

FIRST DRAFT



Natick Finance Committee

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

Town of Natick Finance Committee

Meeting Date: March 9, 2021

The minutes were approved through the following action:

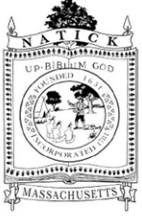
Motion: XXXX
Made by: xxxx
Seconded by: xxxx
Vote: x - x - x
Date: <date>, 2021

Respectfully submitted,

Bruce Evans

Clerk

Natick Finance Committee



TOWN OF NATICK

Meeting Notice

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

Natick Finance Committee

PLACE OF MEETING

Virtual Meeting accessed via Zoom:

DAY, DATE AND TIME

<https://us02web.zoom.us/j/85844305049>

March 9, 2021

Meeting ID: 858 4430 5049

at 7:00 PM

Passcode: 409248

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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.

Posted: Thursday March 4, 2021, 1:40 PM

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:** Review & Approve Meeting Minutes for February 18, 2021, February 23, 2021, February 25, 2021, & March 2, 2021
5. **Town Administrator's FY2022 Budget - Public Hearing**
 - a. [Natick Public Schools – Special Education and Transportation budget](#)
 - b. [Employee Fringe & Health Insurance](#)
6. **2021 Spring Annual Town Meeting Warrant Articles - Public Hearing**
 - a. [Article 25 – Amend Zoning By-Laws: Corner Lots](#)
 - b. [Article 26 – Amend Zoning By-Laws: Adult-User Marijuana Establishment Uses](#)
7. **Committee and Subcommittee Scheduling and Process**
 - a. [Update on upcoming Committee and Subcommittee meetings](#)
 - b. [Subcommittee Updates](#)
8. **Committee Discussion (for items not on the agenda)**
9. **Adjourn**

MEMBERS PRESENT:

Dirk Coburn, Member
David Coffey, Member
Linda Wollschlager, Chairperson
Jeff DeLuca, Member
Bruce Evans, Clerk
Todd Gillenwater, Vice-Chairman
Julien LaFleur, Member
Mike Linehan, Member
Jerry Pierce, Member
Richard Pope, Member
Jim Scurlock, Member

MEMBERS ABSENT:

Cathy Coughlin, Member
Bill Grome, Member
Chris Resmini, Member
Phil Rooney, Member

Town Administration

Mr. Bob Rooney, Interim Town Administrator
Mr. James Freas, Director, Community & Economic Development
Mr. John Townsend, Deputy Town Administrator – Finance
Ms. Julling de los Reyes, Assistant Director of Finance

Natick Public Schools

Dr. Anna Nolin, Superintendent, NPS
Dr. Peter Gray, Assistant Superintendent - Finance, NPS
Mr. Tim Luff, Assistant Superintendent – Student Services, NPS
Ms. Erin Miller, Director – Director, Student Services, NPS

Call to Order

Meeting called to order at 7:02 p.m. by Linda Wollschlager, Chairperson.

Announcements - None

Mr. Pierce moved to open the public hearing on the Town Administrator’s January 4, 2021 Preliminary FY 22 budget, seconded by Mr. Evans, voted 11 – 0 – 0.

Roll-call vote:

Mr. Coburn = yes	Mr. LaFleur = yes
Mr. Coffey = yes	Mr. Linehan = yes
Mr. DeLuca = yes	Mr. Pierce = yes
Mr. Evans = yes	Mr. Pope = yes
Mr. Gillenwater = yes	Mr. Scurlock = yes
	Ms. Wollschlager = yes

Ms. Wollschlager called the meeting to order at 7:01 PM

Announcements – None

Mr. Pierce moved to open the public hearing on the Town Administrator’s FY 22 budget and the 2021 Spring Annual Town Meeting Warrant Articles, seconded by Mr. Evans, voted 11 – 0 – 0.

Roll-call vote:

Mr. Coburn = yes	Mr. LaFleur = yes
Mr. Coffey = yes	Mr. Linehan = yes
Mr. DeLuca = yes	Mr. Pierce = yes
Mr. Evans = yes	Mr. Pope = yes
Mr. Gillenwater = yes	Mr. Scurlock = yes
	Ms. Wollschlager = yes

Natick Public Schools – Special Education

Presenters: Mr. Luff and Ms. Miller.

Mr. Scurlock stated that about 94% of this budget is legally mandated, either by federal or state law. As many of you know, they've done a fantastic job this year through COVID and the school has received many positive comments on the ability of the schools to remain open during very trying times. One important thing about the FY 22 student services budget is that they do not have the financial resources to pre-pay SPED this year as they could in FY 21 while the demand for student services continues to increase. It's one of the major expenses in the budget, so we need to bear in mind that these services are mandated. Mr. Evans advised the Committee to read the Education & Learning subcommittee minutes that have detail on all the things that Mr. Luff will talk about. So if you haven't read that yet, I suggest you read it after the meeting because it's got a lot of questions that we asked and the answers, so please avail yourself of that material.

Ms. Wollschlager reminded the Committee that because the NPS budget is not finalized, we will not be voting on the NPS budget and we don't typically vote on the individual budgets since we vote on the bottom line for the school department budget.

Mr. Luff said because he did a very detailed presentation with Education Subcommittee, he put together 6-7 very specific slides of the major drivers of the special education budget and answer your questions following the presentation. As Mr. Scurlock and Mr. Evans suggested, please read the detailed minutes that answer many questions. As Mr. Scurlock noted, special education is a mandatory service required by law for all of our district students with disabilities who receive special education services. There's an eligibility requirement for those and we have more than 900 students in the district that are eligible, which is roughly just above 17% of our total population at this time. Services such as occupational therapy, physical therapy, speech therapy, specially designed instruction, transition services, behavioral services, we run the gamut. And on top of Special Ed, we also focus on nursing services, English language learners, who are also required to have a specific amount of time and type of instruction, our preschool, our McKinney Vento (homeless students) and many more social supports guidance.

Mr. Luff said funding sources for special education has been a big piece of the conversation over the past few years regarding use of Circuit Breaker and prepayments using these revolving accounts.

Special Education Funding Sources

- **Operating:** This is the money appropriated by the town through this budget process
- **Circuit Breaker:** A revolving account that provides revenue (reimbursement) from the state, for students tuitioned Out of District and those funds are provided to the district as reimbursement for the following year.
- **Pre-pay:** The ability to prepay a portion of the out of District Costs using cost savings from the prior year. I'll talk a little bit later about how we had did this for FY 21, but cannot do that again for FY 22. I want to be clear, the tuition costs remained stable. However, the revenue that we use to pay for these required services have been changed over the past few years and that's where the pre-payment came in.
- **Preschool Tuition Revolving Account:** Partially funds PreK services utilizing tuition from general education preschool student. Pre-K services are in place to address the special education needs of our 3-5 year olds. The operating account actually funds all the legally required Special Ed services – the teachers and the staff. This revolving account for preschool tuition utilizes tuition from general education students to assist not only in helping with Special Ed services but covers the general education pieces there so and that those funds are actually in the black.
- **Federal Grants:** Grants from the federal government to fund special education services,

Individualized Disabilities Education Act grant and we receive roughly \$1.4 to \$1.5 million each year that we put towards funding of special education services within the district – this mostly funds paraprofessionals, and also funds some of our summer programming that we are required to provide for many of our Special Ed students.

