur, Member
Mike Linehan, Member
Jerry Pierce, Member
Richard Pope, Member
Chris Resmini, Member
Philip Rooney, Member
Jim Scurlock, Member

MEMBERS ABSENT: None

CALL TO ORDER: Meeting was called to order at 7:02 PM

ANNOUNCEMENTS/CITIZEN'S CONCERNS:

Ms. Diane Packer, Town Clerk announced that she has received many applications to receive early voting ballots but has not received ballots from the state yet. She noted that, as soon as they get them, we will be getting them ready to be mailed out to all of the people who requested ballots.

Early voting will be available from October 17-30. No application is required for in-person early voting. All COVID-19 procedures will be followed during early voting. All voters are requested to wear masks and to follow social distancing guidelines. The hours are:

- Saturdays and Sundays: October 17-18 and 24-25: 10:00 AM-3:00 PM
- Mondays-Wednesdays: 9:00 AM - 4:00 PM
- Thursdays: 9:00 AM - 6:00 PM
- Fridays: 9:00 AM - Noon

The last day to register to vote in this election is Saturday, October 24, 2020. You may vote in this election if you turn 18 years of age on or before November 3, 2020. If you will turn 18 years old by November 3 but not by October 24, you may pre-register to vote anytime but must do so by October 24 and then will be eligible to vote on November 3.

Mr. Coffey moved to open the public hearing of the Special Town Meeting # 1 warrant, seconded by Mr. Gillenwater, voted 15 – 0 – 0.

Roll-call vote:

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

Mr. Rooney (speaking as a resident) said “Over the past several weeks, I've been approached by three taxpayers, who have stated that they have witnessed or have been informed of what they believe to be

concerning actions or decisions by the town administration or school administration, with respect to spending taxpayer funds. In each case, they have reported their concerns or questions to the appropriate department. The common thread is that the citizens feel that decisions or actions that are occurring are not aligning with the words and messaging being sent by the town administration or school administration. Specifically, that revenue sources are in jeopardy or may be insufficient to meet the current needs. These taxpayers said they were observing and concluding it appears to be inconsistent spending, or evaluations with respect to fairness for all town departments. There is a growing concern with me and these taxpayers that there is not an effort to ensure that all actions support the one Natick contract.

STM Article 2 Town Meeting Funding

ARTICLE LANGUAGE

To see if the Town will vote to appropriate or otherwise provide a sum of money to be expended under the direction of the Town Clerk for the purpose of providing the use of third party software and related services, and help desk staff to accomplish necessary functions of a virtual or in-person Town Meeting venue during the 2020 Fall Annual Town Meeting, 2020 Special Town Meeting #1, 2021 Spring Annual Town Meeting and any other Town Meeting convened during FY Year 2021, or otherwise act thereon.

PURPOSE OF THE ARTICLE

As the Committee is aware, Covid-19 Pandemic is why Town Meeting sessions have been and will be conducted in a virtual venue for some time. Thus, FY21 sessions (2020 FATM, 2020 STM#1 and 2021 SATM) will likely all be virtual venues. Each virtual venue costs the Town for voting assistance, help desk staffing, and meeting recording and minutes drafting.

MOTION:

Move that the Town vote to appropriate Fifty Thousand Dollars (\$50,000) from State Aid to be expended under the direction of the Town Clerk for the purpose of providing the use of third party software and related services, and help desk staff to accomplish necessary functions of a virtual or in-person Town Meeting venue during the 2020 Fall Annual Town Meeting, 2020 Special Town Meeting #1, 2021 Spring Annual Town Meeting and any other Town Meeting convened during FY Year 2021.

FINANCE COMMITTEE PUBLIC HEARING AND DISCUSSION

Presenters:

Ms. Diane Packer, Town Clerk

Mr. Frank Foss, Town Moderator

Mr. Foss said Article 2 is a request for funding to address the requirements to hold Town Meeting virtually, anticipating that 2020 Fall Annual Town Meeting, 2020 Special Town Meeting #1, and 2021 Spring Annual Town Meeting will likely all be virtual venues. Each virtual venue costs the Town for voting assistance, help desk staffing, and meeting recording and minutes drafting. The Article requests that \$50,000 be appropriated from Free Cash and shall be expended under the direction of the Town Clerk. Mr. Foss shared a table with the projected costs.

Fall Annual Town Meeting & Special Town Meeting #1	Description	Sessions	Cost/Session	Total Cost
	Option Tec.	8	\$1,500.00	\$12,000.00
	Help Desk	8	\$900.00	\$7,200.00
	Recording Steno	8	\$1,000.00	\$8,000.00
	Assemble Minutes	8	\$500.00	\$4,000.00
Total Fall Annual Town Meeting 2020 & Special Town Meeting #1				\$31,200.00

Spring Annual Town Meeting	Description	Sessions	Cost/Session	Total Cost
	Option Tec.	8	\$1,500.00	\$12,000.00
	Help Desk	8	\$900.00	\$7,200.00
	Recording Steno	0	\$1,000.00	\$0.00
	Assemble Minutes	0	\$500.00	\$0.00
Total Spring Annual Town Meeting 2021				\$19,200.00

Total estimated costs

\$50,400.00

Options Technology is the company we used for virtual 2020 Spring Annual Town Meeting and includes the software that enables Town Meeting to be recognized to speak and to vote on motions and includes as the on-site support staff to facilitate the meeting. The Help Desk was vital in our previous virtual Town Meeting is the staffing costs for the Help Desk. Mr. Foss thanked Dr. Nolin, School Superintendent for assisting us in working with the School IT Staff. The town paid for these services from the line item in the Town Clerk's budget for the Town Meeting purposes. For Fall Town Meeting, we need to have recording stenographer to record the salient parts of Town Meeting and help assemble the minutes - I'll let the clerk speak to the purpose of that. These numbers are based on research we've already done on the estimated cost per Town Meeting session. Fall Annual Town Meeting and Special Town Meeting #1 includes all four costs. 2021 Spring Annual Town Meeting includes the Option Technology and Help Desk pieces if we are continuing to have virtual Town Meeting in the spring. We estimated eight sessions each for 2020 Fall Annual Town Meeting and 2021 Spring Annual Town Meeting with an average time of 2.5 hours per session.

Ms. Packer noted that the reason we need to hire a stenographer and someone to write up three minutes is that early voting for the presidential election and the cleanup afterwards will be running concurrently to 2020 Fall Annual Town Meeting, so it will not be possible for me to be at all Town Meeting sessions and ensure that the election happens smoothly. Due to the pandemic, this is an election like none we've ever seen before – the amount of mail-in ballots and early voting is unprecedented and the quantity of work to manage that process is much larger than in previous years.

Mr. Foss concluded that the cost estimate is \$50,400. Mr. Foss noted that he doesn't expect to spend this entire amount, but wanted to make certain that in the event that we went more than eight sessions or the equivalent, there would be sufficient funding to handle Town Meeting. The cost estimates were based on what we expended at the previous virtual Town Meeting. Some may ask what the effect would be if this funding was not provided, you would have to record all the votes by roll-call votes and with 130 or more members that would take forever. We received great feedback on the quality of the help desk support that we received which really helped a virtual Town Meeting runs smoothly. It's imperative that we have an accurate record of the Town Meeting proceedings that is clear, concise and can be replicated into the certifications that the Town Clerk has to send to not only the Department of Revenue, but where appropriate, to state agencies and/or the Attorney General's office. Mr. Foss said,

without this funding we will not have a successful Town Meeting. Further, it is imperative that the Special Town meeting #1 be completed with vote certifications as quickly as possible to enable the town to set the tax rate. It is vitally important that we have accurate minutes and turn around the certifications quickly.

Mr. Pope asked whether the cost is covered by the CARES Act. Mr. Foss said he believed that most, if not all, the CARES Act funding is spoken for, but would have to have defer to the Town Administrator for that. Ms. Malone said the Town of Natick received \$3.1 million. As the Moderator indicated, those funds are essentially spoken for, there's a small amount of money that remains and we are assessing the remaining needs of all of the departments. The school department received approximately \$2.8 million of the \$3.1 million. We have covered the Zoom subscriptions not only for this Committee, but other Committees as well as Town Departments. Unfortunately, the demand for the additional resources exceeds the \$3.1 million. Mr. Townsend added that the town received updated guidance on the CARES Act yesterday, so it may be possible for us to use CARES Act funding, but we would need to weight that against all the other demands for this funding. Mr. Townsend requested that the sponsors consider using state aid as the funding source, rather than free cash. As you probably know, town did receive substantially more state aid than we originally estimated for FY 21. We usually receive our free cash number in early October, but have not received it yet. Unfortunately, DOR is, to put it delicately, rather backed up at this particular point in time regarding a lot of different things, so I'm concerned about not having a free cash number by Town Meeting.

Mr. Evans asked how we make a motion to access the state aid funds noting that he didn't remember ever seeing state aid as a direct source of funds at Town Meeting. Mr. Townsend said, generally speaking, we rely upon tax levy and free cash as our primary funding sources with regards to most of our Articles, and other sources like state aid and other funding sources are lumped into, usually a lumped into a motion gap of Article One, which is these shared expenses, portion of our budget.

Mr. Linehan asked whether there is at least \$50,000 in free cash to cover this. Mr. Townsend said his concern is that there is a delay with DOR; we might not have that free cash number on the first day of Town Meeting. Mr. Foss noted that he had no objection to changing the funding source from free cash to state aid.

