



## 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: April 12, 2022**

The minutes were approved through the following action:

Motion:

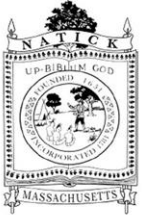
Made by:

Seconded by:

Vote: 0 – 0 – 0

Date: xx, 2022

Respectfully submitted,  
Linda Wollschlager  
Chair  
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**

<b><u>DAY, DATE AND TIME</u></b>
April 12, 2022 at 7:00 PM
<b><u>PLACE OF MEETING</u></b>
<p>Virtual Meeting accessed via Zoom: <a href="https://us02web.zoom.us/j/7949362580">https://us02web.zoom.us/j/7949362580</a> Meeting ID: 794 936 2580 Passcode: 220129 One tap mobile +19292056099,,7949362580# US (New York) Dial by your location +1 929 205 6099 US (New York)</p> <p>School Committee Meeting Room, 3rd Flr, Town Hall, 13 East Central St. Natick, MA 01760</p>

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 [fincom@natickma.org](mailto: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**

Posted: Thursday, April 7, 2022 11:00 AM

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
  - b. Approve General Government Subcommittee Budgets and Minutes
5. New Business
  - a. [Discussion on Potential Proposition 2 1/2 Override](#)
6. Committee and Sub-Committee Scheduling
  - a. Update on upcoming Committee and Subcommittee meetings
  - b. Subcommittee Updates
7. Committee Discussion (for items not on agenda)
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:**

Dirk Coburn, Member  
Todd Gillenwater, Vice-Chair  
David Krentzman, Member  
Kat Monahan, Member  
Richard Pope, Member  
Phil Rooney, Member  
Patti Sciarra, Member  
Linda Wollschlager, Chair

### **MEMBERS ABSENT:**

Hossam Behery, Member  
David Coffey, Secretary  
Brett Conaway, Member  
Cathy Coughlin, Member  
Jeff DeLuca, Member  
Chris Resmini, Member  
Betty Yobaccio, Member

**Call to Order:** Meeting called to order at 7:07 p.m. on 4/12/2022 by Linda Wollschlager, Chairperson.

Roll-call vote:

Mr. Coburn = yes, in person  
Mr. Krentzman = yes, virtually  
Mr. Pope = yes, in person  
Ms. Sciarra = yes, in person

Mr. Gillenwater = yes, in person  
Ms. Monahan = yes, virtually  
Mr. Rooney = yes, virtually  
Ms. Wollschlager = yes, in person

**Announcements:** None

**Public Comments:** None

**Subcommittee Updates:**

Fire Chief Mike Lentini gave an update on the West Natick First Station (WNFS), on behalf of Patrick Hayes, the Finance Committee representative to the WNFS Building Committee.

Chief Lentini stated that the project, which started in spring 2019, ran into excavation issues after finding asbestos tile. Foundations were started in fall 2019 after a DEP (Department of Environmental Protection) cleanup operation. Progress continued to be made but COVID delayed the opening from the end of 2020 to the spring of 2021. The new station was occupied in April 2021, completing Phase 1.

Phase 2 started in summer 2021, which consisted of taking down the old station and building a pocket park. Curbing and sidewalks were just put in this past week. They are working on landscaping and paving with the entire project on track to be completed in June. Most of the building issues have been resolved. The construction company, Castagna Construction, has been excellent. Our OPM (Owner's Project Manager) from Vertex has been spectacular working with us and working with the vendors to try to get all these issues solved. We'll be doing a dedication once Phase 2 is completed, hopefully with an open house.

With the extra money appropriated by Town Meeting last fall, we are on budget. As of today, our contingency number is around \$21,000. We expect that will complete the project and that we would not need to come back and ask for more money.

Ms. Sciarra asked questions about the project and staffing. Chief Lentini replied that the project cost was about \$16M, funded by a debt exclusion override of \$15.6M. Currently there are three on an engine company, on 24 hour shifts, plus two in the training division and one in the communications division. The plan is to put a second ambulance at the station with two more individuals, for a total of five doing line operations on a 24 hour basis. Fully staffed would be 8.