Operating Increases

Student Service Operating FY22 Increase:	\$551,042
Tuitions:	\$408,375
<ul style="list-style-type: none"> • Opportunity for Student Return in Spring Not Available • Only 3 graduates • Multiple Move-Ins 	
ACHIEVE Proposal:	\$131,574
<ul style="list-style-type: none"> • Rental Costs • Supplies • Copy Machine 	
Health Services	\$8,140
<ul style="list-style-type: none"> • Error in FY21; Fortunately, due to school closure, normal number of supplies not necessary. • Necessary to support nursing services for Full In Person Learning 	
Sped Testing and Assessment	\$5059
<ul style="list-style-type: none"> • 20 Additional iPads for Q-Interactive 	
ELL Instructional Service	-\$2300
<ul style="list-style-type: none"> • Allocated in HS Budget for HS ELL 	

Mr. Luff said operating increases is the primary driver of the FY 22 budget increases; I'll talk in future slides about the reductions in the revenue sources that we used to fund operations. These slide shows the actual cost to run the Special Education Department and in FY 22 it is increasing \$551,042. Most of that is from tuitions for FY 22. We try to reduce those numbers each year, but we were unable to bring some kids back from out-of-district this spring because we were closed, so we in some cases, more than that, we didn't have the opportunity to bring those kids back in the spring, so we didn't reduce numbers like we normally would have. Typically, we might bring two or three kids back and remember that out-of-district tuitions range anywhere from \$40,000 to \$300,000. We also didn't have a substantial amount of graduates and we have to budget for move-ins during the course of the year. The tuition line is not fluid - it's not a one-for-one thing each year. If I have a tuition flagged on our watch list, where we identify a child who may need to be educated out-of-district and I put that in in October of FY 22. By the time the budget rolls around, it might not be that student that goes out; it might be another student that that goes out who wasn't on our radar. So there's not a direct 1:1 correspondence. And one particular student that we have on the watch list for say a \$60,000 placement and another student ends up being \$150,000 placement, or it could be that same student at a higher rate of placement, so the funds definitely shift around. We have students who go from day programs to residential programs that can cost \$100,000 for the day program and then move immediately to \$250,000 for a residential program. So there are many moving parts to this budget and there is supporting data in the budget book regarding all individual students without names or placement. So you can actually see at the end of the budget book, where the students are placed, the numbers of students, and how this money ties directly to the budget that I'm presenting to the Committee.

ACHIEVE Program Proposal

We also have a proposal for our post-secondary program - our 18 – 22 year olds. Note that Special Ed services are required for three year olds all the way to age 22. For 18 to 22 year old disabilities, we're required to have a robust transition program that allows them to learn job skills, community skills, and try out different transition activities, in order for them to become members of society who can sustain a hard life for themselves. The ACHIEVE program is currently located at the East school - it is a great program and serves anywhere between eight and 10 kids, depending on the year, sometimes more. Prior to COVID, other school districts will send their students to us \$32,000 - \$35,000 tuition rate because of the effectiveness of the program we have. The ACHIEVE program is substantially less expensive than a program that you can get through a collaborative or through a private placement. We wanted to do this year because our kids really didn't make it out there at the school, especially during the COVID time and still now they're not in the community because of the location of the program. And they're very limited what they can do for activities. In terms of job skills, we wanted to provide them the opportunity to really learn from the beginning-to-end, what it takes to build a company, to develop marketing strategies, to help create a business plan that they would implement in order to not only assist the community but to realize the benefit of a career. So our proposal this year is to move the ACHIEVE program into a location that's more central in downtown Natick. Right now we're looking at the First Congregational Church where the preschool used to be. This would give the students the opportunity to be downtown surrounded by local businesses and patrons and can be a multimedia shop doing many of the jobs for the school district – copying, document production, doing projects with the Parent- Teacher Organization (PTO), plus sales of NHS schwag such as you could previously find at Jones Drug Store. This requires the purchase of a multimedia machine to do that work, supplies and the property rental costs, so you will see an increase of \$131,574. Our current program is extremely well-run, but we have a duty to ensure that they are truly prepared to be an adult in the world.

Health Services

Health Services is increasing by \$8,140 due to an erroneous reduction in FY 21. Fortunately, due to closure, we didn't need the normal number of supplies we have each year because we didn't have the number of clinic visits as in previous years. So this \$8,140 restores the budget necessary for providing the typical nursing services for a full school

SPED Testing & Assessment

This line has a \$5,059 increase for twenty additional iPads for a program called Q-Interactive. We were looking at using this program prior to the closure. However, when closure hit, we knew that this was a priority need. Normally, we test students and have to evaluate students every three years for disabilities. We also have to regularly assess and evaluate their needs, whether it be reading or writing cognitive assessments. We usually have these flip books, and the students sit right next to the evaluator. The evaluator flips through the pages of the book and the students see the pages and answer questions from the evaluator and they evaluator writes the answers down. Q-Interactive allows us to use two iPads, one for the examiner, and one for the student who can be separated up to 20 feet using Bluetooth. Instead of a flip chart, the flip chart is projected on the screen and the student answers on their iPad. The examiner is then able to evaluate the student on their iPad, identify, take & record notes, and create a very robust report afterwards. The program is fantastic and assists us greatly in ensuring that our evaluations are back up-to-speed and current, even with these COVID restrictions. To roll this out fully to the teachers and psychologists requires twenty additional iPads.

ELL instructional services are decreasing by \$2,300 because we moved that amount to the High School budget because that amount was spent on supplies at the High School in FY 21.

Circuit Breaker Revenue Reductions and Reduced Offset

FY21 Anticipated Revenue	\$2,464,940
FY21 Actual Revenue	\$2,102,721
<ul style="list-style-type: none"> • Reduced Reimbursement to 70% (anticipated 75%) • Delayed Transportation Reimbursement • Modified on 3/24, due to Audit reductions and confirmation of 75% reimbursement 	
FY21 Revenue Difference from Projection:	\$362,219
FY22 Circuit Breaker Revolver Utilization:	\$1,900,000
Anticipated C/B Balance for Year End FY22: (Recommended \$800K)	\$401,000

As I said earlier, the Circuit Breaker revolving account provides revenue (reimbursement) from the state, for students who are tuitioned out-of-district from the previous year and we use those funds to help fund these in the following year. In FY 21, we anticipated that we would receive state reimbursement of \$2,464,940 based on an estimate we create when the budget was put in October. At that time, we don't know the final numbers that we'll get back until at least June or July of the following year. Unfortunately, we had a decrease in revenue in FY 21 of \$2,102,721, a decrease of \$362,219. A regular audit of our Circuit Breaker funds brought some good news as we were informed that we would receive 75% reimbursement from the state rather than the 70% that we'd anticipated. Special Education programs are audited regularly - our finances, how we program, and what we do. Our Circuit Breaker fund is audited every three years to ensure that we are accurately claiming and our Title 1 grants and all other grants are audited. We work with an agency that we work with through the town that audits each year for us, so we're confident in the numbers.

Based on those numbers, our recommendation to use \$1.9 million from the Circuit Breaker revolving fund to pay for Special Ed services in FY 22 and anticipated balance at the end of the year is \$401,000. This is well below the \$800,000 that we recommend to have in Circuit Breaker to account for any move-ins during the school year. Move-ins cannot be funded through the Move-In law – students who come in after April 15 are still the financial responsibility of the town and school system they came from. However, that is true for private school students but is not true for collaborative school students. It does not include students who might come from out of state, for example. We have a student who we anticipate is coming to Natick from a different state that may need a residential program and that's the sort of situation where we would use our Circuit Breaker funds to cover that. We have over-utilized Circuit Breaker in the past few years to close the budget gap between the town and NPS because we've had frugal funding of Circuit Breaker and steadily increased the fund over the years, both because of what we have done in terms of claiming, bringing students back to Natick schools and making sure students are in the right placements. Also, an accounting error at the town level where one of the quarterly checks was not posted correctly, so that the revolving fund had three quarters worth of Circuit Breaker reimbursement and the following year we had five quarters worth of Circuit Breaker in last FY had to be able to help with the budget.

Operating Budget	
FY 21 Budget (Pre-Circuit Breaker)	\$6,532,974
FY 22 Request (Pre-Circuit Breaker)	\$6,941,349
Increase from FY 21	\$408,375
Circuit Breaker Offset	\$1,900,000
Total Operating Tuition Request:	\$5,041,349
Inclusive of : (11) Potential Outside Placements:	\$750,818
Projected Fee Increase	\$201,266
Occupational Education (6 Spots)	\$31,200

In FY 21, we had \$6,532,974 in out-of-district tuitions and project \$6,941,003 49 in FY 22, a \$408,375 increase. We propose using \$1.9 million in Circuit Breaker offset which reduces the operating request to \$5,041,349. I want to emphasize that, even though tuitions are going up \$408,000, this includes \$750,818 of “potential” watch list outside placements and projected fee increases of \$201,266 (each out-of-district program gets an opportunity every two or three years gets to request increased tuition fees). So even though that approximately \$950,000 is included, the budget itself is going up by \$408,000 and that could be for various reasons:

- Students having lower tuition
- Not all students on the watchlist end up going out out-of-district, though most do.

