

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: February 1, 2023

The minutes were approved through the following action:

Motion:

Made by:

Seconded by:

Vote: 0 – 0 – 0

Date: xx, 2023

Respectfully submitted,

Linda Wollschlager
Chair
Natick Finance Committee

Finance Committee

Town of Natick

Minutes for the meeting of February 1, 2023 at 6:30 pm

Meeting Location: Natick Town Hall, School Committee Meeting Room

And virtual by Zoom:

<https://zoom.us/j/91200224901?pwd=N1B1NVFjRUJxNUtuZkVyRkVJUStldz09>

Meeting ID: 91200224901

Passcode: 920750

One tap mobile: +13017158592

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.

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. Town Administrator's FY2024 Budget
 - a. [FY24 Budget overview from Town Administration](#)
 - b. [FY24 Budget Overview from Natick Public Schools](#)
 - c. Q&A
5. New Business - Finance Committee Retreat
 - a. Budget review process
 - b. Subcommittee assignments and responsibilities review
 - c. FATM 2022 session debrief
6. Committee and Sub-Committee Scheduling
 - a. SATM 2022 preview
 - b. Update on upcoming Committee and Subcommittee meetings
7. Committee Discussion (for items not on the agenda)
8. Meeting Minutes for October 13, 2022
9. 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.

Call to Order: The meeting was called to order at 6:39 pm. This was a joint meeting of the Finance Committee, Select Board and School Committee. The Select Board and School Committee were called to order separately.

Roll-call vote:

Mr. Coburn = yes, in person

Mr. Jacobs = yes, remote

Mr. Pope = yes, in person

Ms. Wollschlager = yes, in person

Mr. Gillenwater = yes, in person

Ms. Keeney = yes, remote

Mr. Rooney = yes, in person

Mr. Zitnick = yes, remote

Mr. Behery joined remotely at 6:45 pm.

Ms. Sciarra jointed in person at 6:50 pm.

Announcements: None

Public Comments: Natick resident Roger Scott spoke about property tax rates, growth and affordability.

Town Administrator's FY2024 Budget

Jamie Errickson, Town Administrator praised the well-informed and balanced FY24 Town Administrator's budget, acknowledging the hard work of department heads. Mr. Errickson noted the challenges of job market vacancies and inflation but expressed confidence in the budget's ability to set a foundation for future years. He noted that is a rebalancing year for us, we are starting to see revenues rebound and local receipts are coming back faster than expected, giving us breathing room as we come out of the pandemic.

Dr. Anna Nolin, Superintendent highlighted the positive shift in town and school collaboration since the pandemic. She credited the improvement to regular meetings where staff members discussed ways to better serve the Natick community and identified shared priorities. Balancing the remediation of pandemic impacts with long-term planning was a delicate task, and Dr. Nolin appreciated her School Committee governance team for asking difficult questions and prioritizing sustainable solutions.

Mr. Errickson stated that not all departments would be discussed in detail and mentioned that some figures in the budget were still being finalized. He hopes there will be for positive changes in state aid and cautioned that the budget may undergo tweaks before the town meeting.

John Townsend, Deputy Town Administrator/Finance Director, presented the FY24 budget overview. He emphasized the importance of presenting a balanced budget, realistic revenue forecasts, prudent use of free cash, and transparency in providing information. Mr. Townsend highlighted the main sources of income, such as the tax levy, state aid (yet to be finalized), local receipts, indirect costs, operating and non-operating free cash, ARPA funding, surplus funds, and other available funds. He discussed the challenges faced with local receipts due to the pandemic, showing a graph of the historic trends and the impact on budgeted amounts. He mentioned that

although the pandemic has receded, the financial consequences still persist, with local receipts projected to reach pre-pandemic levels by FY25.

Mr. Townsend provided an explanation of free cash and discussed the historical trends and percentage of certified free cash in the budget. He outlined the proposed use of free cash, including replenishing stabilization funds and funding capital projects. Moving to expenses, the projected budget for FY24 was presented for various departments, including the Natick Public Schools. Mr. Townsend highlighted increases in expenses due to factors such as inflation, collective bargaining agreements, and new initiatives.

Dr. Peter Gray, Assistant Superintendent for Finance, and Dr. Nolin presented the FY24 Natick Public Schools budget.

Dr. Nolin noted that the budget focuses on student recovery, future needs, and market predictions. Over 90% of the school budget is fixed, including contracts. Internal audits have been conducted, and collaboration with other teams has been positive. The school system is still in a recovery mode from the pandemic, facing challenges such as changing pupil populations and staffing issues. The goal is to address academic and social-emotional recovery while ensuring sustainability.

Dr. Gray state that the FY24 budget includes compensation adjustments, staff additions, and anticipated savings from retirements and turnover. Inflation has led to a \$2.2M increase in expenses, with a 3% increase in compensation and a 13.5% increase in other expenses. The total budget request is slightly over \$84M, representing a 5% increase.

Dr. Nolin and Mr. Errickson spoke about the difficulty of projecting enrollments.

The committees asked questions concerning pension costs, the structural deficit, expenses covered by grants, recovery needs, school bus subsidy, stabilization fund replenishment, forecasting free cash, current open positions, usage of free cash in operations, energy costs, and debt service costs. A member of the public asked about per pupil costs, which is \$17,397.

The School Committee and Select Board adjourned. The Finance Committee meeting recess and reconvened at 9 pm.

Finance Committee Retreat

Ms. Wollschlager described the budget review process. Finance Committee members have been given access to ClearGov to review the FY24 budget in detail. Subcommittee meetings on the budget will be held in February and early March. In March, the full committee will meet every Tuesday and Thursday to review budgets and the Spring Annual Town Meeting warrant articles. Members can submit questions in advance about any topic for any subcommittee or attend the subcommittee meetings. The subcommittee assignments were reviewed. Mr. Jacobs is the new Capital Subcommittee chair. Subcommittee meetings will not be broadcast on Pegasus.

A discussion was had about the Fall sessions. It was agreed that it was frustrating not having free cash before Town Meeting. We were potentially preparing for an override but now it seems we are good for the next few years. Mr. Zitnick wondered if there was a way to publicize our meetings more so we can get more stakeholders involved and bring more voices to the table. Mr. Rooney mentioned that there had been a public forum about the budget in the past. Ms. Keeney mentioned that having hybrid meetings, getting materials in advance, and the book production were things that worked well.

Meeting Minutes - none

Adjourn:

Mr. Rooney moved to adjourn, seconded by Mr. Pope, voted 10-0-0.

Roll-call vote:

Mr. Behery = yes	Mr. Coburn = yes
Mr. Gillenwater = yes	Mr. Jacobs = yes
Ms. Keeney = yes	Mr. Pope = yes
Mr. Rooney = yes	Ms. Sciarra = yes
s. Wollschlager = yes	Mr. Zitnick = yes

MEETING ADJOURNED 9:38 P.M.