Mr. Krentzman asked about how many pieces of apparatus are at the station. Chief Lentini stated that we have one frontline piece, two spare pieces, the state hazmat truck, a communications vehicle, one boat, one UTV, and soon will be our Special Operations vehicle. The new Ladder 1 will be at headquarters.

Mr. Rooney asked about parking for the pocket park. Chief Lentini replied that the park is designed for the neighborhood as a walking park, not a destination park.

Ms. Monahan asked if there will be pedestrian upgrades along with the park. Chief Lentini replied there should be good access to the area from either Hartford Street or Travis Road, all those sidewalks should be interconnected. And there's a full sidewalk that will run on Speen Street around the ramp right next to the building over to the Pet World area and Sherwood Plaza. So once it's complete, you should have full access by sidewalk to any area in the Sherwood Plaza area. There may be an electrical box currently, but when the project is complete you should have a full width sidewalk.

Ms. Wollschlager asked if all equipment is now able to be stored inside. The Chief answered that we have plenty of room for our apparatus now, which is a godsend. Ms. Wollschlager asked about training. The Chief replied that we are part of District 14 which includes 23 neighboring towns. We have district teams, a special operations team, technical rescue type team, and they train all over the place. We're hoping that we can host some of those trainings in the future at our facility. I think there'll be a bonus for everyone including Natick.

### **Discussion on Potential Proposition 2 1/2 Override**

Mr. Jamie Errickson, Town Administrator, made a [presentation](#) on the potential need for an override for FY 24. Deputy Town Administrators Jon Marshall and John Townsend were also present. Mr. Errickson mentioned that the upcoming budget for Town Meeting will have some minor adjustments and there may be some tweaks to the numbers.

Mr. Errickson emphasized that the planning timeline dates are rough, ballpark estimates.

## **Financial Planning Timeline – Update April 2022**

- **Winter/Spring 2022**
  - Review/approve FY 2023 budget – *Finance Committee review complete (votes expected 4/7/22)*
  - Review MSBA Letter of Interest for school building project – *Select Board vote complete*
  - *Initiate Operational Override review for FY 2024*
- **Summer/Fall 2022**
  - Review/consider approaches to addressing structural deficit - potential operational override for FY 2024 implementation
  - Development of Operational Override Implementation Plan
- **Fall 2022 or Spring 2023**
  - Placeholder: vote for operational override to support FY 2024 (Fall 2022 or Spring 2023 elections)
- **Fall 2023 - Spring 2025**
  - Implement Operational Override Implementation Plan – pending Town-wide vote
    - rebuild stabilization, fund long-term debt, invest in capital, establish revenue/expense balance, multi-year budgeting
- **Fall 2025/Spring 2026**
  - Completed debt exclusion payments for Wilson MS / CSC (part) / Others
  - Discussion/vote for school building and/or town building project(s) (for FY 26/27) – Debt Exclusion
- **2031/2032**
  - Completed debt exclusion payments for CSC (part) / High School / others
  - Possible large-scale capital or operational investment