Mr. Linehan moved to recommend Favorable Action on Article 2, seconded by Mr. Pierce, voted 15 – 0 – 0

Roll-call vote:

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

STM Article 13 Capital Equipment

ARTICLE 13 MOTION B:

Move that the Town vote to appropriate the sum of \$200,000 to be expended under the direction of the Department of Public Works for the purpose of Replacing Vehicle 606 (W-17) F-450 w/Crane, and that to meet this appropriation the Treasurer with the approval of the Select Board is authorized to borrow \$200,000 under Massachusetts General Laws Chapter 44, Section 7(1), as amended, or any other enabling authority and to issue bonds or notes of the Town therefore aggregating not more than \$200,000 in principal amount and that the Town Administrator with the approval of the Select Board is

authorized to take any action necessary to carry out this program, and further, that any premium received by the Town 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.

TABLE B- Motion B - Capital Equipment – 2020 Special Town Meeting #1

Item	Department	Project Title	Source	Amount
1	Public Works Water/Sewer	Replacing Vehicle 606 (W-17) F-450 w/Crane	Water/Sewer Borrowing	\$ 200,000
Total				\$ 200,000

Mr. Errickson said he had spoken with Town Counsel and Bond Counsel about the issue of not referencing Water & Sewer in the motion, and the explanation he received from counsel was that borrowings that come from an enterprise fund keep the language of the motions as is, but provide the supplementary table to the item(s) reference in the motion, and that table will show the intent of what the borrowing authorization is (i.e., Water & Sewer enterprise fund). This is consistent with past practice and consistent with what bond counsel wants to see in the motion itself. The table has been added to the motion to provide greater clarity.

Mr. Evans moved to recommend Favorable Action on Article 13 Motion B seconded by Mr. Coburn, voted 15 – 0 – 0.

Roll-call vote:

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

MOTION D:

Move that the Town vote to appropriate the sum of \$80,000 to be expended under the direction of the Community Services - Recreation & Parks - Golf Course for the purpose of:

- Rough Mower, and
- HD (heavy duty) Utility Vehicle

individually shown as items 1 and 2, in Table D below, and that to meet this appropriation the Treasurer with the approval of the Select Board is authorized to borrow \$80,000 under Massachusetts General Laws Chapter 44, Section 7(1), as amended, or any other enabling authority and to issue bonds or notes of the Town therefore aggregating not more than \$80,000 in principal amount and that the Town Administrator with the approval of the Select Board is authorized to take any action necessary to carry out this program, and further, that any premium received by the Town 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 13

TABLE D- Motion D - Capital Equipment – 2020 Special Town Meeting #1

Department	Project Title	Source	Amount
Community Services - Recreation & Parks - Golf Course	Rough Mower	Golf Course Borrowing	\$ 50,000
Community Services - Recreation & Parks - Golf Course	HD Utility Vehicle	Golf Course Borrowing	\$ 30,000

Mr. Errickson noted that, as with Article 13 Motion B, town counsel and bond counsel advised him to keep the current language and provide a supplementary table to the item(s) reference in the motion, and that table will show the intent of what the borrowing authorization is (i.e., Sassamon Trace Golf Course Enterprise Fund).

Mr. Evans moved to recommend Favorable Action on Article 13 Motion D seconded by Mr. Pierce, voted 15 – 0 – 0.

Roll-call vote:

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

ARTICLE 14 MOTION B:

Move that the Town vote to appropriate the sum of \$3,930,000 to be expended under the direction of the Department of Public Works for the purpose of:

- Replacement of Springvale Water Air Stripper Media,
- Purchase of High Lift,
- H&T Building Modifications Springvale,
- Replacement of Ground Water Wells, and
- Water Main Relining/Replacement,

individually shown as items 1 thru 4, in Table B below, and that to meet this appropriation the Treasurer with the approval of the Select Board is authorized to borrow \$3,930,000 under Massachusetts General Laws Chapter 44, Section 7 & 8, as amended, or any other enabling authority and to issue bonds or notes of the Town therefore aggregating not more than \$3,930,000 in principal amount and that the Town Administrator with the approval of the Select Board is authorized to take any action necessary to carry out this program, and further, that any premium received by the Town 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 14

TABLE B- Motion B - Capital Improvement – 2020 Special Town Meeting #1

Item	Department	Project Title	Source	Amount
1	Public Works Water/Sewer	SPRINGVALE WTR AIR STRIPPER MEDIA REPLACEMENT	Water/Sewer Borrowing	\$ 380,000
2	Public Works Water/Sewer	HIGH LIFT, H&T BUILDING MODIFICATIONS SPRINGVALE	Water/Sewer Borrowing	\$ 450,000
3	Public Works Water/Sewer	REPLACE GROUND WATER WELLS	Water/Sewer Borrowing	\$ 500,000
4	Public Works Water/Sewer	WATER MAIN RELINING / REPLACEMENT	Water/Sewer Borrowing	\$ 2,600,000
Total:				\$ 3,930,000

FINANCE COMMITTEE PUBLIC HEARING AND DISCUSSION

Mr. Errickson noted that this has the same issue as Article 13 motions B and D in that the source of borrowing is ambiguous and needs the addition of a table to clarify it.

Mr. Evans moved to recommend Favorable Action on Article 14 Motion B seconded by Mr. Pierce, voted 15 – 0 – 0.

Roll-call vote:

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

Article 14 Motion G Scrivener's error correction

MOTION G:

Move that the Town vote to transfer the sum of \$450,000 to be expended under the direction of the Town Administrator for the purpose of 90 Oak Street Contamination Clean-up & Park Amenities (the former East School Park), originally appropriated pursuant to Article **16**, Motion B of the 2020 Spring Annual Town Meeting to pay costs of the Cole Center Roof Replacement, which amount is no longer needed to complete the project for which it was originally borrowed.

Ms. Wollschlager said that the previous Motion G had the incorrect reference to the 2020 Spring Annual Town Meeting Article – it was Article 13 Motion B and should be Article 16 Motion B. Mr. Errickson also noted that one cleanup item that has been recommended by Town Counsel and the Town Moderator is to rescind the 2020 Spring Annual Town Meeting vote that appropriated \$450,000 for Cole Center roof replacement at the 2021 Spring Annual Town Meeting.

Mr. Evans moved to approve the scrivener's error correction in STM Article 14 Motion G, seconded by Mr. Pierce, voted 15 – 0 – 0.

Roll-call vote:

Mr. Coburn = yes	Mr. Linehan = yes
Ms. Coffey= yes	Mr. Pope = yes
Mr. DeCarvalho = yes	Mr. Resmini = yes

Mr. DeLuca = yes
Mr. Evans = yes
Mr. Grome = yes
Mr. LaFleur = yes

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

Revised Budget Overview

Presenters

Ms. Melissa Malone, Town Administrator
Mr. John Townsend, Deputy Town Administrator – Finance
Mr. Sean O'Brien, Assistant Director, Finance

[Financial Review and Forecast presentation – 9-30-20 – Fincom](#)

Ms. Malone said she wanted to review the highlights of a very comprehensive analysis that has been done by the Finance team. Before going through all this analysis, I want to thank the exceptional team that the town has working on its behalf – John, Sean, and Abdul have spent extraordinary amount of time. I have worked with many people in my professional career and want to say how proud I am of the great work that we've been doing. We have provided the Finance Committee and Town Meeting with a lot of data points on the financial health of the town. This began in October of 2018 and Town Meeting, where we provided over 20 specific PowerPoints that highlighted things such as debt service, pension, revenues, etc. Then in September of 2019, we put together a comprehensive indicator and FY Review. And then in March, unfortunately, with COVID, we reassessed what our revenues and what our FY state actually was and what we could expect. We needed to step back in March and April and stop and listen to see which way we were going with all departments. In March, I had asked that all departments prepare a 180 to 360 day plan. We projected that this was going to be a long duration event that has borne out. We put together various indicators that indicate what our FY health is, as a community, and I want to highlight one because we have spoken a fair amount about it in the last two weeks. Last year, at this time, we recognized that there were some things that we deferred and were trying to get back on track by continuing to invest in ourselves and in the community. But, post-COVID, we are investing a reduced amount. We are happy to come back another day and walk through all of the indicators. However, I will turn the floor over to my colleagues to walk through the information that's most relevant to Town Meeting, particularly Motion 1, which is the most relevant as we move through Town Meeting, and particularly motion one, which is the information on the close of 2020 and moving ahead to her actual forecast.

