

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 11, 2023

The minutes were approved through the following action:

Motion:

Made by:

Seconded by:

Vote: 0 – 0 – 0

Date: X, 2023

Respectfully submitted,

Linda Wollschlager
Chair
Natick Finance Committee

Finance Committee

Town of Natick

Minutes for the meeting of April 11, 2023

Meeting Location: Natick Town Hall, School Committee Meeting Room

And virtual by Zoom: <https://us02web.zoom.us/j88324467728>

Meeting: ID88324467728

Passcode: 906139

One tap mobile: +19292056099

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. Meeting Minutes
5. Town Administrator's FY2024 Budget - Public Hearing
 - a. Updated Water/Sewer budget
6. 2023 Spring Annual Town Meeting Warrant Articles - Public Hearing
 - a. [Article 32: New Town Seal - Motions C & D](#)
 - b. [Article 7: Omnibus Budget Articles](#)
 - c. [Article 14: PEG Access and Cable Related Fund](#)
 - d. [Article 25: Amend Zoning Bylaw: Use Regulations Schedule](#)
 - e. [Article 24: Amend Zoning Bylaw: Establish Center Gateway Zoning District](#)
 - f. [Article 27: Amend Zoning Bylaw: Inclusionary Housing](#)
7. Committee and Sub-Committee Scheduling
 - a. Update on upcoming Committee and Subcommittee meetings
8. Committee Discussion (for items not on the agenda)
9. Adjourn

Roll Call

The meeting was called to order at 7:01 PM.

Members present; Note R-denotes members attending remotely

Hossam Behery– R
Dirk Coburn
Larry Forshner
Todd Gillenwater
Cody Jacobs – R
Grace Keeney – R
Toby Metcalf
Richard Pope
Patti Sciarra
Linda Wollschlager
Betty Yobaccio
Daniel Zitnick – R

Announcements

Josh Ostroff, clerk of the Town Governance Study Committee, noted that the committee is fielding a survey of the public in Natick on the structure of town government. The survey deadline is Friday, May 5, 2023. Information about the survey is on the town's homepage at natickma.gov and paper copies can be picked up at the Select Board Office in Town Hall.

Mr. Coburn stated that there is a survey from the MetroWest Health Foundation regarding health care services and needs in Natick and surrounding towns. It takes about two or three minutes to complete. If you Google MetroWest Health Foundation, there's a link on their homepage to their survey.

Public Comments – None

Motion made by Mr. Coburn seconded by Mr. Gillenwater, to open the public hearings for the FY24 Town Administrator's Budget and the 2023 Spring Town Meeting Warrant Articles.

Motion was approved unanimously 12-0-0.

2023 Spring Annual Town Meeting Warrant Articles/ Town Administrator's FY2024 Budget

Article 32: New Town Seal - Motions C & D

Josh Ostroff and Mia Kheifetz from the Town Seal Committee presented. Mr. Ostroff recognized the passing of Chief Caring Hands of Stoughton who led the Natick Praying Indians community for many years. Mr. Ostroff noted that motions A and B were voted on April 4.

Motion C is to appropriate \$5,000 for procuring new embossers. Since the cost of embossers is already included in the Town Clerk's budget, this motion is not necessary.

Mr. Coburn moved to recommend No Action on the subject matter of Article 32 Motion C, seconded by Mr. Metcalf.

Motion was approved unanimously 12-0-0.

Motion D is to discharge the Town Seal Review Committee. Mr. Ostroff noted that some committees established by Town Meeting are automatically discharged when their business is concluded. This committee was not.

Mr. Coburn moved to recommend Favorable Action on the subject matter of Article 32 Motion D, seconded by Ms. Keeney.

Motion was approved unanimously 12-0-0.

Article 7: Omnibus Budget Articles

Ms. Wollschlager noted that all the budget amounts included in Article 7 agree with the Finance Committee's previous budget votes, except for the Water & Sewer budget. That's why the Water & Sewer budget is on the agenda as a separate item.

John Townsend, Deputy Town Administrator and Finance Director, presented Article 7. He stated that most of the motions are funded by tax levy, but other sources include parking meter revenue and ARPA funds. We aren't allowed to use ARPA monies to fund stabilization funds or debt service. We would normally have non-tax levy funded items in shared expenses but instead are using ARPA revenues replacement funds in the public safety and general government budgets.