General Fund Revenue / Expenditure Summary 02-01-2022	FY 2020 Recap	FY 2021 Actual	FY 2022 Appropriated	FY 2023 Preliminary	FY 22-FY 23 % Change
TAX LEVY	\$121,635,689	\$126,170,609	\$130,838,254	\$134,955,121	3.15%
STATE AID	\$14,938,819	\$14,876,255	\$15,146,380	\$17,132,772	13.11%
LOCAL RECEIPTS	\$17,901,540	\$14,509,004	\$11,909,632	\$12,772,292	7.24%
INDIRECTS	\$2,585,229	\$2,981,957	\$2,909,837	\$3,132,537	7.65%
FREE CASH	\$51,915,574	\$8,853,600	\$1,300,000	\$4,292,620	230.20%
STABILIZATION FUND (S)	\$3,817,000	\$2,300,000	\$5,445,174	\$3,000,000	-44.91%
OVERLAY SURPLUS	\$500,000	\$1,000,000	\$1,000,000	\$1,000,000	0.00%
OTHER AVAILABLE FUNDS	\$291,309	\$251,796	\$210,335	\$210,335	0.00%
<b>TOTAL GENERAL FUND REVENUES</b>	<b>\$166,661,360</b>	<b>\$170,943,181</b>	<b>\$168,759,612</b>	<b>\$176,495,677</b>	<b>4.58%</b>
NATICK PUBLIC SCHOOLS	\$67,810,346	\$66,472,406	\$75,063,994	\$79,000,000	5.24%
KEEFE TECH	\$1,954,748	\$1,334,398	\$1,250,715	\$1,313,251	5.00%
MORSE INSTITUTE LIBRARY	\$2,357,551	\$2,167,624	\$2,388,653	\$2,434,034	1.90%
BACON FREE LIBRARY	\$190,792	\$167,390	\$184,520	\$227,271	23.17%
PUBLIC SAFETY	\$16,802,303	\$17,103,756	\$17,544,432	\$18,081,740	3.06%
PUBLIC WORKS	\$8,913,228	\$8,616,160	\$9,211,793	\$9,735,739	5.68%
HEALTH & HUMAN SERVICES	\$2,713,620	\$2,390,054	\$2,773,178	\$2,854,181	2.92%
ADMINISTRATIVE SUPPORT SERVICES	\$7,766,070	\$6,662,647	\$7,561,459	\$7,458,786	-1.36%
COMMITTEES	\$120,550	\$91,385	\$115,550	\$115,550	0.00%
FRINGE BENEFITS	\$16,756,666	\$16,944,315	\$17,683,754	\$18,560,442	4.96%
PROP & LIAB. INSURANCE	\$847,150	\$874,579	\$907,170	\$961,600	6.00%
RETIREMENT	\$10,030,552	\$10,843,642	\$11,701,708	\$12,725,528	8.68%
DEBT SERVICES	\$16,626,732	\$15,208,603	\$13,774,824	\$14,254,224	3.48%
RESERVE FUND	\$250,000	\$750,000	\$250,000	\$250,000	0.00%
FACILITIES MANAGEMENT	\$3,490,001	\$5,148,407	\$3,937,989	\$4,073,943	3.45%
<b>GENERAL FUND OPER. EXPENSES</b>	<b>\$156,270,309</b>	<b>\$154,775,171</b>	<b>\$164,359,827</b>	<b>\$172,045,774</b>	<b>4.60%</b>
CAPITAL IMPROVEMENTS	\$3,817,000	\$1,861,500	\$0	\$0	
SCHOOL BUS TRANSPORTATION	\$410,137	\$421,416	\$421,416	\$421,416	0.00%
STATE & COUNTY ASSESSMENTS	\$1,504,841	\$1,561,618	\$1,402,499	\$1,394,784	-0.55%
CHERRY SHEET OFFSETS	\$359,312	\$320,913	\$320,913	\$320,913	0.00%
SNOW REMOVAL SUPPLEMENT	\$525,565	\$350,000	\$350,000	\$350,000	0.00%
OVERLAY	\$1,150,000	\$1,150,000	\$1,150,000	\$1,150,000	0.00%
GOLF COURSE DEFICIT	\$240,000	\$240,000	\$240,000	\$240,000	0.00%
OPEB TRUST FUND	\$375,639	\$250,000	\$225,900	\$250,000	10.67%
MISC. ARTICLES	\$112,000	\$100,000	\$20,000	\$20,000	0.00%
SUB-TOTAL	\$10,313,841	\$6,255,447	\$4,130,688	\$4,147,113	0.40%
<b>TOTAL GENERAL FUND EXPENSES</b>	<b>\$166,584,150</b>	<b>\$161,030,618</b>	<b>\$168,490,515</b>	<b>\$176,192,887</b>	<b>4.57%</b>
<b>NET EXCESS / (DEFICIT)</b>			<b>\$269,097</b>	<b>\$302,790</b>	

## Formulating FY 2023 Budget

### Use of One Time Funds

- **Stabilization Funds**
  - FY 2022 - \$5.4M
  - FY 2023 - \$3M
- **Free Cash**
  - FY 2022 - \$1.3 M
  - FY 2023 - \$4 M

### Revenue

- **Local Receipts (negative)**
  - FY 2020 - \$17.9M
  - FY 2023 - \$12.7M
- **State Aid (positive)**
  - FY 2022 - \$15M
  - FY 2023 - \$17M