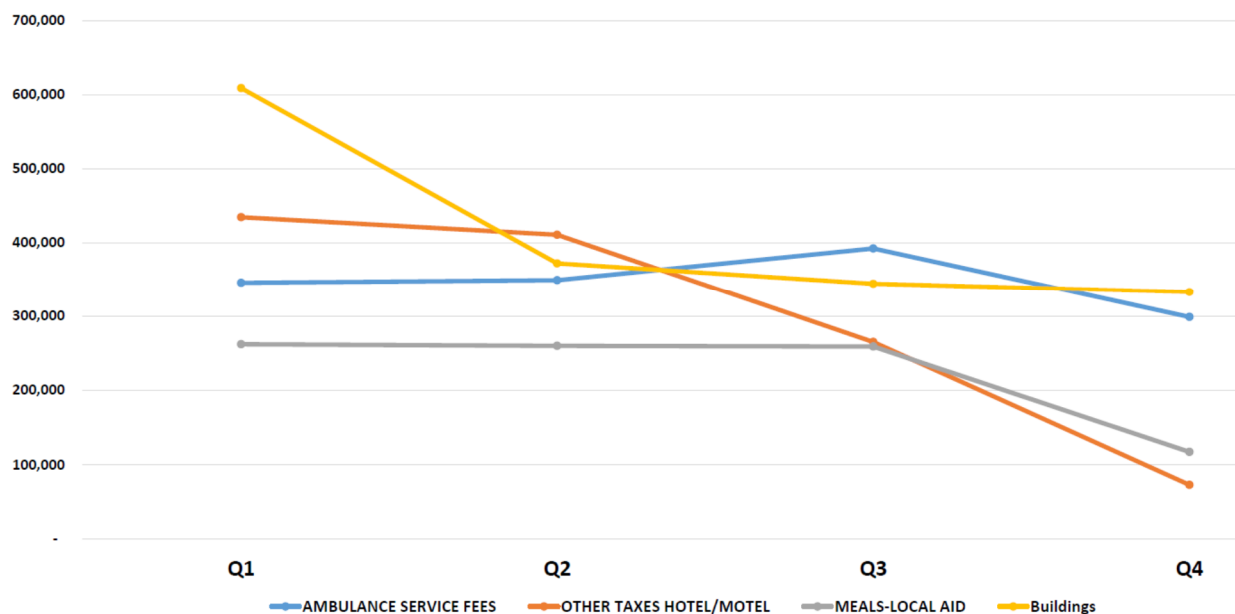
Mr. Townsend said he would walk the Committee through Town Administration's annual forecast and a projected four-year forecast. As you probably know, we do try to do this every year. From a budget perspective it gives us some numbers to work with and it allows us to determine exactly how the town is performing on a wide number of different indicators. As was stated, you know, we did those, but they are available for you if you'd like to take a look at them. Tonight, we will focus mainly on our four-year forecast. As you can probably guess, this has been a challenging year to try to develop a forecast. One of the things we did was to take a little bit of a different tack to try to determine the forecast by focusing on the operational aspects of the town. To give you a little better look at that, we took out some items that don't necessarily improve your ability to see what the operations look like. From the revenue side, we took out a lot of one-time revenues, such as free cash, stabilization funds, and things that shouldn't impact our operations on an ongoing basis. As you know, it's not a smart idea to use free cash to run your operations on an ongoing basis. From an expense side, we took out the capital pieces, as well as contributions to stabilization and those sort of things to strip down the forecast to those operating aspects to give you an idea with regards to what is happening with town.

Mr. Townsend and his team developed a Four-Year Financial Projection that provides an overview of potential revenues and expenditures for upcoming FY years. The intent of the forecast is to have a realistic outlook that highlights town-wide operating trends and facilitates productive financial planning. The FY22 – FY25 forecast focuses on the estimated operational changes over the next four years. On the revenue side this excludes uses of Free Cash and Stabilization Funds while on the expense side, it excludes capital expenses, stabilization fund contributions, and miscellaneous items. The rationale being to identify operational trends and to develop solutions as a team based on those trends.

Let's start off with a couple of the revenue assumptions we made in developing this forecast:

- When talking about tax levy, you have a 2.5% increase annual increase from your tax levy plus new growth that is always difficult to forecast. Luckily, Natick has had some exceptional new growth numbers for the past few years. FY 21 is probably going to be one of those years where we will have a pretty good new growth number to help us through this period.
- Looking forward, it's not quite as rosy. One of the problems that we will be facing is the lack of growth in our commercial sector where a dramatic decline. On the other hand, our residential growth will perform fairly well. The new growth numbers are around \$700,000-\$850,000 per year, and Mr. O'Brien will talk more about this when he presents the actual years. We feel confident in these residential numbers and are hopeful the commercial sector will perk up some.
- Earlier I mentioned that we received more state aid than anticipated. We forecast a 20% cut in state aid since the state relies heavily upon income tax revenue and the expectation that the state would have a very serious cut to their revenues as a result of the unemployment figures. We're very thankful that this came through and the state made certain that we were made whole for FY 21. We haven't been able to examine the state budget because it hasn't been issued yet. We remain concerned about the state's revenues and do not think we can rely on state aid being level funded for the next couple of years. So we have forecast a 10% decline in state aid for FY 22. And then, we are forecasting across-the-board comeback in the economy starting in FY 22, so we're forecasting a 3% annual increase in FY 23 and FY 24.

Local Receipt Highlights FY20 Q1-Q4



- When we look at our local receipts that is a big concern for us. Our baseline for this forecast is in FY 21 we took a mix of our various local receipts, and forecasted out for FY 22, FY 23 and FY 24. We are forecasting recovery of 3% annually. Local receipts (hotel and meals tax, and ambulance service fees) have taken an extremely large hit from COVID. We started experiencing the decline in Q3 FY 20 and it has steadily declined since that time. If you look at Q3 to Q4.
- Revenue from Ambulance Fees declined dramatically during this period. However in talking to Chief Lentini he noted that the number of calls didn't decrease too much, but what did decrease significantly were our transports to hospitals not surprising given the COVID pandemic.
- Other taxes – hotel/motel was the area that was most seriously hit. Hotels were shut down for a while during the pandemic – our actual revenues dropped 80% from Q3 to Q4.
- Local aid – meals declined 55% from Q3 to Q4 since restaurants weren't open, except for takeout 55% decrease overall for meals and meals taxes.
- Building permits: Natick had a very good start to FY 20 and that was driven by a large number of projects that came in in early FY 20 and some final MathWorks permits. And then dropped off in Q2 and Q3. One of the interesting things that we did see and it's not included on this chart, but there was an uptick in August and receipts from building permits. August is usually a strong month for building permits and hopefully that trend will continue.
- The town hasn't received its receipts from hotel/motel tax or meals tax for Q1 FY 21 were hopeful that it will be better than Q4 FY 20 and we should get them in early October.
- Overall, we're looking at a downturn of just under \$1 million which will color our estimates for FY 21, FY 22, and FY 23.

REVENUE FORECAST FY22 – FY25

	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast	Comments
General Fund Revenues					
Tax Levy	129,621,274	133,229,327	137,079,567	140,737,073	2.5% Levy, \$700k - \$850k New Growth, plus debt exclusions
State Aid	13,519,637	13,925,226	14,342,983	14,773,272	Assumes 10% decline in FY22 with 3% annual increases after
Local Receipts	13,070,950	13,463,079	13,866,971	14,282,980	Assumes 3% growth annually
Other Local Receipts					
Indirects	2,663,368	2,703,318	2,743,868	2,785,026	Dependent on GF operating budget assuming 1.5%
Free Cash					Zeroed out for operational analysis
Stabilization Fund					Zeroed out for operational analysis
Overlay Surplus	500,000	500,000	500,000	500,000	Can change based on ATB liabilities
Other Available Funds	273,992	266,614	257,110	131,949	Parking Meter Receipts, Other State Remb., Bond Premiums for HS/CSC
Total General Fund Revenues	159,649,220	164,087,564	168,790,498	173,210,301	

Mr. O'Brien walked through the revenue estimates

Tax Levy – assumes 2.5% plus \$700,000-\$850,000 of new growth per year. In FY 22 and FY 23, the \$700,000 is a conservative outlook based on the last five years of new residential growth we're assuming a minimal amount of growth in the commercial sector until years FY 24 and FY 25.

State Aid remains a big variable and we're assuming a 10% decline in FY 22 and then a 3% increase annually in FY 23 through FY 25. Typically, the state budget would already be out by now, but with that kind of an unknown, we're projecting a 10% drop in FY 22. We traditionally receive preliminary cherry sheets (estimated state aid that Natick can expect) in late January/early February, so hopefully we'll have more information by then.

Local receipts have been the area that has dropped most precipitously as Mr. Townsend described earlier.

Other local receipts include a mixed bag of revenue sources including investment income and supplemental bills on new construction, which last year alone totaled \$2 million. Motor vehicle excise, tax as increased significantly. Our approach is to forecast conservatively on local options acts to take a realistic approach. We probably will need to refine this over time as we move through quarter to quarter.

Indirects our revenues from the Water & Sewer enterprise fund and Sassamon Trace golf course enterprise fund that they that are paid into the general fund for overhead services provided to those enterprise funds. Typically, revenues from the enterprise funds increase by 1 to 2% each year.

Overlay surplus are going to be challenging to forecast so we allocated \$500,000 per year. This can change if we have an uptick in tax abatements and appeals.

Other available funds is a mixed bag and includes parking meter revenues which we've kept at \$80,000 per year, two bond premiums – one for the MSBA reimbursements and the other based on the CSC project. Per the Municipal Modernization Act financing rules, you apportion the bond premiums over the life of the debt rather than how we do it now all upfront. It's a small piece of the pie, but it can be a little confusing.

Two things that we left out here are **free cash** and **stabilization funds**. This isn't because we're not going to have free cash or stabilization, but was done to simplify the forecast and focus solely on the operational aspects, so we can track those trends and have a good bottom-line perspective without the variability that frequent cash and stabilization might add to this forecast.