Mr. Townsend also noted that the Sealer of Weights and Measures was included in two places in the budget book, which will be corrected, but this doesn't affect the motions.

Mr. Townsend confirmed that the tax levy has been fully allocated.

Jamie Errickson, Town Administrator, further explained that four or five years ago, the Weights and Measures person was merged with Community and Economic Development and the person reports to the Building Commissioner.

Motion A

Mr. Coburn moved to recommend Favorable Action on the subject matter of Article 7 Motion A, Natick Public Schools in the amount of \$83,279,134; South Middlesex Regional Vocational Technical School in the amount of \$1,063,493; Morse Institute Library in the amount of \$2,538,556; Bacon Free Library and the amount of \$233,005 for a total of \$87,114,188 sourced from the tax levy for fiscal year 2024. Motion was seconded by Mr. Gillenwater.

Motion was approved unanimously 12-0-0.

Motion B

Mr. Gillenwater moved to recommend Favorable Action on the subject matter of Article 7 Motion B in the amounts of Emergency Management \$45,820; Parking Enforcement \$202,405; Police \$8,370,385; and Fire Department \$10,818,245 for a Public Safety total of \$19,436,855. Funding sources are tax levy funding in the amount of \$17,836,855, Parking Meter Revenue in the amount of \$100,000 and ARPA revenue replacement in the amount of \$1,500,000. Motion was seconded by Mr. Coburn.

In debate, Mr. Zitnick encouraged town administration to get a copy of the Police Collective Bargaining Agreement on the website or at least make it available to Town Meeting members before the vote on the police department budget.

Motion was approved 11-0-1, with Mr. Zitnick abstaining.

Motion C

Mr. Coburn moved to recommend Favorable Action on the subject matter of Article 7 Motion C in the following budgets: Public Works \$10,844,515; Community Services \$2,211,723; Board of Health \$712,949; Select Board \$1,730,195; Personnel Board \$1,000; Town Report \$4,100; Legal \$675,000; Finance \$1,887,846; Information Technology \$2,018,598; Town Clerk \$435,343; Board of Registrar's \$160,850; Weights and Measures \$33,898; Community Development \$1,162,830; Committees and Commissions \$37,550; and Affordable Housing Trust \$80,000 for total General Government of \$21,996,397, funded from tax levy for fiscal year 2024 In the amount of \$20,496,397 and from ARPA revenue replacement in the amount of \$1,500,000. Motion was seconded by Mr. Pope.

Frank Foss, Town Moderator, noticed that there's no indication of who these funds are under the direction of in any of these motions. He asked if there is a reason why that has been omitted, where it's always been the practice to be part of the motion.

Mr. Townsend said the practice has depended on the year and the motion. The "under the direction of" was added to Motion D because it's not exactly clear. He noted the motions could be adjusted to add the person responsible to all the motions.

Mr. Errickson added that non-school funds are actually under the direction of the Town Administrator, even the library funds. For the libraries there is a Board of Trustees, but all they have control over is the building. With that said, he prefers to be consistent with past years' practice.

Ms. Wollschlager stated that we will vote the numbers assuming the words will be similar to the motions from last year, which will add something about under what authority the funds to be are to be spent. Mr. Townsend will provide updated motions tomorrow.

Motion was approved unanimously 12-0-0.

Motion D

Mr. Coburn moved to recommend Favorable Action on the subject matter of Article 7 Motion D, the following purposes, Employee Fringe \$19,158,314; Property and Liability Insurance \$1,103,212; Contributory Retirement \$13,107,143; Non-contributory Retirement \$20,500; Debt Service \$16,103,110; Reserve Fund for the Finance Committee \$250,000; and Facilities Management \$4,509,194 for a total Shared Expenses of \$54,251,473. The above amount to be raised from the following sources: Tax Levy for fiscal year 2024 \$12,580,026; State Aid \$16,325,961; Local receipts \$16,184,635, Free cash \$4,464,900; Overlay Surplus \$1,000,000; Golf Course Indirects \$77,756; Water and Sewer Indirects \$3,443,771; and other available funds \$174,424. Motion was seconded by Ms. Yobaccio.