### Cash Preservation

- **Debt Services**
  - FY 2020 - \$16.6M
  - FY 2023 - \$14.2M
- **Capital Improvements**
  - FY 2020 - \$3.6M
  - FY 2022 - \$0M

**Budget Deficiency: \$10m - \$12M+**

## Formulating FY 2023 Budget - recap

**Budget Deficiency: \$10m - \$12M+**

**Fiscal Policies:**

### General Stabilization

- 12/2020 Balance: \$7.31M
- 02/2022 Balance: \$1.86M
- FY23 Projected: \$1.86M

### Operational Stabilization

- 12/2020 Balance: \$4.33M
- 02/2022 Balance: \$4.33M
- FY23 Projected: \$1.34M

### Capital Stabilization

- 12/2020 Balance: \$4.63M
- 02/2022 Balance: \$1.16M
- FY23 Projected: \$1.16M

- **Rebuild Reserve Funds**

- **Invest in Employees**

- **Implement Creative Debt Solutions**

- **Invest in Creative and Proactive Capital**

General Fund Forecast 04-01-2022	FY 2023 Budgeted	FY 2024 Forecast	FY 2025 Forecast	FY 2026 Forecast	FY 2027 Forecast	FY 23-FY 27 % Change
TAX LEVY	\$134,954,755	\$139,007,498	\$143,631,847	\$148,371,805	\$153,230,263	2.71%
STATE AID	\$17,132,772	\$17,800,950	\$18,495,187	\$19,216,499	\$19,965,943	3.31%
LOCAL RECEIPTS	\$12,772,292	\$13,155,461	\$13,550,125	\$13,956,628	\$14,375,327	2.51%
INDIRECT	\$3,132,537	\$3,195,188	\$3,259,091	\$3,324,273	\$3,390,759	1.65%
FREE CASH	\$4,292,620	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	-6.02%
STABILIZATION FUND (S)	\$3,000,000	\$3,200,000				
OVERLAY SURPLUS	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	0.00%
OTHER AVAILABLE FUNDS	\$210,335	\$210,335	\$210,335	\$210,335	\$210,335	0.00%
<b>TOTAL GENERAL FUND REVENUES</b>	<b>\$176,495,311</b>	<b>\$180,569,431</b>	<b>\$183,146,586</b>	<b>\$189,079,542</b>	<b>\$195,172,626</b>	<b>2.12%</b>
NATICK PUBLIC SCHOOLS	\$79,000,000	\$83,279,134	\$85,826,161	\$88,795,746	\$91,868,079	3.26%
KEEFE TECH	\$1,141,027	\$1,163,849	\$1,187,124	\$1,210,867	\$1,235,084	1.65%
MORSE INSTITUTE LIBRARY	\$2,434,034	\$2,507,055	\$2,582,266	\$2,659,734	\$2,739,526	2.51%
BACON FREE LIBRARY	\$227,271	\$234,089	\$241,112	\$248,345	\$255,796	2.51%
PUBLIC SAFETY	\$18,081,740	\$18,443,375	\$18,812,242	\$19,188,487	\$19,572,257	1.65%
PUBLIC WORKS	\$9,735,179	\$9,929,883	\$10,128,480	\$10,331,050	\$10,537,671	1.65%
HEALTH & HUMAN SERVICES	\$2,854,181	\$2,911,284	\$2,969,490	\$3,028,879	\$3,089,457	1.65%
GENERAL GOVERNMENT	\$7,504,658	\$7,654,751	\$7,807,846	\$7,964,003	\$8,123,283	1.65%
COMMITTEES	\$115,550	\$115,550	\$115,550	\$115,550	\$115,550	0.00%
FRINGE BENEFITS	\$18,434,868	\$19,448,786	\$20,518,469	\$21,646,985	\$22,837,569	4.78%
PROP & LIAB. INSURANCE	\$961,600	\$1,013,527	\$1,068,257	\$1,125,943	\$1,186,744	4.68%
RETIREMENT	\$12,389,586	\$13,380,753	\$14,451,213	\$15,607,310	\$16,855,895	7.21%
DEBT SERVICES	\$14,254,224	\$14,610,580	\$14,975,844	\$15,350,240	\$15,733,996	2.08%
RESERVE FUND	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	0.00%
FACILITIES MANAGEMENT	\$4,073,943	\$3,908,522	\$3,970,602	\$4,033,924	\$4,098,513	0.12%
<b>GENERAL FUND OPER. EXPENSES</b>	<b>\$171,457,861</b>	<b>\$178,851,115</b>	<b>\$184,904,658</b>	<b>\$191,557,063</b>	<b>\$198,499,420</b>	<b>3.15%</b>
CAPITAL IMPROVEMENTS						
SCHOOL BUS TRANSPORTATION	\$429,844	\$421,416	\$421,416	\$421,416	\$421,416	-0.39%
STATE & COUNTY ASSESSMENTS	\$1,394,784	\$1,408,732	\$1,422,819	\$1,437,047	\$1,451,418	0.81%
CHERRY SHEET OFFSETS	\$320,913	\$330,540	\$340,457	\$350,670	\$361,190	2.51%
SNOW REMOVAL SUPPLEMENT	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	0.00%
OVERLAY	\$1,150,000	\$1,150,000	\$1,150,000	\$1,150,000	\$1,150,000	0.00%
GOLF COURSE DEFICIT	\$240,000					
GENERAL STABILIZATION FUND						
OPERATIONAL STABILIZATION FUND						
CAPITAL STABILIZATION FUND						
OPEB TRUST FUND	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	
MISC. ARTICLES	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	
<b>SUBTOTAL</b>	<b>\$175,613,402</b>	<b>\$182,781,803</b>	<b>\$188,859,349</b>	<b>\$195,536,198</b>	<b>\$202,503,444</b>	
<b>NET EXCESS / (DEFICIT)</b>	<b>\$881,909</b>	<b>-\$2,212,372</b>	<b>-\$5,712,764</b>	<b>-\$6,456,657</b>	<b>-\$7,330,818</b>	