So we’re actually raising the tuition request \$408,000 based on the actual numbers and the tuition costs that we have for each student at the time of building this budget. It's also includes six spots for occupational educational students who go to Norfolk Country Agricultural High School (Norfolk Aggie). If a student would like to go to Norfolk Aggie, we are required to send them and pay a certain amount for that - this is not special education, but because it is tuition we shifted it over to this particular line to increase its visibility. As far as the overall operating increase, the Student Service appropriation was \$2,089,302, significantly less than it has been in years past. Our FY 22 request is \$5,694,133 an increase of \$3,604,831. However, of this total, there is an increase in the actual budget of only \$551,042. The rest of the increase is due to reductions in other sources that we have used to fund Special Ed - for example, there's no pre-pay savings available. In FY 20 because of school closure. we had savings of \$1,903,831 and applied those funds to pre-pay the out-of-district tuition costs for FY 21. This meant that in FY 21, we paid \$1.9 million less right than what is actually required to serve those students. That savings will not be available for FY 22 so that \$6.5 million number is what we will have to pay.

Staffing requests

Position	Justification
1.0 Kennedy Special Education Teacher (Requested in FY21)	Support increase of student special education population and addition of 8th grade team at Kennedy
1.0 English Language Learner (ELL) Teacher at Kennedy (Requested in FY21)	Not meeting ELL instructional hour requirement per DESE Audit

1.0 ELL Department Head Stipend-HS (\$9,265) (Requested in FY21)	Required for evaluation, coordination, and monitoring of ELL at the High School Level This stipend was requested and not funded in FY 21. This stipend is required as compensation for a teacher to do this additional supervisory work to ensure that teachers are using the appropriate strategies in classes with ELL students.
0.4 Social Worker at High School (22K) (Requested in FY21)	Currently grant funded and necessary to support mental health and other needs. This would raise the social worker who is presently 0.6 FTE to 1.0 FTE (no change in benefits because it already was a benefitted position) The social worker supports the mental health of all of our students and students who are either homeless or have other social emotional issues.
1.0 Vocational Tutor	Provide job coaching and facilitate business opportunities at Achieve Transition Center

Ms. Wollschlager asked if Mr. Scurlock or Mr. Evans from the subcommittee had anything they wanted to add. Mr. Scurlock said that one of the areas we were concerned about was the Circuit Breaker going down to \$400,000, about 50% of their target. Mr. Evans said that the meeting minutes have a lot of the detail in the Student Services budget and he reviewed it with Mr. Luff, so believed it's an accurate summary.

Questions from the Committee

Mr. Linehan asked whether the decision to move from East School to the First Congregational Church had been completed. Dr. Nolin said that decision has not been concluded because NPS is running a town-wide Space Study committee that includes the town CED Director and our Director of Operations. At this time, that decision hasn't been made, we do know we want to move to some location, and we hope that we can move the students out of the East School. However, the East School is still utilized by the YMCA program. In addition, the police use that facility for off-site training as well. It is our expectation that, given the huge demand for childcare in the area, that the YMCA and the ASAP program most likely will continue to use that space, which generate revenue for the system as a whole. The ASAP offices are at the East School and at the 5 Auburn St - Eliot School where they are using the gym space for a few students for all-day care because of the hybrid and remote learning environment. When we return to full school, that program will be discontinued, so that means only ASAP offices only will be at school.

Mr. Linehan asked how the 20 iPads for Q-Interactive only cost \$5,059 for 20 iPads. Mr. Luff said the overall budget is going up \$5,059 because Q-Interactive turned out to be less than what it costs us each year to pay for all the protocols and the test booklets. Mr. Luff emphasized that going digital costs less than the in-person protocols used previously.

Mr. Linehan asked how one can overuse Circuit Breaker funds if they're reimbursements from the state for specific purpose. Mr. Luff said that they allocate a certain amount of Circuit Breaker each year to assist in reducing the out-of-district tuition costs. Prior to about three years ago, we would use anywhere from \$2.1 million to \$2.3 million and try to anticipate the revenue that's coming into the state each year, and use about that amount. So, for example, you can see the FY 21, anticipated revenue was \$2,464,940, but we are using \$3,412,000 in FY 21. So we're not going to get that much revenue back

from the state and did that because we had additional money in the Circuit Breaker revolving account because we wanted to ensure that we reduced that Circuit Breaker accounts, to be as frugal with the funds that we as we could and to ensure that we could have a good budget and relationship with the rest of the town.

Mr. Evans asked, hypothetically, in the unlikely event that out-of-district tuitions are less than forecast would those funds be earmarked to replenish the Circuit Breaker revolving fund. Mr. Luff said if all the funds aren't spent, the remaining funds could go to Circuit Breaker at the end of the year and that is a conversation that we would need to have with the School Committee. Typically, we work through the operating funds first and then do Circuit Breaker after that. So, for example, the operating line is \$5 million, we'll go through the \$5 million and then we'll do the \$1.9 million Circuit Breaker and they would actually remain there in Circuit Breaker at the end so we actually wouldn't have to make that shift. However, sometimes you see increases in Circuit Breaker depending on what occurs. Occasionally, we'll go over budget with out-of-district tuitions.

Mr. Evans said, at the subcommittee meeting one of the questions I asked was what's the recovery plan for the Circuit Breaker revolving fund and whether it is a multi-year type effort. Mr. Luff said the goal is not to utilize more funds from the Circuit Breaker line each year than we receive in revenue. We have been utilizing more of the revolving funds each year. And that has been greater than the revenue we've been receiving. And so the first thing to do is to level that off. Once that occurs, then the Circuit Breaker revolving account may grow a bit more if we don't use it for high needs move-ins or emergency situations. We try to keep balance at around \$800,000, depending on the many variables that happen, but certainly it's not utilizing a greater offset to the operating budget than we receive in revenue each year. So with the \$1.9 million we're using this year, we're projecting to use \$2.1 million and we'll be able to grow that a hair if we don't have to use it.

Ms. Wollschlager asked how many extra students the \$400K increase in tuitions represents. Mr. Luff said it's not extra students and they are at 62 students in FY 21. Mr. Luff said it's the result of increases in fees and changes in programs. So a student who might have gone from a day program to a residential program or a student who needed a higher level day program or it may have been a student, that wasn't needed to go out-of-district in FY 21 who needs to go out-of-district in FY 22.

Ms. Wollschlager asked if Mr. Luff was saying it's the same number of students (62), plus the students on the watch list. Mr. Luff said the \$408,000 overall budget increase includes the 62 that we currently have plus the potential increase of an additional 11 students

Ms. Wollschlager asked for the 62 students currently going out-of-district, are some of those additional cost surprises, perhaps the they required a higher level of service, in FY 21. Are you incurring those costs now or are they costs you're anticipating will change in FY 22? Mr. Luff said we would come in with this budget relatively even each year because we would have reduced a few more students while adding some to the watch list each year, so no net gain. This year, unfortunately, we didn't reduce any. Typically, we might graduate 5,6,7,8 kids, and we only had three that were projected to graduate next year and based on their age. When we build the next year's budget in October, we have to assume that many of these students will go out-of-district this year, some will go out-of-district next year. Some kids that are currently in this 62 won't be the same kids that are in the 62 in 3-5 months. The impact of COVID is another variable and as we return to normalcy, we're hoping that we can build back our in-district programming and bring some kids back in. And hopefully, the mental health needs of students aren't so substantial that it requires a higher level of need and of service. Dr. Nolin pointed out that the potential outside placements are on page 83-86 of our budget book.

Mr. DeLuca, a subcommittee member wanted to comment about a couple of things.

1. We asked many questions in our subcommittee meetings that were answered thoroughly and I

- implore everyone to read those minutes
2. I was thoroughly impressed with the innovative strategies that Mr. Luff and his team have for the ACHIEVE program. These student-centered ideas will help develop growth and real world application to get students prepared for the real world.
 3. Every dollar that we spend developing in-district programs reduces the need to pay for more expensive out-of-district programs. In some cases, the student's needs cannot be met in-district because there are always some needs we can't

Mr. Pierce said the ACHIEVE program is very important to students and was glad to hear that you're considering moving the program somewhere downtown, whether it's at the church or some other location. I think that's very important because it will make those students feel more connected to the community.

Natick Public Schools - Transportation budget

Presenter: Dr. Gray

Transportation includes both regular education busing and in-district special education busing.

- Our regular education busing contractor is Connolly Bus. They provide 24 bus routes and 7 late buses in the Town of Natick.
- Our special education in-district busing provider is JFK Transportation.
- We also provide out of district specialized transportation with several other providers. They are used on a case by case basis. Our largest out of district provider is Accept Collaborative.
- Both our regular education and special education in-district contracts expire June 30, 2021. We are preparing both IFBs (Invitation to Bid) documents with the Town Procurement Officer to advertise in the month of February.