Motion was approved unanimously 12-0-0.

Motion E1

Mr. Townsend noted that the MWRA assessment went down \$166,690 resulting in Water and Sanitary Sewer Operations Budget decreasing from \$9,146,265 to \$8,979,575.

Mr. Errickson stated that until we get the annual assessment, it's hard pressed to know exactly what that is going to be.

Mr. Coburn moved to recommend Favorable Action on the subject matter of Article 7 Motion E1 for the Water and Sewer Enterprise Fund to be expended under appropriately articulated authorities in the following amounts: Water & Sanitary Sewer Operations \$11,502,588; Utility Billing \$183,008; Fringe Benefits \$989,494; Water & Sewer Debt Service \$3,490,770; Water & Sewer Reserve Fund \$200,000 for a total for the motion of \$16,365,860, that amount to be raised from Water Sewer User Fees. Motion was seconded by Mr. Behery.

Motion was approved unanimously 12-0-0.

Motion E2

Mr. Coburn moved to recommend Favorable Action on the subject matter of Article 7 Motion E2, for Water & Sewer Indirect costs in the amount \$3,443,771 sourced from Water Sewer User Fees. Motion was seconded by Mr. Metcalf.

Motion was approved unanimously 12-0-0.

Motion F1

Mr. Coburn moved to recommend Favorable Action on the subject matter of Article 7 Motion F1, for the following amounts to be expended under appropriate authority to be articulated in the motion: Sassamon Trace Operations \$754,107; Sassamon Trace Fringe Benefits \$61,716; Sassamon Trace Debt Service \$79,292; Golf Reserve Fund \$1,000, and that the total amount of \$915,115 be raised from Golf User Fees. Motion was seconded by Mr. Gillenwater.

Motion was approved unanimously 12-0-0.

Motion F2

Mr. Coburn moved to recommend Favorable Action on the subject matter of Article 7 Motion F2, Sassamon Trace Indirect costs in the total amount of \$77,756 to be raised from Golf User Fees. Motion was seconded by Mr. Behery.

Motion was approved unanimously 12-0-0.

Article 14: PEG Access and Cable Related Fund

Mr. Townsend explained that this is the regular Article for funding the Pegasus public educational and governmental (PEG) TV access. It is funded by fees that come from the cable providers in Town which are collected on a quarterly basis. Most of them are from four different contracts. Currently, the Town has \$353,758.52 to pass along to Pegasus.

Mr. Gillenwater asked whether Natick Pegasus had been contacted to cross-check and confirm that the amount was in line with records/expectations. Due to the late receipt of the data, Mr. Townsend indicated that there hadn't been that confirmation.

Mr. Zitnick asked if this amount was in line with previous collections. The Finance Committee confirmed that this payment was higher than the Spring 2022 amount and reminded the participants that these funds have been trending downwards, due to fewer cable subscribers.

Mr. Coburn moved to recommend Favorable Action on the subject matter of Article 14 and to recommend to the Moderator to place on the Consent Agenda, seconded by Mr. Jacobs. Motion was approved unanimously 12-0-0.

Article 25: Amend Zoning Bylaw: Use Regulations Schedule

Amanda Loomis, Community and Economic Development Director, presented the article.

Ms. Loomis stated that Article 25 changes the notation in the Use Regulations Table. Currently the table uses the letters P, O and A where P means permitted, O means excluded or prohibited and A means a special permit is needed. There's general agreement that the current use of P, O and A is confusing. People often think P means you need a permit, or they think A means the use is allowed by right. So P will become Y, O will become N and A will become SP. This convention occurs elsewhere in the marijuana regulation bylaw, where we already use Y, N and SP, so we are being consistent with that section. We've triple checked the table to ensure that everything is correct.

Ms. Terri Evans, Planning Board member, noted that there are two motions. The first, Motion A, revises the notations at the beginning of Section III-A.1. The second, Motion B, changes the notations in the table itself along with a handful of cleanups of scribes' errors that are in the existing table.