General Fund Forecast 04-01-2022	FY 2023 Budgeted	FY 2024 Forecast	FY 2025 Forecast	FY 2026 Forecast	FY 2027 Forecast	FY 23-FY 27 % Change
TAX LEVY	\$134,954,755	\$139,007,498	\$143,631,847	\$148,371,805	\$153,230,263	2.71%
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INDIRECT	\$3,132,537	\$3,195,188	\$3,259,091	\$3,324,273	\$3,390,759	1.65%
FREE CASH	\$4,292,620	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	-6.02%
STABILIZATION FUND (S)	\$3,000,000	\$3,200,000				
OVERLAY SURPLUS	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	0.00%
OTHER AVAILABLE FUNDS	\$210,335	\$210,335	\$210,335	\$210,335	\$210,335	0.00%
<b>TOTAL GENERAL FUND REVENUES</b>	<b>\$176,495,311</b>	<b>\$180,569,431</b>	<b>\$183,146,586</b>	<b>\$189,079,542</b>	<b>\$195,172,626</b>	<b>2.12%</b>
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SNOW REMOVAL SUPPLEMENT	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	0.00%
OVERLAY	\$1,150,000	\$1,150,000	\$1,150,000	\$1,150,000	\$1,150,000	0.00%
GOLF COURSE DEFICIT	\$240,000					
GENERAL STABILIZATION FUND						
OPERATIONAL STABILIZATION FUND						
CAPITAL STABILIZATION FUND						
OPEB TRUST FUND	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	
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<b>SUBTOTAL</b>	<b>\$175,613,402</b>	<b>\$182,781,803</b>	<b>\$188,859,349</b>	<b>\$195,536,198</b>	<b>\$202,503,444</b>	
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## Forecasting FY 2024

### FY 2024 Budget Projection

- Local Receipts rebounding
  - FY23: \$12.7M
  - FY24: \$13.2M
- State Aid & New Growth leveling
- Continued use of Stabilization & Free Cash
  - \$3M Free Cash
  - \$3.2M Stabilization (depleting remaining stabilization)
- Continued deferral of Debt Service
  - Reliance on BANs for Capital plan
- Deferred Investment in Stabilization Accounts
  - \$0 projected
- Deferred Investment in Capital
  - \$0 projected