EXPENSE TRENDS

	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast	Comments
General Fund Expenses					
Education & Learning					
10 Natick Public Schools	69,110,163	71,183,468	73,318,972	75,518,541	Assumes over 60% of Gen. Fund opex. Less shared
12 Keefe Tech	1,334,398	1,367,758	1,401,952	1,437,001	Assumes 2.5% of increase
13 Morse Institute Library	2,347,603	2,389,469	2,423,674	2,466,455	Assumes Avg Increase of 1.7%
14 Bacon Free Library	132,445	134,244	136,080	137,952	Assumes Avg Increase of 1.4%
15 Public Safety	17,634,302	18,009,523	18,361,262	18,711,549	Assumes Avg Increase of 2.0%
16 Public Works	9,046,194	9,190,852	9,332,964	9,476,313	Assumes Avg Increase of 1.6%
17 Health & Human Services	2,579,580	2,623,334	2,656,318	2,693,465	Assumes Avg Increase of 1.5%
18 Administrative Support Services	6,642,906	6,742,478	6,855,076	7,002,444	Assumes Avg Increase of 1.8% (CBA line has been distributed)
19 Committees	115,500	115,500	115,500	115,500	Assumes level funding
20 Shared Expenses					
21 Fringe Benefits	16,924,233	17,093,475	17,264,410	17,437,054	Assumes 1% increases (whenever dependent upon plan changes)
22 Prop & Liab. Insurance	907,171	952,529	1,000,156	1,050,163	Assumes Avg Increase of 5%
23 Retirement	11,691,296	12,509,687	13,385,365	14,322,340	Assumes 7% increases less Non-Contributory Retirement
24 Debt Service	15,331,359	15,724,607	16,016,746	15,813,822	Based on capital plan debt service schedule
25 Reserve Fund	250,000	250,000	250,000	250,000	Level Funded
26 Facilities Management	3,730,121	3,824,325	3,904,097	3,986,336	Assumes 2.2% increase
General Fund Oper. Expenses	157,777,270	162,111,250	166,422,591	170,418,936	
Capital Improvements					
27 School Bus Transportation	431,951	442,750	453,819	465,164	Zeroed out for operational analysis
28 State & County Assessments	1,358,293	1,371,876	1,385,595	1,399,451	Assumes 2.5% annual increase
29 Cherry Street Offsets	324,122	327,363	330,637	333,943	Assumes 1% annual increase
31 Snow Removal Supplement	450,000	450,000	450,000	450,000	Assumes 1% annual increase
32 Overlay	1,000,000	1,000,000	1,000,000	1,000,000	Varies dependent upon valuations, revaluation years
33 Golf Course Deficit	245,000	245,000	245,000	245,000	Assumes level funding
34 General Stabilization Fund					Zeroed out for operational analysis
35 Operational Stabilization Fund					Zeroed out for operational analysis
36 Capital Stabilization Fund					Zeroed out for operational analysis
37 OPEB Trust					Zeroed out for operational analysis
38 Misc. Articles					Zeroed out for operational analysis
Total General Fund Expenses	161,506,637	165,948,240	170,287,642	174,312,495	
Net Excess / (Deficit)	-1,937,417	-1,860,676	-1,497,144	-1,102,195	

Mr. O'Brien said the spreadsheet on the previous page titled "Expense trends" provides an overview of the expense trends we've seen.

General Fund Expenses: For all the municipal departments, we took used an average increase of 2% plus any steps/lane changes and put in inflationary factors of 1% – 2% for some of the line items, following some of the trends we saw. For NPS, we try to maintain that at 60% of the General Fund operations less the shared expenses to keep it proportional. As I said, it's not a budget, but provides kind of an overview only.

Shared Expenses:

Fringe Benefits – includes health insurance and other types of benefit accounts, traditionally has increased overall by 1% per year. Obviously that's subject to our health insurance rates and retirements (since they are covered by Medicare). This is subject to our health insurance rates that we typically receive in early March.

Property Liability insurance has, on average, gone up 5% annually.

Retirement Assessment is provided by the Retirement Board via their actuary. So the numbers for FY 22 are accurate and the rest increased by 7% annually.

Reserve Fund stays level.

Facilities management and school bus transportation subsidy are projected to increase at 2.5% per year

State and county assessments and **Cherry Sheet offsets** (MBTA, regional transportation, and mosquito spraying) will go up 1% annually.

State Aid goes up 3% after the downturn in FY 21

Snow Removal Supplement typically is around \$1 million, but we haven't budgeted it that high but we put this placeholder in to give a realistic expense overview in that it might be needed in future years.

Overlay accounts we estimate at 1% of tax Levy.

Golf course deficit is level funded

The results of this expense analysis are estimated deficits, as follows:

FY 22 = \$1,937,417

FY 23 = \$1,860,676

FY 24 = \$1,497,144

FY 25 = \$1,102,195

We found this is a useful planning tool to get us started on a first draft of where we see things going in the start planning for the FY 22 budget with a view towards a multiyear budget. The four year window helps us balance what we would like to accomplish in the short-term vs. long-term and understand from a bottom line position, if these projections bear out to identify what the best solutions are going forward. It's a good starting point, and by no means is this complete but it's a framework to help get feedback on our finances going forward.

Ms. Malone said this is the beginning of the planning process and town administration will provide the unvarnished and accurate information not only to this committee but the Select Board and the entire community. One of our guiding principles is sustainability. We must identify what we immediately need figure out while being disciplined enough to look at our long-term goals and determine how to ensure that every department in town gets the resources that they need to achieve their objectives and deliver services to taxpayers. Some of the potential outcomes that we expect to see from these robust discussions include financial stability. We understand that pre-COVID, we were in the midst of talking about a possible override as well as talking about many of the objectives we hope to accomplish. Now COVID has thrown us all a curveball, but one of the things that we have talked about in the process over the last six months is that life will continue after COVID and we must continue to plan and grow. The question for us as a community is going to be how we grow and what priorities we hold as community and how we ensure that our monetary policies match those priorities for the entire community. So



Questions from the Committee

Mr. Rooney asked whether the status provided any guidance concerning <10% growth> Mr. Townsend said they had not done so.

Mr. Rooney commented that the last slide talked about sustainability and potential outcomes and asked what type of activity has been initiated to put together an update concerning sustainability and potential outcomes. Ms. Malone said the first thing that the town did was to gather detailed information on what we were seeing as a result of COVID. This forecast attempts to start to plan for a sustainable future. The forecast, along with the good FY health provides us the direction and begins the process to create multi-year budgeting and a sustainable plan. And I would say comparatively, when I look across what we've done, that the amount of information, maybe to some it may be contradictory and maybe moving at times, but that is just because the situation in which we are living is just that it is frequently moving. And we are frequently reassessing our data points.

Mr. Rooney acknowledged that this is a rough forecast and asked whether it would be fair to conclude that, based on what we're seeing is, we're going to need an operational override and who would meet to determine the extent to determine to discuss how to determine the size of an override we need.

Ms. Malone said the Select Board actually vote whether or not to place an override question on the ballot and Select Board meetings are open to the public. Even, prior to March 2020, the Financial Planning Committee held numerous meetings, evaluating the timing of override, etc. I think it will be these two bodies, along with the Finance Committee to discuss this. And so I think that there's going to be with those two bodies, along with the Finance Committee that was part of the last override in 2008-2009. There will be multiple opportunities for people to participate. By charter, the Select Board is the body that determines whether or not an override goes on the ballot. As far as the timing, Town Administration does forecast a deficit for FY 22, but we also recognize that there are a lot of moving parts, so it's not a foregone conclusion.

Mr. Coffey asked whether NPS was consulted as to how much the potential increase would be or was this simply done based on current numbers. Ms. Malone said it was based on current budget, and noted that no departments were consulted for inputs, since this is a forecast with many unknowns, not a budget and it is based on historical data and anticipated revenues.

Ms. DeCarvalho noted that, based on what's happened the past couple of quarters (lower local receipts, flat state aid, etc.) and there's a projection that shows it will take at least five years for recovery and there still would be a shortfall. Ms. Malone said it will be a slow, long-term recovery. In reading a variety of literature, the indications are between five and seven years. Mr. Townsend said the town is forecasting that things will get better towards the end of FY 22. Generally speaking, we should be back on par by the end of the four year period. One of the reasons FY 21 revenue projections came out a little better than we had sort of expected is that our first two quarters of FY 20 were extremely strong. Whether we're going to attain those growth rates and revenue predict projections at the end of four years is debatable. We don't really have a good handle on the impact this is going to have on our commercial sector. Natick is fortunate to have a very strong commercial base. And that unfortunately, has, you know, been damaged during this downturn. How quickly the commercial sector recovers is difficult to tell at this point in time you will have to watch it very closely.

Mr. DeLuca asked what data sources were used to develop this forecast – third-party vendors, subscription services, outside data, or high frequency data analysis.. Mr. Townsend said most of it is in-house and we get a lot of data from the DOR who provide us pretty detailed data. Another data point is the town census.

Mr. DeLuca asked if any data sources going into this model for a per-classification commercial real estate model that separates office, industrial, retail, multifamily, etc. Mr. O'Brien said commercial real estate is a factor in the new growth side but this forecast just took the last five years of new growth by category and put in the average for the residential side. Natick has had great commercial growth here, but it is unknown what future growth will be. Mr. O'Brien said they intentionally kept it simple and

straightforward and agreed that it would be helpful to have that commercial information in the future to develop a more detailed forecast.

Mr. DeLuca said the state is seeing a lot of stresses run through across commercial real estate, with vacancies increasing across the state and retail has been hit hard also. Mr. DeLuca asked whether were seeing any signs of commercial real estate tax abatement requests coming in based on income approach valuations because sales valuations in the state or our area don't yet have a decline. Mr. Townsend noted that we do these forecasts before the budget season to give us some numbers to work with, will but we don't really get a good handle on how they commercial real estate is doing until any abatement requests start coming in and that is after January 1.