The Connolly bus contract was a five-year contract that was approved five years ago at Town Meeting. We're putting out an IFB with the town procurement officer for both the Regular Ed and Special Ed in-district contracts. Both contracts expire on June 30, 2021 and we will be advertising for bids for both of those contracts in the next few weeks and will review those bids and finalize a contract.

We calculate our transportation budget by adding together the projected annual contracts for Regular Ed transport (\$1,455,308), McKinney-Vento transport, and Special Ed contracts to get transportation subtotal of \$3,498,699.

As a result of COVID, regular education buses stopped running and NPS negotiated a settlement with Connolly Bus Company to cover the cost of the actual depreciation of the buses and other fixed costs regardless of whether the buses were on the road or not (final percentage was a 58.33% payment in lieu of actual buses running). The town appropriation for transportation is calculated by deducting the town bus subsidy (\$428,799) and Bus Fees charged to families (\$215,000), from gross costs (\$2,099,106) which yields a Net School appropriation of \$1,455,308 for FY22. This \$1,455,308 then goes back up to the top in Transportation Regular. Since we're going out for contract negotiations, I'm unable to say what we've put into this contract for anticipated increased cost and we are working with our school district legal team to include language to protect us against a possible shut-down in the future. When we shut down last March, 15 other districts who utilize the Connolly bus service negotiated jointly and received a reduced rate with Connolly, even though our attorneys said there's no contractual escape clause that entitled you to reduced payment in the event of closure. Further, the savings from not having to pay the full contract for Regular Ed and Special Ed were utilized to prepay our Special Education tuitions to help balance the budget. We anticipate that McKinney-Vento and Special Ed transport will be the same as last year's forecast as these are based on current student load as well as

where they go and what we anticipate for payment. So we do see a rather sizable increase. But once again, we are only projecting at this time until we get the bids back. Once we know the final numbers we'll be able to adjust that accordingly.

Reasons for increase in transportation budget:

- Loss of Fee Revenue due to COVID-19: (\$215,000). This is due to reduced ridership and space distancing requirements on the bus. We anticipate 50% of our normal bus fees will not be collected.
- Anticipated additional costs to regular education transportation - (?) This contract is out for bid in February. It is anticipated that, in addition to normal inflationary costs associated with a normal bidding process, that additional costs will be added to address COVID-related issues. We have added additional funds to our normal inflationary expectations in order to address this potential issue.

Because we open up our bus registrations in July and close them as school comes into session in September, we typically utilize the previous fees, not knowing what the current fees will be. That said, when we went into shutdown in March last year, we either refunded the unused bus or credited the future payment in FY22. If your student graduated or weren't going to use the bus in FY22, we refunded the bus fee. For anyone coming back to use the bus in this upcoming school year, we carry the credit forward for the bus fees in FY22. Between the credits, refunds and reduced capacity on our buses, we anticipate we're going to be down about 50% in our bus fees.

A Regular Ed school bus can hold up to 72 elementary kids, 60 middle school kids, and 48 high school kids. Because of social distancing DESE requirements and Board of Health requirements, we can only have a maximum of 24 students on buses. Each bus has 24 bench seats, but the bench seat behind the driver cannot be utilized, yielding 23 bench seats. This means that, unless you have a sibling, who can also travel with a student to the same school destination, the maximum number of students on any bus is 23 students. There have been big changes in bus usage during COVID. When we went to the two cohort model, parents were uncomfortable using the buses and we're seeing a gradual return as parents became more comfortable with the safety protocols that were in place. However, we're expecting a 50% reduction in bus fees this year and have embedded this additional cost within this current budget. This is due to the credits that were extended to families when bus transportation to the schools was stopped. This budget is contingent on successful negotiations with our suppliers that we hope to have completed prior to the Town Meeting in April and will have a concise budget for transportation as we get closer to that date.

As we go forward to the new regular transportation contract, we've worked with our legal advisors to ensure that, going forward, we have that kind of language that protects our interests in future contracts in the event of future closures. Historically, bus companies have bid low for the regular transportation, commonly referred to as the day-to-day yellow buses that go out and pick up our students and bring them from home to school. They would do that because they were assured of additional funds when they did things such as field trips, sports teams, anything to do with what they call "charter trips". Since we've been in shutdown, those disappeared. In anticipation of that contract change, we put some additional funds aside not knowing what we might get back as a bid. We think bus companies may be posturing to ensure that they get their costs covered. While I'm not at liberty to disclose how much we have put aside since we're in a bid process right now, we have tried to address that by ensuring we have enough funds going into FY 22 to meet our new bus contract. Mr. Townsend has been involved in that conversation and understands how we're approaching it and has been our advisor in in how we would do that. In addition, we've agreed in concept that since we're not fully aware of what the final bus contract price is, we've agreed that we will delay that particular cost until the fall if we don't receive a contract prior to 2021 Spring Town Meeting Having said that, we believe that the bids will be returned in the next two weeks and then we'll open up the bids and have some idea what the final costs will be.

Right now, as you know, the elementary schools will be reopening on April 5, the middle schools towards the end of April, and then the high school opening is to be determined. So we're revamping our whole transportation schedule, knowing that certain previous guidelines that were put in place to protect the students and the bus driver have been somewhat lifted, occupancy on buses will be increased. We will be looking at a prorated fee from families using the buses from the reopening of school to the end of the school year, but don't expect a large amount of increased funds. Hopefully when full live classes return in the fall, we will see a return to our previous levels of the balance in our revolving account.

We're also out on a targeted bid for special education transportation, especially in-district that is exempt from MGL 30B (procurement law) so we do a targeted bid process where we speak to other providers to ensure that our current provider, if we choose to go with them, has asked for an appropriate increase based on a new three-year contract.

ACCOUNT DESCRIPTION	FY20 BUDGET	FY20 ACTUAL	FY21 BUDGET	FY22 REQUEST	FY 21 vs. FY 22 INC/ (DEC)
TRANSPORTATION - REGULAR	\$853,485	\$853,474	\$850,766	\$1,455,308	\$604,542
TRANSPORTATION - MCKINNEY VENTO	\$130,540	\$145,005	\$165,000	\$165,000	\$0
TRANSPORTATION - SPED	\$1,992,080	\$1,547,787	\$1,878,391	\$1,878,391	\$0
SUB-TOTAL TRANSPORTATION	\$2,978,105	\$2,546,266	\$2,894,157	\$3,498,699	\$604,542
OFFSETS TO REGULAR TRANSPORTATION:					
GROSS COSTS	\$1,695,622		\$1,699,106	\$2,099,106	\$400,000
LESS:					
TOWN APPROPRIATION	-\$410,137		-\$418,340	-\$428,799	-\$10,458
BUS FEES	-\$430,000		-\$430,000	-\$215,000	\$215,000
NET SCHOOL APPROPRIATION	\$855,485		\$850,766	\$1,455,308	\$604,542

As shown in the chart above, here are the estimated transportation costs for FY 22. We are anticipating some additional increases as a result of the bidding process. However, we don't anticipate any increases or changes to our McKinney-Vento transportation. We do see a reduction in our bus fees for FY 22. The reason for this is that the bus transportation fees were paid for through the end of the school year. Once school was closed due to COVID, we refunded money to those students who were either graduating or not returning to Natick Schools. This means that we are not going to get our typical revenue stream for bus fees in FY 22. We anticipated about 50% of our normal bus fees (\$215,000) will not be collected in

FY 21 that we use towards the FY 22 school year and then we are out the contract. As I said, we should receive those bids back in the next two weeks, and then we'll open the bids and determine who the lowest bidder is and what the cost will be going forward into the next school year. And all things being equal, we operate 24 daily bus routes and seven late buses, in addition to the aforementioned sports and field trips and other charter bus routes that the bus company does.

Questions from the Committee

Mr. DeLuca asked how the back-to-school plans may affect either contract negotiations or pricing this year. Dr. Gray said they will not because we're trying to look forward to what the new school year will look like. So, embedded within the contract, and in the bid process is a mechanism to deal with a potential closure and moving back to remote school, as well as to deal with full-time in-person learning that we anticipate in April and then next school year. This is the contract is going forward as expires the current contract expires on June 30.

Ms. Wollschlager asked if NPS is assuming usage of approximately the same number of buses as prior to COVID or are there any contingencies assuming that may still need to be some social distancing. Dr. Gray said their FY 22 assumption is based on the fact that depending on what capacity we have in our buses, that'll be the number of students that we can handles. As you may know, in prior years when we've had more riders than buses, we've had a waiting list. We're not sure yet how parents will feel about putting their children on buses. So at this point, we project having 24 bus routes and seven late buses. If we start to exceed capacity based on limited number of students in the bus (three elementary school children per row and two students for middle school and high school), we have the capacity to add a route.