### Budget Forecast Trends:

- FY24 Projected: \$2.2M deficit
- FY25 Projected: \$5.7M deficit
- FY26 Projected: \$6.5M deficit

### Considerations/Potential Impacts

- Expense
  - Employee compensation
  - Retirement Liabilities
  - Debt Service
  - Health/Fringe Benefits
- Revenue
  - Free Cash
  - Local Receipts Rebound
  - New Growth Trends

### Committee Discussion

Mr. Rooney asked about planning efforts for the override. Mr. Errickson stated that behind the scenes, we been doing a lot of planning. We're at a point where we need to get some direction as to where we're going from here. Mr. Rooney followed up with questions about an operational override review group and who will it include. Mr. Errickson mentioned that there is a Financial Planning Committee but ultimately it will be the Select Board's decision to place an override on the ballot. Questions would need to be answered about what scale of an override are we talking about? How is it structured? Is it a lump sum in one year of, say, 5 to 20 million, or over five years? It's important to understand the long-term timeline as well, because that's going to be an impact on the taxpayers of Natick.

The ability to be creative about capital was also discussed. Mr. Errickson mentioned that we have very talented department heads who are constantly scouring their department groups across the state and the federal government for capital programs.

Mr. Rooney asked if there would be creative and proactive steps going forward for fringe benefits and retirement benefits? Mr. Errickson stated that retirement is something a new employee is entitled to per the state law. The only benefit that we actually provide a monetary contribution to other than retirement is health care. For dental, there's zero town contribution, life insurance, there's zero town contribution. We offer these benefits, but they're really just group rates.

Mr. Rooney asked about new systems and effects on future staffing. Mr. Errickson stated that he cannot speak for the school side, but his departments are actively looking at every single job opening that has come up recently. We have pushed our department heads further and further to



say, what is your department of the future? What resource do you need? Is this position the right position? Or do you even need a position? Are we going to take this funding and put it into systems upgrades? Are we going to be looking at how can we do a better job at what we're providing for services? We're not just filling positions for the sake of filling positions and putting bodies in. I want to make sure that the town is getting high value for your dollars, that we're getting high quality services for what we're doing and that we're actually improving our services while keeping our costs similar.

Mr. Errickson mentioned some programs such as increased online access to tax and water and sewer bills, a new online permitting system for the building department, grant funding for a human services study for cradle to grave services and a DLS financial management review, which will include the question of an override.

In response to a query by Mr. Coburn, Mr. Errickson stated that he will be doing a State of the Town Address at Town Meeting, ensuring that there's context by which decisions at Town Meeting will be made.

Mr. Coburn noted that in the previous operating override a dozen or so years ago, the debt schedule was presented very effectively and graphically. He suggested that as you move this discussion to the next broader group, to do more things graphically, such as the debt schedule and reserve funds.

Mr. Pope asked if other municipalities are having the need for an override or is Natick alone? Mr. Errickson answered that many communities are in very strong financial shape. A big driver of cost increases over the last 10 plus years has been increased school enrollment. My understanding is this upcoming year, enrollment will be going down in the kindergarten classes to the tune of two to three classrooms. Will that trend continue? We don't know yet. I think it's a start of a potential trend. But they are very heavily looking at that in the schools. And that could be one way where we see some potential improvements in some of our projections. But my understanding is that we were against the curve, vs. other communities, when it came to enrollment which then caused us to be where we are today.

Mr. Pope asked about metrics on how Natick compares to cohort towns and neighboring towns for tax rates and other areas. Mr. Errickson stated that we do we track our tax rate vs. comparable towns every year when we set the tax rate at the Select Board in the fall. The average tax bill is just as interesting to show because if Natick's valuations are higher, our average tax bill might not be that much greater than another community, whereas other communities might have higher tax rates, but their tax bill might be comparable to Natick. It's the comparison of both the rate and the actual average tax bill.

Mr. Gillenwater commented that if we're not going to be able to enhance the revenue side, inevitably, we're going to have to do something on the service side. Some of the planning that we might do includes which services does the population really want delivered? What's the order? What's the priorities? How do the people really want to spend their dollars? That's going to be an important phase. It might be time to start having the community conversations on the expense side.