Mr. DeLuca commented that it seems like reducing state aid by 10% is a decent start and a good forecast going forward, but noted that he had seen in-depth analysis that have great variation was anywhere from \$2 billion-\$8 billion decline. Mr. Townsend said that they looked at what happened in the downturn of 2009 - 2010 where the state started out with a 17% drop in revenue, but he didn't see the state having that dramatic a cut, but until they see the FY21 budget numbers, 10% is a good conservative marker.

Mr. Scurlock noted that there have been significant anchor stores at Natick Mall that announced that they are closing or given specific dates when they will be closing. So it seems like we ought to be able to make an assessment of potentially significant commercial real estate tax abatements. Mr. Townsend agreed that the outlook does not look good since the mall is one of our largest taxpayers and aren't looking good at the moment and are forecasts indicate a reduction in commercial real estate tax. However it's difficult to project because the mall, for example, was able to convert the JC Penney site into a Wegman's store, so I'm hopeful that mall management will find creative ways to preserve their revenues. Ms. Malone added that one of the pieces that is in the more extensive part of our presentation is an assessment of what the impact on an average single family home at \$617,000 would be. We modeled out what a 5%, 10%, 15%, 20%, and 25% decline in the values of commercial real estate to assess the magnitude of these changes would be. Since the commercial sector is approximately 6% of our tax levy base, we wanted to show what a prospective decline in the commercial base would affect Natick's finances.

Mr. Scurlock asked whether these closures could lead to a possible abatement of \$1 million-\$2 million and asked whether this was factored into the forecast. Mr. Townsend said that level of abatement is definitely a possibility. Mr. Townsend said the issue with the tax levy is that a decline in commercial tax levy will lead to a shift to residential tax levy added and this will be a factor in setting the tax rate. New growth for FY 21 will probably be close to \$2 million. However, our forecast for FY 22 is around \$700,000 and, we believe there will not be new growth in the commercial sector for a couple of years.

Mr. Scurlock noted that, in round numbers, \$67 million was appropriated to the schools and did not include the \$2 million for prepaid SPED and asked whether the FY 22 figure represents a level funding as compared to FY 21. Ms. Malone said it does not include the prepayment because that would be including it twice because if it were prepaid, it would not be charged twice in the same year, so the \$69 million is an increased amount from FY 21.

Mr. Scurlock said the figures appear to have assumptions of a percentage increase based on revenue and asked for confirmation. Mr. O'Brien said the NPS general fund appropriation goes up 3% annually in the forecast, and makes up around like 63 – 64% of the general fund operations, less shared expenses. Mr. Scurlock asked how that lines up with the NPS requests over the last five years. Mr. O'Brien said the NPS requests have been in the 4% to 6% range over the past five years. Mr. Scurlock noted that we are forecasting half of what has been historically requested by NPS. Ms. Malone noted that it's not assuming that any department is going to, per se have a particular request and stated that this forecast is based on where we currently have seen things and looking ahead & what might be different. The budget process will then commence in October and the preliminary budget will be delivered on January 2, 2021. So this makes no assumptions of requests by NPS, DPW, or any other department. Mr. Scurlock stated that this looks like a statement of what the town can afford and not a budget request. Ms. Malone countered that this forecast shows a deficit, so it wouldn't be a budget.

Mr. Pope noted that, on the revenue side, it seems like this forecast assumes residential real estate offsets commercial real estate, and the main source of the deficit is the decrease in state aid. If I were to

take the deficit forecast and compare that to 10% of annual state aid over the four year period, that would be about the same. Ms. Malone reemphasized that this is not a budget. With respect to the tax levy, the tax levy is currently increasing and the question on the tax levy is who will be paying it. This forecast assumes that if the commercial units are not paying it, the residential units are paying it. On the state aid decrease, we feel that the 10% number is a reasonable number at this time. It is quite possible that the forecast could be revised if the state passes a budget in December and telegraphs that the state aid number is different. So use that figure for this forecast and figured 3% increase in the out years. Mr. Pierce asked when a property is added to the residential tax levy. Mr. Townsend said property goes on the tax rolls once a Certificate of Occupancy has been issued for it and gave kudos to the Assessors department that sent out the interim bills as soon as possible and these new properties hit the tax rolls to help contribute to the tax levy as soon as possible. Mr. Pierce asked whether the property owner still has to pay taxes while the houses being built. Mr. Townsend said they do, but the issue is what the value of it is. Until the assessors can get out there and actually value the home, the town can't really put a tax rate on it. However, the Town makes sure that we get the assessors out to the site as quickly as possible to capture the new value. Otherwise, they're paying their taxes on the value on a piece of land. Mr. Coburn said that the SPED prepayments were applied to FY 21 so unless there is a funding source available to do similar prepayment in FY 22, then it wouldn't be double counted. The only reasonable sources for SPED prepayment towards FY 22 costs would be under-spending the FY 21 budget which is highly unlikely or circuit breaker, which is a risky thing to rely on, because during some downturns state has reduced the percentage of funds for a circuit breaker. Mr. Townsend said that this is a forecast, not a budget. In the forecast, we take the town being appropriation and we tack on 3% and it doesn't include detailed analysis for the schools nor any other department. The objective of this forecast is to get a quick snapshot of where we think we're going to be.

Questions from the Public:

Ms. Kate Flathers asked about local receipts and noted that when she looked at the trends in FY 20, it only seems to come out to about half of what the projections are for FY 22 and asked whether there are other large categories and how those are behaving during COVID. Mr. Townsend said that Ms. Flathers is correct and he broke out those particular segments because they are of the most interest because they were the ones primarily affected by COVID. There are a large number of local receipts that aren't in these figures" the biggest one that I didn't mention is motor vehicle excise tax. Interestingly, we didn't see a drop off in motor vehicle excise tax which we believe is due to very low interest rates, but we have seen a steady decline in motor vehicle excise tax as the pandemic moved along. A lot of things that are included in local receipts such as payments for birth certificates, marriage certificates or the general fees that people steadily pay are unaffected. Certain things have jumped up significantly, we do charge a fee. For example, when you re-finance your home, you have to get a certificate from the town that says that there are no liens on the property and we've seen a boom in those fees because so many people are refinancing their homes, again to the very low interest rates. We've also seen strong performance in our investment income due to the stock market continuing to do well.

Dr. Peter Gray, NPS, Director, Finance noted that he wanted to comment on the SPED prepayments, noting that he realizes this is a forecast, not a budget. His major concern is that while this forecast estimates and projections, those projections can become the baseline of where we start our budget discussions for FY 22. In July at 2020 Spring Annual Town Meeting, the Finance Committee recognized that NPS had done a good job of saving money during the closure and were able to prepay SPED costs as a way to assist the town in meeting the revised FY 21 budget. Dr. Gray emphasized that we need to avoid making the assumption that these numbers will be the starting point for the FY 22 budget. If that is the starting point, then the school district starts with a \$2 million structural deficit. While the town appropriation to NPS was \$67 million, NPS was able to prepay the \$2 million of the FY 21 SPED costs due to the savings during the shutdown. This is similar to using one-time funds that we are unlikely to be able to replicate that going into the future, so I want to make sure that NPS is starting from a \$69 million budget. And that's where we'll be starting our budget going forward.

Ms. Brunell noted that most of the projected new growth would come from residential taxes and ask for detail on why they are forecasting the increase in residential taxes and whether there is a chance to think about commercial growth as well. Ms. Malone said the commercial sector has been disproportionately and severely impacted by COVID and we are anticipating that it's going to take some time for the commercial sector to rebound. We have noted and have been discussing for months that there impacts such as changing shopping patterns, etc., that we recognize are happening. At the same time, we're continuing to see residential property growth, so that is the basis for our forecast.

STM Article 1 FY 2021 Omnibus Budget

MOTION A (Requires two-thirds majority vote):

Move that the Town vote to increase the appropriation voted by the 2020 Spring Annual Town Meeting under Article 8 for the following budgets by the sum of \$281,093, said sum to be distributed as follows:

- To supplement the Shared Expenses budget as voted under Article 8 Motion G of the 2020 Spring Annual Town Meeting by adding \$118,828 to the Debt Service budget.
- To supplement the Shared Expenses as voted under Article 8 Motion G of the 2020 Spring Annual Town Meeting by adding \$100,000 to the Employee Benefits budget for the benefits reserve line item.
- To supplement the Public Safety Budget as voted under Article 8 Motion B1 of the 2020 Spring Annual Town Meeting by adding \$32,265 to the Police Department Budget for police salaries.
- To supplement the Administrative Support Services Budget as voted under Article 8 Motion E of the 2020 Spring Annual Town Meeting by adding \$30,000 to the Community Development Department Budget for salaries.