Article 25 – Amend Zoning By-Laws: Corner Lots

Presenter: Mr. James Freas, Director, CED

Mr. Freas said at the Planning Board meeting last Wednesday, the Board voted to recommend referral of Article 25 back to the planning board.

Mr. Evans moved to recommend referral of Article 25 to the Planning Board and recommend to the Moderator that this article be added to the consent agenda, seconded by Mr. Coffey, voted 11 – 0 – 0
Roll-call vote:

Mr. Coburn = yes
Mr. Coffey = yes
Mr. DeLuca = yes
Mr. Evans = yes
Mr. Gillenwater = yes

Mr. LaFleur = yes
Mr. Linehan = yes
Mr. Pierce = yes
Mr. Pope = yes
Mr. Scurlock = yes
Ms. Wollschlager = yes

Mr. Evans noted that the Planning Board recognizes that it has some work to do on this article and felt the needed to refine it more. This topic is not show-stopping sort of thing and we can address it in the fall.

Mr. Coffey said it always breaks my heart to remove a zoning article from the warrant, but so be it.

Article 26 – Amend Zoning By-Laws: Adult-User Marijuana Establishment Uses

Presenter: Mr. James Freas, Director, CED

[Link to Motion, Redlined Motion, & Questionnaire](#)

Mr. Freas said the overall article is dealing with Section III-K.2: Adult Use Marijuana Establishments, the portion of the Zoning bylaws that that deals with marijuana establishments within the town and regulation of those establishments. Motion A proposes to remove the now expired moratorium language from the bylaw. This language was when the law legalizing the use of marijuana and the establishment of marijuana establishments in in the Commonwealth had just been passed. The town adopted a moratorium to allow it time to develop a body of zoning and licensing regulations and to establish our process for reviewing these marijuana establishments. We've completed that process and adopted that zoning and licensing and all those things. Many of you are aware that we're now in the process of permitting and licensing various marijuana establishments, so the moratorium is both expired and long past its usefulness. So motion A proposes to remove it from the bylaw. Motion B recognizes that, on January 8, the state's Cannabis Control Commission (CCC) finalized regulations that created two new license types for two new types of marijuana establishments - *marijuana delivery courier* and *marijuana delivery operator* and these are described in the packet of materials you have. In short, the **delivery courier** is an establishment that basically a customer places an order with the company, the company then goes and picks up the order at an independent marijuana retailer and then delivers it to the home of the customer. The marijuana delivery courier does not store or keep marijuana - it simply transports it from the retailer to a customer. The **delivery operator**, by contrast, stores and keeps marijuana product, but does not do retail sales, they simply sell it on a delivery basis, so they're, essentially, a warehouse where one can order and accept deliveries from the delivery operator. The way these are structured by the CCC has different tax revenue depending on which type it is. Payments associated with the Host Community Agreement (HCA) go to the host community of the establishment and then the retail taxes associated with the marijuana go to the location of the point of sale. So the marijuana courier would go to the location of the retailer; the marijuana delivery model would go to the location of the marijuana delivery operator where their business is located. Whether these uses are allowed or not they allowed in Natick, they are allowed to deliver into Natick, but those revenues would go primarily to the host community of the establishment. The proposed motion B simply recognizes these two new license types within our bylaw and allows them within the Industrial Marijuana Overlay district which is covers the area, of the East Natick Industrial Park off of Oak Street.

Questions from the Committee

Mr. Linehan noted that the top of the motion is "To see if the Town will vote to amend the Town of Natick Zoning Bylaws to add new Adult-Use Marijuana Establishment uses in Section III-K.2: Adult Use Marijuana Establishments and remove the expired moratorium sections from Section III-K: Marijuana Establishments, sections A through E. ", and Mr. Linehan asked Mr. Freas if the Planning Board would be willing to consistently use "Adult-Use Marijuana Establishments. Mr. Freas said he didn't think the Planning Board would have any concerns about doing so.

Mr. Linehan asked if there was a definition for a third-party marijuana transporter. Mr. Freas said there is. Each of these is a separately defined license type by the state CCC. A third party marijuana transporter is an entity that moves marijuana between a cultivator or a manufacturer to a retailer. So the difference is that the delivery courier and the delivery operator are delivering directly to customers whereas the third party marijuana transporter is delivering from a cultivator to a retail establishment or from a manufacturer to a retail establishment, or to a laboratory or whatever.

Mr. Linehan asked if there is a financial incentive for a delivery courier to get a license in Natick where they already have a license in a different town and is there any restriction on operating in Natick if they aren't licensed in Natick. Mr. Freas said, in fact, it's the opposite. Natick is not allowed to prevent a delivery courier or delivery operator to operate within the town. So, for example, they can locate in Framingham and the revenues would go to Framingham, but they can still deliver in Natick.

Mr. Linehan noted that since this is a multi-town unrestricted license at the lowest price does Natick intend to collect a few from either a delivery courier or delivery operator. Mr. Freas said both couriers and operators would be required to pay all licensing fees as any other Adult Use Marijuana establishment is mandated to do in town. Second, I have zero doubt that we would negotiate as we have with every other entity to pursue payments through a HCA. It's important to note that we don't really have a choice in that our current bylaw, by not mentioning these two license types, does not allow these two license types. And you cannot ban any license type under the state law unless the town passes a town-wide referendum and the town already voted favorably on the marijuana referendum. Thus, we are required to amend our Zoning Bylaw to include these license types.

Mr. Linehan asked whether there was any geographic restriction for these license types. Mr. Freas said there was not – a delivery operator in Greenfield Massachusetts could deliver in Natick just as readily as one located in Framingham could deliver in Natick.

Mr. Linehan asked if the Planning Board or Select Board have given any thought to how they would set fees that would influence couriers or operators to locate in Natick. Mr. Freas noted that the fee structure is outside of the scope of this amendment - there is no proposal to change the fee structures and our fee structures are the same for all adult use marijuana establishments across the board – there is no differentiation by license type whatsoever on licensing fees. Each HCA is negotiated de novo individually by the Select Board. The second thing they need to get is a special permit from the Planning Board and it must be located within the designated zoning areas within the town. Then, they must get a license from the Select Board and the license fee is set by regulation and established in advance and is the same for every single marijuana establishment.

Mr. DeLuca asked whether the delivery courier or operator would have to operate out of a physical building within Natick or could they operate out of a P.O. Box. Mr. Freas said they must locate in the Industrial Marijuana Overlay District in the East Natick Industrial Park.

Mr. DeLuca asked for clarification of whether we have a choice about adding these two components into the zoning and asked if the town could establish a temporary moratorium on these two uses in order to allow us time to study them further. We could we could propose a moratorium for the time being in order to do a town wide referendum to block them or we can include them. Mr. Freas said the Select Board and the Planning Board's recommendation is to include them as there does not appear to be any benefit to the town or any concern to the town in not adding them. No matter where these businesses choose to locate, they will be able to deliver into Natick.

Mr. DeLuca asked whether the medical use retail marijuana establishment on Mercer Road delivers their products. Mr. Freas said he was not sure whether they did deliver, and noted that medical marijuana is regulated under a completely different body of law, both locally and at the state level.

Mr. DeLuca asked if the East Natick Industrial Parks allow storage of marijuana products and were there any restrictions on that activity. Mr. Freas said if it's in Industrial I zone (In), it does not allow that use. The challenge that we run into is we have to locate this use somewhere in town and we're not proposing to establish a third marijuana overlay district for this particular use. But I've mentioned this before, because that area has a lot of restrictions already in place with being close to a school and the buffer zones around schools. However, in prior discussions, when it was zoned as an overlay district, there were components or parts of it that could still allow marijuana establishments that were beyond the buffer zone.

Mr. DeLuca asked whether this use would be banned from the marijuana overlay district. Mr. Freas said it isn't banned because we are specifically allowing this use and differentiating it from a warehouse or storage use. It's specifically defined as a delivery operator or courier, according to the CCC definition and the way they've set up a licensed site.