Ms. Sciarra wanted to know if we don't have an override, what are our expenses going to look like as far as what services are provided? Do we outsource trash collection, go back up to 25+ kids in a class? What would a reduction in expenses mean for services in each department: DPW, fire, police, schools.

Mr. Errickson stated that he doesn't have an answer. A lot of our departments are even more lean than those departments. For example, community and economic development has a very bare bones staff, and there are so many state obligations that you couldn't really cut anybody without jeopardizing our ability to provide what we're obligated to provide under state law. That's part of the conversation as well.

Mr. Krentzman asked about an operating vs. a debt exclusion override. When we finish the debt exclusion for the senior center, the High School, Wilson, do they then come off the books and tax bills potentially go down? Or are they just somehow bundled into the rest of the money that we're all going to pay on a continuing basis? Mr. Townsend stated that the amount that we pay does depend on how we structure our debt. But yes, it does come off your tax bill. We have just generally speaking anywhere from \$300,000 to \$400,000 coming off our debt schedule each year.

Ms. Wollschlager stated that she is concerned about our ability to predict revenues. If our local receipts were to return to pre-pandemic levels, we wouldn't need an override in FY24. We might need one later on. But how are we going to be assured that we aren't going to at some point, maybe even this fall, have a much larger free cash number than we're expecting? Politically, we don't want to say that we have a problem if we don't. Everyone else has brought up some really good points about our expenses. But I think we also need to pay attention to our revenues. Mr. Errickson acknowledged the difficulties in projecting revenues and noted that the pandemic has, for the first time, caused us to utilize stabilization funds. And that is different from years past.

Mr. Gillenwater wondered if there is a sense of where Natick is in its free cash as a percentage of its overall budget, in comparison to other communities in our cohort. If you had an absolutely accurate budget, you'd have no free cash - everybody would hit all their numbers. Are we more or less variable as a percentage of our overall budget than other communities and what might we learn from that metric? Mr. Errickson stated he doesn't know if we've looked at this, but from his anecdotal look at other communities, we are comparable. I suspect that this next year, we might be significantly higher than our average because of what's happened during the pandemic with stimulus funding coming back to the town and some other drivers.

Mr. Krentzman asked about the timing of an override vote for FY24 and possible insight on local receipts. Mr. Errickson stated that it would be the fall election this November or next March at the town election. Local receipts are being tracked on a quarterly basis. The challenge that we see now is with rising interest rates and with geopolitical issues that are causing impacts on supply chains. Local receipts and business travel not necessarily coming back full swing. It's just such a hard number to predict right now.

Ms. Wollschlager mentioned that the Finance Committee's Planning and Governance Subcommittee has the charge of looking at overrides. The Finance Committee needs to be involved at every step of the way on this. We will be having meetings of this committee for the first time since I've been on the Finance Committee, possibly as early as this summer.

**Meeting Minutes:** The General Government Subcommittee did not have a quorum to vote on budgets, but Mr. Rooney noted that a vote was not needed to proceed.

Ms. Wollschlager said that we might have a virtual meeting this summer to get our Finance Committee minutes approved.

### **Committee Discussion (for items not on agenda)**

Ms. Wollschlager stated that the Recommendation book is coming along, with help from Todd and Kat. She hopes to get it to the printer either Thursday afternoon 4/14 or Friday 4/15. We'll have our letter going out to Town Meeting on Thursday 4/14.

Ms. Wollschlager noted that this may be our final meeting unless something comes up at Town Meeting. She stated that been a pleasure working with you this spring and thinks we've done things very efficiently and effectively.

### **Adjourn:**

*Mr. Coburn moved to adjourn, seconded by Ms. Sciarra, voted 8-0-0.*

### **Roll-call vote:**

Mr. Coburn = yes

Mr. Gillenwater = yes

Mr. Krentzman = yes

Ms. Monahan = yes

Mr. Pope = yes

Mr. Rooney = yes

Ms. Sciarra = yes

Ms. Wollschlager = yes

MEETING ADJOURNED 8:36 P.M.