With the above Budget be raised from following sources:
State Aid for Fiscal Year 2021 \$281,093

Town Budget Adjustments

Budget	Original	Request	Revised	Notes
Shared – Debt Service	\$15,143,814	\$118,828	\$15,262,642	Adjustment to debt service payments
Shared – Benefits Reserve	\$55,000	\$100,000	\$155,000	Additional health insurance costs
Police -	\$7,602,700	\$32,265	\$7,634,965	Additional traffic officer – 6 months FY21
Community Development	\$947,045	\$30,000	\$977,045	New position 6 Months FY21

Presenter: Mr. John Townsend

Mr. Townsend reviewed the items in this budget adjustment:

1. The original debt service budget was \$15,143,814. We are requesting an \$118,828 adjustment - the reason for this adjustment is that we did some refinancing of our debt earlier in the summer. Unfortunately, in making the calculations on the budget projections, we made a mistake in the above amount, so this is correct and that mistake. We did our calculations to make sure that we make sure that we have sufficient funds to pay our debt service for FY 21.
2. Under the Shared Benefits - Reserve request, the original budget was 55,000 and the request is for an additional \$100,000 to get a revised amount of \$155,000. The benefits reserve fund is a line item we keep we keep to account for any exceeding expenses with regards to our health care benefits. We have concerns with regards to what the costs are going to be. Unfortunately, as everything else during this timeframe, it is difficult to project those and we've been having quite the debate on it. But the general consensus is that we are probably going to be looking at more of an increase as we go forward. The other the other part of this is that we have a lot of a lot of changing of insurance policies. As you know, the unemployment rates in Massachusetts and in the Natick area have been extremely high. Our thinking is that some people who are unemployed will go on their spouse's insurance program, so we wanted to be cautious to ensure we had sufficient funds in that reserve account so we can provide for insurance for all the town employees.
3. The third request is to add a police officer to the budget for traffic enforcement the original police budget is \$7,602,700 and we are requesting \$32,265 for a total revised amount of \$7,634,965. Chief Hicks said that the original budget presented to the Committee requested two additional police officers to assist with traffic enforcement and traffic safety. These positions were eliminated due to the financial situation and budget restrictions. At my request I requested that we add one officer to be in work in January 1, 2021. The reason is that we've seen an increase in issues around traffic and traffic safety, specifically in neighborhoods, which include speeding, violation of stop signs, crosswalks, as well as an increase in crashes. As COVID hit, people were staying home and there was less traffic. Soon, because more people were at home, we've had an increasing amount of complaints from residents throughout the town. We currently have 150 different complaints in every part of town relating to traffic safety. In addition, since people started returning back to work, the frequency of traffic crashes or responses to traffic crashes, has also increased. And as you know, recently we had a tragic accident in our town. Previously we had a Traffic Safety Office and we were able to do three things – Education. Enforcement and Engineering The education piece, which many people saw and was getting used to like the traffic trailers we put up that tell you what your speed is; doing traffic counts to determine the best time to do enforcement. All those things take time takes effort and takes officers. When we try to do this with officers who are on patrol, what inevitably ends up happening is that they get assigned an area and they have to go to a call. And then they have to go to the next call. And what ends up happening is they never come back to that area for that shift, and sometimes for several days, and many of the residents are getting very frustrated. The addition of this position also allows us to get back to the education piece, get back to that engineering, and get back to being able to do traffic safety on a regular basis because we'll be able to focus our officers exact time and of course, my safety needs to be done. So with that, again, I just kind of repeat of what I said earlier, when this this committee did approve the two additional spaces, additional spots. I'm hoping that we can add in at least for the rest of this fiscal year.
4. The final item in Motion A is the community development budget. The original budget was \$947,045 that adds \$30,000 for a total revised budget of \$977,045. As you know, Mr. Errickson previously served as the CED Director, so he might be able to provide some information Mr. Errickson said he definitely defers to Mr. Freas on some of the finer details of the position and the workings of the Department. However, I can provide some information on the historical need for this position. The requested position is for a development review planner. For many

years, CED has been short-staffed. Not only does the CED office handle all of the permitting for the town with regards to the built environment, meaning building permits, as well as any special permits and any land use permits that need to go through the Conservation Commission, the ZBA, the Planning Board, and that equates to well over 5000 permits a year. But the Department also needs to provide services to a lot of boards and Committees in town or dealing with community and, economic development, short- and long-range planning, and land use and zoning. The current staff is has only three technical planners, as well as three admin staff who support not only CED but the building Department as well. Each admin also provides support services to the land use boards: the Conservation Commission, the ZBA and the Planning Board. The challenge with this staffing model is that a lot of the processes and the reviews that are typical of a CED Department in Massachusetts at the staff level, for projects that are larger scale, discretionary projects that go in front of the land use boards are really lacking in the current staffing model. The town is not able to provide those volunteer boards and bodies with the review and oversight with the current staffing. I dealt with this challenge for four years when I was overseeing the CED Department and it's been chronic for years even before that. That said, now is the opportune time to change this staffing model, with the desired migration of our permit system a cloud-based system, which does require a more technical review process because you have the added benefit of a paperless system. It allows for the opportunity for the additional review to occur for these discretionary permits. Those reviews include being able to do a full set of site plans for the larger commercial and residential projects that while we might be currently seeing a trend of limited commercial activity, just in the sort of more current present, there are still a lot of permits that are going in front of the Planning Board and the ZBA for housing and mixed use projects. The ability to provide these reviews allows for the town to enforce its bylaws as well enable all of its standards and criteria for things like stormwater management, green communities, sustainability, and landscaping and lighting requirements can be reviewed professionally, ahead of time to provide a streamlined review process. This process will be more efficient and predictable to both the development community and our volunteer boards and committees. On the back end, we can have a better enforcement capabilities this position will work with, for example, our building Department to ensure that what was approved by the Planning Board or the ZBA with regards to landscaping, lighting, sustainability stormwater, what have you on a given so there's actually what's built in the field. Right now, this work is not being done quite as thoroughly as we'd like it to be as a community. That's a challenge because we do make do with the staffing levels that we have and this creates a burden on the staff. Having this development review planner will allow for a sort of stretching of the demands the existing demands on the department with an added staff person. Another benefit of the position is that it will allow for work on the implementation of a multi-year comprehensive master plan. You may recall the Natick 2030 + master plan that was developed and endorsed by the Planning Board was paid for with taxpayer dollars. The ability to ensure that new developments are compliant with that plan is a job in itself. Furthermore, there are many steps in that plan such as land use and new zoning that, the community has said it would like to see move forward. All of those processes take time and all those processes take technical skills, this position will help because there'll be at the frontline of zoning, review and enforcement will help with enacting good, some of the land use and some of the bigger picture components of the comprehensive master plan and start implementing it more proactively. This position will increase the capacity on staff to be able to do that more comprehensively to allow basically the existing staff to advance their components of the conference master plans such as economic development, community development, land use, stormwater management, etc. CED will also be able to take on some more technical issues like the zoning rewrites and things like that which are identified in the master plan, letting them advance those per the desires of the community. That's the general flavor of this position. And it will be more of what is considered in planning world, you know, an entry level or fresh out of grad school, with a handful of years of experience coming into the position. This position will not be at the senior planner level, but will provide much needed support services. On average, the Building Department and CED

brings in about \$2 million annually, and spends just shy of that it spends about \$900,000 annually.

Questions from the Committee :

Mr. Scurlock noted that this is a town-wide budget adjustment and asked if there were any budget adjustments requested by the schools. Mr. Townsend said that they did not received any requests from the schools regarding Article 1 and stated that Article 19 is the Article regarding their COVID expenses that I assume is where those requests will be made.

Mr. Coburn asked whether there were any specific request from the Board of Health. Mr. Townsend said a certain amount of CARES money was assigned to the Board of Health to cover things like contact tracing and some additional time with regards to sanitation inspections

Ms. Wollschlager asked if the new CED position is included in the personnel pay plan. Ms. Malone said it is not, but noted that the Personnel Board is in the process of meeting. We have a draft description that has been crafted and will be presented to the Personnel Board that I'm happy to share that with this committee. Given the fact that this Committee usually sees it after the Personnel Board has made its deliberation, it wasn't included in your packet.

Ms. Wollschlager asked what happens if that position is not approved. Ms. Malone said, given the importance of the permitting revenue and the needs of the department, my hope is that that position would be approved and the need would be recognized.

Mr. Evans It also concerns the community development position, which is I understand from Miss Malone that they're working up the job description, but part of that job description, I'm sure is the ability to work with the online permitting system that will be implemented by the CED department, so I'm requesting that this be included in the job description.

Mr. Linehan asked, if we approved the Personnel Pay plan tonight and there is a change between now and when it comes before Town Meeting, does town administration plan to include the CED position in the personnel pay plan. Ms. Malone requested that the finance committee not take a vote this evening because we do want to address the identified issue and hopefully can present this information before the recommendation book is printed for Town Meeting

Ms. DeCarvalho asked for clarification that the police officer would be a permanent position. Chief Hicks said this would be a permanent position that would start in January. His discussion about what they've seen recently, as a result of COVID a demonstration of why we're seeing additional complaints.

However, this request was made in January, prior to COVID, where we had already seen an increase in complaints and numerous traffic safety issues. The plan was to have one officer address these issues during the day in the second to address the issues in the evening. Unfortunately, there's enough need for these officers. At this time, based on the financial position of the town, I'm requesting one for the second half of FY 21 and this will be a permanent position that will be included in the FY 22 Police Department budget.

Ms. DeCarvalho asked about the typical duties of a police officer on patrol. Chief Hicks said the number one demand is answering calls for service and that has a myriad amount of calls, whether it is alarm calls, domestic calls, disturbance calls. Right now, we have a lot of larcenies and mall shoplifting so they're responding to those calls for service. It creates a problem when these patrol officers are assigned to traffic enforcement then called away because a call for service comes in, and they respond and many times. They finish that call up if there's an arrest or report to be done and never get an opportunity to go back to the original assignment that does deals with traffic. Chief Hicks said they have received 150 complaints about traffic and speeding. For example, we have received numerous calls complaining about truck traffic in speeding on Speen Street. We also have seen right-turn-on-red violations and pedestrian safety issues of downtown. In other neighborhoods, there might be asked stop sign violation, especially in residential neighborhoods where they are children or a playground.