Mr. DeLuca asked what the definition of “other adult use marijuana establishments” noting that it seemed arbitrary and vague Mr. Freas said adding this line was a recommendation from our Special Town Counsel for marijuana-related stuff and it’s a line that he’s recommended to other communities as well. Basically, in the in the realm of marijuana, adult use marijuana establishments, the list that we have right now here in the table are all the uses and types of licenses currently allowed by the state through the CC - there aren’t any others out there. His recommendation, which I agree with, was that the CCC were to come with something new in the future, then we don’t have to kind of scramble to amend our zoning bylaw – this is a catch-all to cover this potential change. It would still require a Special Permit and go through the multi-step review process that I described before getting approval.

Mr. DeLuca asked whether it is feasible that the town could put a moratorium on a new specific use under the marijuana law to allow for more time to review the use in the marijuana overlay district. Mr. Freas said Park. So I had created a moratorium still requires one to go forward and amend the zoning bylaw. The Select Board would be able to choose not negotiate a HCA for that use and we would simply move forward with establishment of a moratorium at the following Town Meeting. Or, you could call for a town-wide referendum and the Select Board would have to approve it as a ballot initiative because you cannot ban a license type except by approval in a town-wide referendum.

Mr. Pope stated that he recently read that there are companies that at three different locations for, for marijuana retail in town and asked how this this article connects with those three places, if they are opened. Mr. Freas said that this is unrelated in the sense that these are separate license types that one has to seek from the CCC that are clear and distinct licenses license types. The town is required to provide the opportunity for two retail marijuana establishments within the town. The Select Board is in the process of deciding which two of the retail applications that have been submitted they choose to negotiate a HCA with and they have voted at a previous meeting on one of those and that is now moving into the HCA negotiation phase. And the other applicants have been asked to submit supplemental materials so that the Select Board may make a decision on with whom to open negotiations with on the final license. None of these retailers would be able to do delivery because delivery is a separate license type under the law and our Zoning Bylaw specifically does not allow a marijuana retailer to conduct delivery.

Mr. Pope said he was considering the Route 9 East location for the retailer, which is a ¼ mile away from my house on the town border with Wellesley. The town has nuisance laws and I’m concerned because it’s so close to Wellesley that if all they’re doing is talking about getting a report from the Natick Police, they may not be getting it from the Wellesley Police, as the CVS next door has a 60 car parking lot and that might change the nature of the potential traffic there, so I would propose not allowing anything related to marijuana within 500 feet of a town limits. If you’re saying this doesn’t even affect that, then that’s a whole different conversation. Ms. Wollschlager said there is a separate article (Article 29 - Amend Zoning By-Laws to Create Residential Buffer Zones Regarding Licensed Marijuana Retailer Establishments under Section III-K.2: Adult Use Marijuana Establishments) on that topic.

Mr. Coburn said he recalled that there are surrounding communities who are do not permit adult-use marijuana establishment licenses and never had to vote on it because they voted no on the marijuana legalization referendum & asked if Mr. Freas knew which adjoining towns did not permit it. Mr. Freas said Wayland, Weston and Wellesley, and possibly Dover & Sherborn all did referendums or otherwise, either in the original referendum or in a subsequent referendum and banned adult-use marijuana establishments in their entirety.

Mr. Coburn asked if there were a delivery courier or delivery operator licensed in Natick, could they deliver products to any of these communities you listed. Mr. Freas said he didn’t definitely know whether a courier or operator is able to deliver products to a community that has banned them.

Mr. LaFleur asked if establishments limited to one license type or can they be combined into multiple types. Mr. Freas said that understanding that they're limited to one license type.

Mr. DeLuca asked if Mr. Freas had seen other towns who voted no on the marijuana referendum have any restrictions or guidelines as to permitted activities for courier services. Mr. Freas said he has not and noted that these license types were finalized on January 8, 2021, so nobody has nobody has permitted one of these as of yet.

Mr. DeLuca asked when Mr. Freas might be able to answer Mr. Coburn's question regarding whether the delivery operator or courier is permitted cross borders in towns that didn't have a positive referendum result. Mr. Freas said he could have an answer by tomorrow.

Mr. DeLuca asked how restrictive the zoning bylaws were on where these new uses could be located. Ms. Wollschlager said, if you look at the Use Table, I think it probably is about as restrictive as you can get since it is only approved for the marijuana overlay district through special permit.

Mr. Coburn asked whether, if there were two retail establishments retail, would these categories be crowded out by these new uses – or is delivery and courier completely separate. Mr. Freas said that the two license limit is specific to the retail marijuana establishments only. Theoretically, we could have multiple delivery or courier locations in the overlay district, but remember that each would need to have a HCA with the Select Board as well as a Special Permit from the Planning Board. When the state marijuana law was passed, it said that every municipality had to allow an equivalent number of marijuana retail establishments equivalent to 20% of your alcohol licenses. For Natick, this meant a minimum of two licenses. Then, when Town Meeting adopted these licensing regulations in 2018, it set those two licenses as being restricted to the marijuana overlay district. Other than that, there are no other limits placed on any of the other adult use marijuana establishment types.

Mr. Coburn asked whether an on-premises consumption marijuana license might be allowed if the CCC were to introduce it and it would be allowed under the “other adult use marijuana establishments”. Mr. Freas said there is a process in place and the town would not be obligated to approve or accept a particular applicant, and therefore would be able to create time to address if we if we felt we needed to have further regulation on a new use type. The “other” use category is a placeholder so that we have time to make an appropriate determination based on it. This recommendation came from our special Town Counsel for all things marijuana, and many other communities have this kind of category within their marijuana zoning bylaws, and aren't having to take any steps right now to address adding or amending their bylaws to incorporate these new uses and can make changes as they see fit. The other thing I'd note is when this bylaw was originally adopted by Town Meeting, there may have been an intent to have another type section since marijuana establishments has the words “or any other type of licensed marijuana related business”, so it is already in the definition. But, because we did not include it in the Use Table, we effectively didn't allow it to exist anywhere. So we define that as including any other type of licensed marijuana related business, but then when we actually were parsing these license types out into the geography of the town into the overlay districts, we didn't identify a place where another type could go, and therefore we effectively banned the other any other type. The intent of this amendment is to is to not have a ban, which we're not allowed to have, but through zoning, introduce these two delivery types and cover this other type as might have been originally envisioned

Mr. Gillenwater said he found two online sources, the Northeast Cannabis Business Conference and boston.com, from 2019 that both indicate that, at the time that the articles were written in October and December of 2019, deliveries to towns that have placed a ban or moratorium on Adult Use Marijuana are prohibited unless officials unless municipal officials decide otherwise and license them specifically.

Mr. Linehan asked whether the definitions of the two new categories in the bylaw are identical to and as complete as the state definitions of those categories. Mr. Freas said that they are identical in intent and

incorporate everything that's in the state definitions. Any re-wording is solely to make them reflect the word choice or conventions in the Natick Zoning Bylaws.

Mr. Linehan asked that a comparison of those definitions because be made available to the Finance Committee. Mr. Freas agreed to provide.

Mr. DeLuca asked whether you could have two licenses in the same facility under two different businesses names, i.e., with multiple LLCs operating from the same building. Mr. Freas said they could locate in the same building if they are separate legal entities, even if, ultimately, it's under similar ownership. But we're not allowing this use in the same district as the marijuana retail use, so they would not be able to locate in the same building as a retail establishment. Once again the Select Board has to agree to a HCA and the Planning Board would have to issue a Special Permit.

Mr. DeLuca said that the town could create a zoning restriction of one license per building is or similar restrictions. Mr. Freas said while the town could do that, it has chosen not to do so.

Mr. Evans moved to recommend Favorable Action on Article 26 Motion A, seconded by Mr. DeLuca, voted 10 – 0 – 0

Roll-call vote:

Mr. Coburn = yes
Mr. Coffey = yes
Mr. DeLuca = yes
Mr. Evans = yes
Mr. Gillenwater = yes

Mr. LaFleur = yes
Mr. Linehan = yes
Mr. Pope = yes
Mr. Scurlock = yes
Ms. Wollschlager = yes

Mr. Linehan made a motion to recommend Favorable Action on Article 26, Motion A, with the amendment to change "Section III-K (Marijuana Establishments)" to read Move to amend Section III-K (Adult-Use Marijuana Establishments) not seconded, not voted.

Debate

Mr. Evans said Motion A removes language that is now obsolete because it refers to a moratorium that no longer exists and the sole purpose of the deletion is to do this.

Article 26 Motion B

Mr. DeLuca said this is just clean-up and it stops at Section III and his concerns can be addressed in Motion B.