Mr. DeLuca noted that the CED department is moving to an online permitting system and I'm hoping that, through that process,, we're going to start seeing efficiencies throughout the office and ask if there's someone who can speak to some of the efficiencies that may be seen, given the current staffing situation. Mr. Errickson said one of the benefits of moving to an online permitting system is the ability to

provide our permitting services more efficiently. Right now, an applicant physically fills out a paper application that gets submitted to our administrative staff in the CED Office who plug that information into the computer system. Then, they physically scan all the documents related to that application into the computer system. By going to online permitting, we will be able to streamline this process by allowing an applicant's documents to be directly put into the permitting system. The online permitting system will allow us to review everything in a database without having to print out input and piece it together. We expect to gain efficiencies not only for our admin staff, but all our staff because we can automate a lot of triggers for reviews by different departments in town such as the Health Department, DPW, and others and have those other departments be able to view those same documents in one online permitting system. To your point, this will likely lead to an increase in just number of permit applications, because if it's cumbersome for an applicant to go through the application process, they don't do that and we're seeing that people choose not to apply for a permit. We know that that's happening today and it's usually the smaller permits, like the building permits, like a plumbing as simple plumbing job. But with a simplified process, in other communities that have implemented an online permitting system, we've seen an increase in number of permits because people realize how easy it is to apply for a permit. They can submit an application without having to come into the CED office. Even though the CED office is available by appointment, we expect that over time, fewer people will need to have face-to-face meetings at Town Hall to start the application process. That said, our current admin staff is already not getting to everything on that list on a regular basis. On an annual basis, we are hiring part-time help over the summers, to help complete the work. With COVID, we weren't able to do that this year. In years past, we had consistently hired these part-time employees to handle some of the basic paperwork that piles up and the staff is unable to get to given their many demands. Further, the online permitting system will allow them to also then handle a lot of the administrative tasks that go along with the land use boards - Conservation Commission, ZBA, and Planning Board and that is also not happening today. A lot of that is with regards to simple things like filing of the physical filing, although if we go to paper list and might be the virtual filing of applications, completing the minutes in a timely fashion to do a good job at it, but we can certainly do a better job at it. Right now, we have to pay overtime to some of our admin staff, not only to attend meetings, but then to do some additional tasks related to those meetings.

Mr. Coffey asked whether there was an increase in traffic accidents as compared with previous years. Chief Hicks said he didn't have the figures since March 2020 yet to compare with previous years, but anecdotally there seem to be more accidents.

Mr. Pope asked, with the increase in residential complaints, how has the need for enforcement and complaints around their commercial areas changed in the last few months. Chief Hicks said shoplifting calls from the mall and route 9 shopping areas dramatically decreased because those stores were not open. However that has shifted more to increased residential calls such as domestic disturbances domestics that overall calls went up. Now, since the mall has opened back up, we anticipate that the commercial calls will increase.

Mr. Coburn asked whether the additional health insurance include the new positions requested. Mr. Townsend said the new positions would be covered under the existing allocations for health insurance

Public comments

Mr. Foss, Town Moderator, said the presentation provided by town administration spanned several years. For the purpose of deciding whether to allow that presentation to occur at Town Meeting, what was the thinking behind allowing that with regards to the scope of Article 1. Ms. Wollschlager said her thinking to allow it was to provide a baseline for the budget discussion that were going to have since we will not have a certified free cash number prior to Town Meeting and she thought it was important for the Committee to understand what our overall financial picture is.

Mr. Foss noted that this is fine for the Committee. But with all due respect, much of what I heard was outside of the scope of Article 1. Allow me to briefly discuss what I think is within the scope of Article 1. My understanding is that the town was going to get additional state aid following the creation of the FY

21 budget, including aid for education purposes. How much was that? Mr. Townsend said the additional state aid it was \$2.9 million.

Mr. Foss asked how much of that state aid are we spending at Fall Annual Town Meeting. Ms. Malone said the total was around \$340,000. Mr. Foss said if you deduct that from \$2.9 million that leaves \$2.5 million in unappropriated state aid - is that falling to free cash? Ms. Malone said, at Spring Annual Town Meeting in late July, we had an expectation that we would have a state budget by now. Subsequent to July, we received that \$2.9 million of state aid, but we do have a budget that the Commonwealth has ratified for FY 21. Our recommendation to the Finance Committee and Town Meeting is to preserve \$2.5 million dollars to and come back in the spring and review where we are financially. We feel confident that no department will run out of money prior to Spring Annual Town Meeting. We've completed in assessment of historic encumbrances and think that that would be most appropriate given these extraordinary times that we're living in to be cautious in our spending.

Mr. Foss noted that the town typically has turn-backs around \$2 – \$3 million in free cash. Added to this state aid, would wouldn't this total be or \$4.5 – \$5 million?

Ms. Malone said they are hopeful that we will receive the certified free cash number coincident with the early part of Fall Annual Town Meeting. Given what we know about the economic uncertainty and what we don't know in the volatility, our recommendation is to preserve the free cash and any excess levy in the spring and reiterated that no department is in danger of running out of funds before the Spring Annual Town Meeting.

Mr. Foss asked why the Natick Public School's request is not part of Article 1, given that the request provided by the Superintendent and the School Committee notes that many of those requests were recurring costs or operational costs, even though they may have been caused by COVID-19. Normally, operational costs are addressed under the Omnibus Budget Article, in this case Article 1 in special Town Meeting # 1, so why aren't they included in Article 1? Tonight, I learned that, the cares funding is exhausted with the exception a few hundred thousand dollars, why are we not seeing some appropriation or some requests in Article 1 where they normally would appear?

Ms. Malone said Town Administration did not receive a specific request by way of from the School Department and I don't want to speak on behalf of the School Committee or the School Department that filed its separate Article. But what I would know by way of the Omnibus Budget is that anticipated losses in revenue and or anticipated increases in energy, and vague requests of capital needs that aren't specified weren't included in Article 1. There were only two small increases in department budgets – \$32,265 for the police officer to be hired starting in January (added to the Police Department budget) and \$30,000 for the CED position (added to the CED budget). In my mind, from examining the records of fall Town Meetings, we have not appropriated funding to cover potential losses and potential increases. When we look across all departments, we may have some losses and we also may have some savings depending on what happens between October and March. We think it's most prudent, given the balances that all the departments have, to preserve the state aid and free cash. Last year, the School Department balance as of April 30, taking into account and removing any encumbrances was \$20 million. We certainly recognize the School Department's importance to the community by the amount of money that we've allocated to the Schools via the cares act (\$2.9 million of the \$3.2 million that Natick received). We are responding to a crisis in the nature of a crisis means that they are ebbs and flows and that we need to be cautious about our spending. And that is our recommendation, recognizing the will of Town Meeting or the Finance Committee could be different. And we have, way of compromise, done a thorough analysis that I'm happy to share with the Finance Committee on the \$1.4 million request that we received and that we offered \$300,000 to the School Department in addition to the dedicated resources of the cares act that have already been spent.

Mr. Foss said he would like to hear from the School Superintendent if there are any costs of schools if there are there are costs that are not COVID-related that the School Committee might have incorporated in the Omnibus Budget if they had known that State Aid was going to be available as well as the potential free cash funding.

Mr. Foss noted that we made a promise to Town Meeting that the town was going to make an analysis and then suggest alterations and changes that would occur in the fall would bring us more in sync with where our budget should be. I question whether we have fulfilled that promise.

Dr. Anna Nolin, School Superintendent said she wanted to respond to just a few pieces in the larger picture. With Chapter 70 money coming in at a greater number than predicted in our budgeting scenario in the spring, the School Committee has add-backs in mind. There was discussion, through the financial planning meetings that we would have a discussion on how to collaboratively add back costs and there was no discussion. We were told that there would be no amendments to the Omnibus Budget and would be dealing with those pieces in the spring. We were given the same explanation as given here tonight – that no department is going to run out of money and the town administration was not going to deal with that because they really need to get through it so the town can set a tax rate and that's the Fall Annual Town Meeting should not be complicated. Dr. Nolin reminded the committee that our teachers took 0% COLA and NPS cut seven position positions in addition to making lots of other adjustments to services to children. Our collective bargaining agreements are obligations to pay and, if there are appropriate avenues to meet these obligations, the School Committee advocates doing so. Relative to the discussion of the four year charting of our April revenue and having \$20 million left over each April, if you look at the balances without understanding that encumbrances make up the majority of those \$20 million. As you know, most of the school department budget is salaries, and if we are not respecting those encumbrances, we are failing in our promise to pay our teachers and staff, which then would mean layoffs mid-year, April. That would result in unemployment costs or furlough costs. The school department is on the hook for that right now then we believe it is not a sound process to ride the wave of potential expenses without bringing them forward in the fall. Many of these costs keep being referred to as non-incurred cost and they are not non-incurred cost. They are costs that happened this summer and even now, to open the schools. There's also some confusion about incurred cost and non-incurred costs that are applied differently on town and school sides. There's money in Capital Stabilization being put aside for costs that are not incurred and in OPEB for costs not incurred. The overlay was beefed up by \$500,000 for costs not incurred in the business community. So I think it's prudent to as Miss Malone has made her case to continue to forecast what those costs may be, but what I brought to you and will present to you at some point it looks maybe like Tuesday That'll be the case. I'm just showing you what those incurred costs are to date. So I just wanted to make sure that that we understand that the COVID Article came because this avenue of adjustment in the omnibus was not made available to us.