Mr. DeLuca moved to recommend Referral to the Planning Board, seconded by Mr. LaFleur, not voted

Mr. Evans moved to recommend Favorable Action on Article 26 Motion B, with the following change to remove Section 1 where it now reads "1. Remove the section title, which reads, "Section III-K.2: Adult Use Marijuana Establishments," and to renumber the article and re-number the other sections such that Motion B ends with "7. Delete the subsection that reads "5.2 Intentionally left blank", seconded by Mr. Gillenwater, not voted.

Mr. Coffey moved to postpone consideration of Article 26 Motion until a time designated by the Finance Committee Chair, seconded by Mr. Coburn, voted 10 – 0 – 0.

Roll-call vote:

Mr. Coburn = yes
Mr. Coffey = yes
Mr. DeLuca = yes
Mr. Evans = yes
Mr. Gillenwater = yes

Mr. LaFleur = yes
Mr. Linehan = yes
Mr. Pope = yes
Mr. Scurlock = yes
Ms. Wollschlager = yes

Ms. Wollschlager asked Mr. Freas whether he would have an answer to the question about understanding the impact of potential delivery to our surrounding towns that do not permit retail marijuana establishments, whether the definitions are consistent with the state definitions, and confirmation that the change to “Adult-Use Marijuana Establishments” is acceptable to the Planning Board. Mr. Freas said he should be able to get that answer by tomorrow.

Employee Fringe and Health Insurance

[Link to presentation on Employee Fringe and Health Insurance Costs](#)

Mr. Townsend said, as you probably know, we are a member of the West Suburban Health Group (WSHG), a municipal joint purchase group organized under M.G.L. Chapter 32B, §12. The WSHG became operational on July 1, 1990 for the joint negotiation and purchase of health benefits for employees, retirees, and their families. The members are the towns of Natick, Dedham, Wellesley, Dover, Holliston, Wrentham, Needham, Wayland, and Shrewsbury, the Dover-Sherborn Regional School District, and the ACCEPT Education Collaborative.

*West Suburban Health Group
POLICY PERIOD 7/1/21 - 6/30/22*

SCENARIO G-2		FY22 HEALTH INSURANCE FUNDING SCENARIO - A Proposed Alternative Scenario from SC							<i>6-mo. Paid Claims Expense- to-Funding ratio 7/2020 -12/2020</i>
<i>ROUNDED RATES</i>		<i>Rates INCLUDE Alt. Rx and Diabetes Program claims</i>							
<i>& evening out BCBS & Fallon Benchmark & HSAQs</i>									
Health Plan	12/20 Enrollments		<i>Projected FY22 Rates</i>		FY22 MONTHLY	FY22 ANNUAL	% Increase by Plan		
	<i>Individual</i>	<i>Family</i>	<i>Individual</i>	<i>Family</i>	<i>FUNDING</i>	<i>FUNDING</i>			
<i>HPHC EPO Benchmark</i>	504	471	\$ 1,071.00	\$ 2,790.00	\$ 1,853,874	\$ 22,246,488	4.0%	101.6%	
<i>HPHC HSAQ</i>	307	509	\$ 829.00	\$ 2,163.00	\$ 1,355,470	\$ 16,265,640	4.0%	97.0%	
<i>Blue Choice Benchmark</i>	220	141	\$ 1,075.00	\$ 2,883.00	\$ 643,003	\$ 7,716,036	0.7%	77.4%	
<i>BCBS HSAQ "Saver"</i>	80	96	\$ 868.03	\$ 2,331.21	\$ 293,238	\$ 3,518,861	0.7%	71.2%	
<i>Tufts Benchmark</i>	188	134	\$ 1,133.00	\$ 2,966.00	\$ 610,448	\$ 7,325,376	4.5%	89.5%	
<i>Tufts HSAQ</i>	88	91	\$ 877.00	\$ 2,297.00	\$ 286,203	\$ 3,434,436	4.5%	81.3%	
<i>Fallon Select Benchmark</i>	848	1,166	\$ 817.00	\$ 2,200.00	\$ 3,258,016	\$ 39,096,192	3.4%	93.7%	
<i>Fallon Select HSAQ</i>	243	339	\$ 688.00	\$ 1,855.00	\$ 796,029	\$ 9,552,348	3.4%	74.5%	
<i>Fallon Direct Benchmark</i>	169	103	\$ 761.00	\$ 2,047.00	\$ 339,450	\$ 4,073,400	3.4%	93.7%	
<i>Fallon Direct HSAQ</i>	59	13	\$ 641.00	\$ 1,730.00	\$ 60,309	\$ 723,708	3.4%	74.5%	
<i>Harvard Pilgrim PPO</i>	13	1	\$ 2,658.00	\$ 5,902.00	\$ 40,456	\$ 485,472	0.0%	33.4%	
TOTALS:	2,719	3,064			\$ 9,536,496	\$ 114,437,957	3.4%		

Composite Increase

The sheet your current seeing is the actual rate sheet that WSHG voted on and provided to us the composite rate of 3.4% You may notice that retiree plans are not shown – this is because they’re on a calendar year basis, not a FY basis and I’ll talk about it a bit later.

NPS has the most active employees on insurance health plans (63%) and the town’s active employees are 37% of the policies. Active employees represent 757 plans, Medicare retirees are 682, non-Medicare retirees (those under 65 years old) are 103, and we have 16 reserve plans that we set aside for people switching plans or adding a couple more people on board. When we set our plans for FY 22, we take into

account the additional requested FTEs from the school and the town and make our estimates based on those figures.

Total Health Insurance Costs		
Town	Plans	Costs
Town Active Employees	267	\$3,623,335.48
Town Non-Medicare Eligible Retirees	44	\$607,471.68
Town Retirees	257	\$762,676.89
Town Reserve Plans	6	\$81,459.00
	574	\$5,074,943.05
School	Plans	Costs
Schools Active Employees	490	\$6,908,523.25
Schools Non-Medicare Eligible Retirees	59	\$669,190.92
Schools Retirees	425	\$1,263,617.15
Schools Reserve Plans	10	\$135,765.00
	984	\$8,977,096.32
Total General Fund	Plans	Costs
Active Employees	757	\$10,531,858.73
Non-Medicare Eligible Retirees	103	\$1,276,662.60
Retirees	682	\$2,026,294.03
Reserve Plans	16	\$217,224.00
	1558	\$14,052,039.37
Other Costs		
Life Insurance		\$44,000.00
Flu Shots		\$7,500.00
Occupational Health Nurse		\$21,000.00
Cook & Co - Consultants		\$6,000.00
Miscellaneous Items: (Wellness Programming, Health Fair)		\$25,000.00
Continuity of Care Mitigation		\$60,000.00
Sentinel Benefits Administration Fee		\$40,200.00
Sentinel Benefits		\$10,000.00
Medicare Penalty Re: Section 18		\$33,780.00
Retiree Mitigation		\$40,000.00
Total		\$14,339,519.37

The town has 574 projected plans for FY 22, a slight increase over 522 plans over FY 21. The schools have 984 plans, a decrease of 37 plans, so total plans – active employees, retirees and reserves – total \$14,052,039.37.

In addition to the health care plans, we've listed all the other costs:

- We provide our employees with a \$5,000 life insurance policy (total = \$44,000)
- Flu shots (\$7500)
- Occupational Health Nurse who runs the flu clinics (\$21,000)
- Cook & Company - our health care consultants on healthcare matters, as well as dealing with things such as the PC (?), which I'll talk to talk about just a little bit.
- Medicare penalty for sections 18. There are certain fees that our retirees incur. When filing for

Medicare, we cover those as part of their cost for their policies (\$33,780)

Fortunately, we came in well under our original forecast of a 6.6% increase in our health care costs as it came in at about 3.3%, a savings of \$559,336. We've committed those funds towards a closing the gap between the school's estimated budget and the Town Administrators x estimated budget for them.

Slide 6 shows an overview of the plans that we offer our employees and provides a comparison between FY 21 and FY 22.

- Fallon Benchmark is the most popular plan - we have 661 active plans 42%. In FY 17, we switched the contribution rates from 75% town/25% employee for Fallon, and then 60%/38% for the rest of the plans to provide incentive for employees to move to Fallon, a far less expensive plan.
- Tufts, Harvard-Pilgrim, and Network Blue round out our offerings.
- There are two different plan types: Benchmark or High Deductible Health Plan
- The most popular is Fallon Select Benchmark, which is the least expensive and also has the most preferential contribution between town (75%) and employee (25%). Fallon products make up almost 80% of all of our employees, which is a great savings for the town.
- Non Medicare retirees (103) are slightly up over FY 21.
- Senior plan (Medicare) - Town increased by 8 plans; schools decreased by 4 plans = net increase of 4 plans
- Non-Medicare – Town decreased by 6 plans; school increased by 10 plans = net increase of 4 plans

Senior plans are on a calendar year cycle, not a fiscal year, so we received those rate increases in January and they came in extremely beneficial for us. The top two plans – Harvard-Pilgrim Health and Blue Cross/Blue Shield had a 0% increase and increase of all the Tufts products averaged a 1.6% increase (Tufts HMO was the highest at 4%) Overall, the senior plans are well within our budgeted amount and the next adjustment is January 2022.

Employees and retirees in our Enterprise Funds are, of course, eligible to participate in the town health care plans and the number of plans and their cost is shown in the table below.

Enterprise Fund Health Care		
	# of Plans	Cost
Water & Sewer Active Employees	20	\$304,902.00
Golf Active Employees	2	\$26,992.00
Water & Sewer Non-Medicare Eligible Retirees	5	\$62,889.48
Water & Sewer Retirees	12	\$35,515.66
Golf Non-Medicare Eligible Retirees	1	\$8,429.52
Golf Retirees	0	\$0.00
		\$438,728.66

The Public Employee Committee is set up pursuant to state law to allow the town to negotiate with the unions as a group and is a collective agreement between the town and all unions, including the school units and retirees, to negotiate the terms and conditions of employee healthcare. The types of plans and the cost distribution are agreed upon with the PEC for a term of 3 years. FY22 will be final year of

the agreement – we start negotiations for a successor agreement on Monday. Other terms of the agreement include:

- Employee / Town contribution splits
- Contributions to the High Deductible Health Plan (HDHP) Health Savings Account (HAS) Terms of the opt-out plan that allows employees who have gone without town insurance for at least a year to get a payment as long as they continue to opt out of our plans.
- Continuity of Care Mitigation Provisions

We do not plan to request any particular changes to this plan except for wording changes to make things a little smoother, but otherwise, we intend to continue with the distribution of costs between employee and employer for the plans for the next three year period.

Questions from the Committee

Mr. LaFleur asked how satisfied the employees of the town with the insurance choices. Mr. Townsend said, generally speaking, employees are satisfied with the selections. Younger employees are very pleased that we started offering a high deductible plan option, which is more attractive for younger employees who are less likely to need health insurance. They can also put in \$2,000 (individual) and \$4,000 (family) into their HAS account. There were some initial concerns with Fallon because it had somewhat restricted coverage, but Fallon has expanded their network in the last couple of years, so a lot of that has been sort of rectified.

Mr. LaFleur asked for details on what inducements Natick provides to use Fallon. Mr. Townsend said that this is a Natick initiative. The WSHG sets the rates and then, pursuant to the PEC agreement, we figure out what the contributions will be for employer and employee.

Mr. Scurlock asked if there were any other changes in fringe benefits other than health care. Mr. Townsend said there was an increase in the benefits reserve area. If you recall, we increased that by \$100,000 in FY 21 because of the COVID situation. For FY 22, we're going to eliminate that because we don't, we don't think we're going to need it.

Mr. Linehan asked for an explanation of the 132% increase in Public Safety Medical (111F). Mr. Townsend said 111F is the section in the statute that makes that public safety employees get their full pay if they get injured on-duty. It is handled a lot like workers compensation in that we have to pay the difference between the amount that the workers compensation carrier pays and the actual salary. Typically, they do an annual audit, but they delayed it for a couple of years and when they finally did it, this inflated the figures for FY 21. As you know, worker's compensation insurance is based on your claims and because of the nature and extent of the claims, so they increased the rates from that inflated FY 21 base to derive the FY 22 number.

Mr. DeLuca RE: the LIUNA pension, my recollection is that we considered buying this out in prior years and there was analysis done on that and asked for an update on either why we didn't pursue that it but are still considering it or whether we're no longer pursuing it. Mr. Townsend said the short version is that we are not looking to buy this out and the fund is out of the red zone, so it's not in distress any longer. We are sitting down with the union to negotiate the actual contribution by the employer, so we are not attempting to buy it out. It wasn't that popular with the employees and the union has agreed that we're going to negotiate with regards to what the employee contribution is going to be. This particular amount \$386,520 is based on an hourly contribution by the employer have \$1.64. At the time that we went in the fund went into the red zone in 2010, our contribution was 71 cents. So therefore, the union has agreed to sit down and negotiate what the rate should be going forward and we hope to

reach agreement before the end of FY 21.

Mr. DeLuca asked whether LIUMA falls under the same board as the other pension fund. This is privately handled outside of the Natick Pension Fund, and therefore, outside of the supervision of the Retirement Board and it's a totally separate entity from the state fund.

Mr. DeLuca asked because this has to do with the valuations, do we have a schedule of investments. Mr. Townsend said they had a drop in rates, which would have pushed any fixed income products valuations through the roof

Mr. Gillenwater noted that DOT drug and alcohol testing was included in the DPW budget and I recall Mr. Marsette talked about this. Mr. Townsend said it is mostly DPW people who need that service. I'm not certain whether there are other folks who also need it as well. Mr. Gillenwater asked whether it is in both budgets and possibly double-counted. Mr. Townsend said it is a de minimus amount and it probably can be consolidated and I will look into that. Mr. Coburn said the DPW subcommittee has been told that this covers the small amount that covers drivers who are employed by other departments outside of DPW

Mr. Coburn moved to recommend positive action with regard to the shared budget for Employee Fringe in the amount of \$17,683,754, seconded by Mr. Evans, voted 10 – 0 – 0

Roll-call vote:

Mr. Coburn = yes
Mr. Coffey = yes
Mr. DeLuca = yes
Mr. Evans = yes
Mr. Gillenwater = yes

Mr. LaFleur = yes
Mr. Linehan = yes
Mr. Pope = yes
Mr. Scurlock = yes
Ms. Wollschlager = yes

Debate

Mr. Coburn thanked Mr. Townsend for your preparedness in coming to the meeting to show us what's changed, and in most cases, better than we expected.

Mr. Evans said this is a real positive because the decreased Employee Fringe costs will help us bridge some of the budget gap with NPS.

Mr. DeLuca said he would support favorable action, but raised concerns about the investments being made in the LIUNA section in that the town appears to have no control over what's in the fund or even oversight, so I'd like to get more information on it.

Mr. Linehan moved to close the public hearings on the FY 2022 Town Administrator budget and the Spring Annual Town Meeting 2021 warrant articles, seconded by Mr. Evans, voted 10 – 0 – 0

Roll-call vote:

Mr. Coburn = yes
Mr. Coffey = yes
Mr. DeLuca = yes
Mr. Evans = yes
Mr. Gillenwater = yes

Mr. LaFleur = yes
Mr. Linehan = yes
Mr. Pope = yes
Mr. Scurlock = yes
Ms. Wollschlager = yes

Subcommittee Updates

Mr. Scurlock said the Education & Learning subcommittee voted 4 – 0 – 0 on a revised figure (decreased from initial budget) from Keefe Tech this afternoon

Meeting Minutes

Mr. Linehan moved to approve, as amended, the February 23, 2021 minutes, seconded by Mr. Scurlock, voted 10 – 0 – 0.

Roll-call vote:

Mr. Coburn = yes
Mr. Coffey = yes
Mr. DeLuca = yes
Mr. Evans = yes
Mr. Gillenwater = yes

Mr. LaFleur = yes
Mr. Linehan = yes
Mr. Pope = yes
Mr. Scurlock = yes
Ms. Wollschlager = yes

Mr. LaFleur moved to approve, as amended, the February 23, 2021 minutes, seconded by Mr. Linehan , voted 10 – 0 – 0.

Roll-call vote:

Mr. Coburn = yes
Mr. Coffey = yes
Mr. DeLuca = yes
Mr. Evans = yes
Mr. Gillenwater = yes

Mr. LaFleur = yes
Mr. Linehan = yes
Mr. Pope = yes
Mr. Scurlock = yes
Ms. Wollschlager = yes

Mr. Linehan moved to adjourn, seconded by Mr. LaFleur, voted 10 – 0 – 0.

Roll-call vote:

Mr. Coburn = yes
Mr. Coffey = yes
Mr. DeLuca = yes
Mr. Evans = yes
Mr. Gillenwater = yes

Mr. LaFleur = yes
Mr. Linehan = yes
Mr. Pope = yes
Mr. Scurlock = yes
Ms. Wollschlager = yes

MEETING ADJOURNED 10:17 PM