ARTICLE 1 – MOTION A

Move that the Town vote to increase the appropriation voted by the 2020 Spring Annual Town Meeting under Article 8 for the following budgets by the sum of \$281,093, said sum to be distributed as follows:

- To supplement the Shared Expenses budget as voted under Article 8 Motion G of the 2020 Spring Annual Town Meeting by adding \$118,828 to the Debt Service budget.
- To supplement the Shared Expenses as voted under Article 8 Motion G of the 2020 Spring Annual Town Meeting by adding \$100,000 to the Employee Benefits budget for the benefits reserve line item.
- To supplement the Public Safety Budget as voted under Article 8 Motion B1 of the 2020 Spring Annual Town Meeting by adding \$32,265 to the Police Department Budget for police salaries.
- To supplement the Administrative Support Services Budget as voted under Article 8 Motion E of the 2020 Spring Annual Town Meeting by adding \$30,000 to the Community Development Department Budget for salaries.

With the above Budget be raised from following sources:

State Aid for Fiscal Year 2021	\$281,093
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Mr. Evans moved to recommend Favorable Action on STM Article 1 Motion A, seconded by Mr. Pope, voted 4 – 8 – 1.

Roll-call vote:

Mr. Coburn = abstain

Mr. Linehan = no

Ms. Coffey = no

Mr. Pierce = yes

Mr. DeCarvalho = no
 Mr. DeLuca = no
 Mr. Evans = yes
 Mr. Gillenwater = yes
 Mr. Grome = no

Mr. Pope = yes
 Mr. Resmini. = no
 Mr. Scurlock = no
 Ms. Wollschlager = no

Mr. DeLuca moved to recommend Favorable Action on STM Article 1 Motion A with the removal of the CED position, so that the total appropriation was \$251,093, seconded by Mr. Linehan, voted 10 – 2 – 1.

Roll-call vote:

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

Mr. Linehan = yes
 Mr. Pierce = no
 Mr. Pope = yes
 Mr. Resmini. = yes
 Mr. Scurlock = yes
 Ms. Wollschlager = yes

Debate:

Mr. Evans said the first item is a correction for the mathematical error for debt service, the second item ensures that the town has enough benefits reserved for people who are going off their previous plan and onto the town plan due to change in employment situation. The third item is definitely overdue – this Committee was all for hiring two police officers earlier in the year when we had to budget to do so, so adding that person now makes a lot of sense and I hope to see that other police officer in a future budget. The fourth item I think is equally essential – this has been a chronically under-resourced department in that lot of work flows through that office and they have people who need to do the planning parts of CED and the admin staff that are doing a lot of work manually and still falling behind, with developers, builders, and homeowners applying for building permits and we heard earlier that this department generates \$1 – \$2 million per year. The proposed job description is a relatively entry level position for someone fresh out of school but it offers growth prospects to get somebody on board who grows into a planner type position, because it requires graduate school education. I would love to have seen a position description on the personnel pay plan but know enough about this department's shortages to know this position is urgently needed, so I encourage members to support this entire budget.

Mr. Pope said this budget shows prudence across the board, responds to mistakes and prepares the town for the changes in the economy and how that will affect the town's workforce, and preparing for the changes that affect Natick by having more residents at home during the day while still having a commercial sector that continues to need police. And to have the community development, able to enforce and approve applications as a town that continues to have new projects, as seen in in some of the earlier projections, so I also urge this budget be approved.

Mr. DeLuca said that his motion reduces the appropriation to \$251,093 and redacts the fourth bullet point "To supplement the Administrative Support Services Budget as voted under Article 8 Motion E of the 2020 Spring Annual Town Meeting by adding \$30,000 to the Community Development Department Budget for salaries" Mr. DeLuca said he agreed with the first three bullets but has several issues with the CED position. First, this hasn't gone through the personnel pay plan and that should happen first in my opinion. Second, this department will experience a potential structural change in how they do everything in terms of procedures, policies, and workload, if they adopt the online permitting system so I'm reluctant to fund the position for department that will undergo a large technical change. Further, we heard tonight that commercial real estate will have its challenges moving forward, with vacancies across the board in the state. In the local area, we have high stress projections for the next year or two for multifamily units and that's 5+ units and industrial/retail. The net is that with the decline in these areas, I would expect that permits would decrease and not be as high as they previously were. On the

residential side, there have been some upticks recently in permits. But as unemployment in the state has been incredibly high, at points the highest in the country, I think that that's going to end up catching up with what people have for disposable income for permits for projects going forward. And along with the residential real estate market, you're going to see some stress in that market that's going to impact future developments, the future tear-downs, the future additions, and things like that. This might be a position that might be needed in a year or two but not right now, given the budget constraints, the departmental changes in the lower demand. Mr. Linehan agreed about the timing of the addition of this position and found that the implementation of the online permitting system should proceed first. Mr. Pierce supported the main motion in full and noted that he has been a taxpayer in Natick for 50 years now and is in favor of the town administrator's request.

Mr. Coburn said he did not oppose any of the particular things proposed here – there are some that absolutely need to happen. I appreciate the comments made by the Moderator with regard to the nature of the process, leading to this collection of proposed adjustments. I do not feel that town administration has completed a comprehensive review of needs and prioritization, so I will abstain.

Mr. Coffey supported the amended motion for all the reasons already cited and noted that, earlier in the beginning of the year, Fire Chief Lentini said he would need to add a firefighter per year for the next 2 to 3 years to get the Fire Department at a full staffing level and that was deferred. Chief Hicks requested the addition of two police officers for traffic enforcement because there is a need to respond to the complaints lodged by the community. The School Department budget has been frozen and positions are not being filled as a result of COVID. Mr. Coffey said he can't support adding this CED position when we have other more critical basic services that aren't being staffed.

Ms. DeCarvalho agreed with Mr. Coburn's comments and said it's very distressing to hear about the process or lack thereof of Article 1 coming to us without a fully comprehensive assessment of priorities across the entire town and said she is hesitant to support any motion that doesn't really take that process into account will a likely five year process to get back to normal revenues and funding and there still may be projected shortfalls. I don't understand why we're not looking to save in every part of the town and comprehensively together. I want to have as much funding as possible for our core services of public safety, education and other areas in our town.

Ms. Wollschlager said she supports the amended motion. The lack of the CED position on the Personnel Pay Plan is one issue. More importantly, some of the other things that people have brought up about how we aren't really seeing an overall budget are valid. We aren't doing the kind of tradeoffs that we did when we looked at the June 8 budget changes from the proposed FY 21 budget from January. The January budget included two LFNR positions to handle the new parks as well as two custodians to handle the increased demand to the opening of the new Kennedy Middle School. And certainly at this point, our recreational services in in town are being well utilized, not just because of COVID, the kids get out of school earlier. And I'm not saying that that's what we should be doing with this money, because presumably, the administration has taken a look at it. But I don't feel like that the tradeoffs to support this position have been made in front of the front of the Committee,

Article 1

**Fiscal 2021 Omnibus Budget
(Town Administrator)**

MOTION B (Requires two-thirds majority vote):

Move that the Town vote to amend Article 8 Motion G of the 2020 Spring Annual Town Meeting as follows: After the phrase "And that the above Total Budget Amount be raised from the following sources:", delete the phrase "Overlay Surplus \$1,000,000 and the phrase "Free Cash \$2,000,000" and insert the phrase "Free Cash \$3,000,000".

Presenter: Mr. John Townsend, Deputy Town Administrator – Finance

Mr. Townsend said this is not a request for additional funding. This is re-designating certain funds under motion G. Motion G is where a lot of the revenues besides tax levy and free cash are used to pay for shared expenses. As you may or may not know, the Board of Assessors meets in January to review the

overlay for the town and release any excess overlay. In January 2020, they released \$1 million in overlay for us to use that for a budget purposes. Unfortunately, as you also probably recall, we did not have Town Meeting until July, at which time \$1 million was appropriated as part of our budget.. Unfortunately, DOR regulation says that any overlay surplus release must be appropriated within the fiscal year in which is released. Obviously, July is after June 30, the end of FY20. Therefore, DOR ruled that that was an inappropriate appropriation of Overlay and must fall to free cash. In order to be certain that our budget balances we do have to shift that \$1 million to free cash so that our budget will balance. This motion moves the \$1 million in the overlay surplus to free cash.

Questions from the Committee: None

Mr. Evans was the moved to recommend Favorable Action on STM Article 1 Motion B, seconded by Mr. Pierce, voted 13 – 0 – 0.

Roll-call vote:

Mr. Coburn = abstain	Mr. Linehan = yes
Ms. Coffey = yes	Mr. Pierce = no
Mr. DeCarvalho = no	Mr. Pope = yes
Mr. DeLuca = yes	Mr. Resmini. = yes
Mr. Evans = yes	Mr. Scurlock = yes
Mr. Gillenwater = yes	Ms. Wollschlager = yes
Mr. Grome = yes	

Mr. Evans stated that this motion just moves around money as required to correct the balances to get everybody on the same page.

Mr. Coffey moved to close the public hearing on Special Town Meeting #1, seconded by Mr. Pope, voted 13 – 0 – 0.

Mr. Pierce moved to adjourn, seconded by Mr. Coffey voted 13 – 0 – 0.

MEETING ADJOURNED 11:17 PM