Ms. Loomis stated this is the first phase of updating the Use Regulations Table. The second phase would be a complete cleanup of all the footnotes, and clarification of some use cases, like

Dover Amendments. The Downtown Mixed-Use district has uses within the DM bylaw, rather than the table of uses. We'd like to pull those asterisked uses out of the bylaw and put them into the table of use instead.

Mr. Forshner asked if the footnote information had changed. Ms. Loomis said the footnotes were not changed.

Ms. Keeney asked about steps taken to notify interested parties in a timely way. Ms. Loomis stated a public hearing was advertised in the MetroWest Daily News twice and the legal ad was posted in a conspicuous location, as well as online. We've also announced it every time we go to Economic Development committee and a couple other groups.

Ms. Keeney then asked if there was any pushback or negative feedback from the public. Ms. Loomis stated that we had 99.9% of the people say this is a great change. They're often confused with current notation and Y, N and SPs are pretty self-explanatory. We had just one person not fully on board with this, but that was it.

Motion A

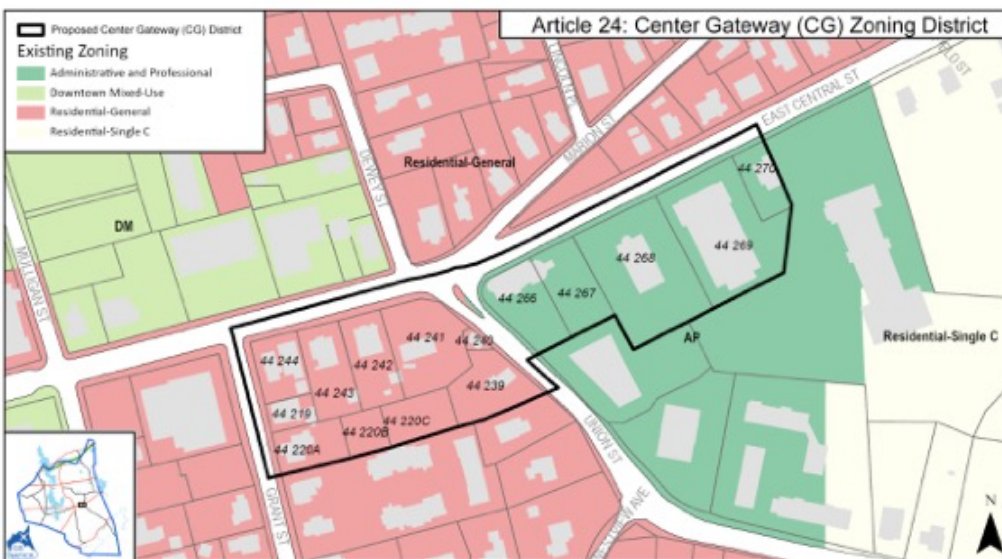
Mr. Gillenwater moved to recommend Favorable Action on the subject matter of Article 25 Motion A, seconded by Mr. Forshner. Motion was approved unanimously 12-0-0.

Motion B

Mr. Gillenwater moved to recommend Favorable Action on the subject matter of Article 25 Motion B, seconded by Mr. Metcalf. Motion was approved unanimously 12-0-0.

Article 24: Amend Zoning Bylaw: Establish Center Gateway Zoning District

Ms. Loomis shared the map to remind everyone of the designated area for rezoning. The proposed Center Gateway district is outlined in black.



She explained that the legal procedures were followed, including sending notices to relevant parties. There have been no negative comments on the proposed bylaw, which has been improved since the previous Town Meeting. The core content of the proposal remained unchanged from previous discussions.

Ms. Evans noted that when the Finance Committee first heard this article on March 23, 2023, the article had not been broken into three motions. This first motion, Motion A, establishes the district as a whole. The second motion, Motion B, establishes its definitions, uses, dimensional density regulations, parking and signage. The final motion, Motion C populates the district with lots.

Ms. Wollschlager noted that if Town Meeting does not vote favorable action on Article 25 before considering Article 24, an alternate main motion using the original nomenclature of P, O and A would be included in the Recommendation Book.

Mr. Pope asked about changes from what was presented last fall. Ms. Loomis stated that there aren't significant changes, more just updating. She noted they changed multifamily to permitted, mixed-use to special permit and referenced the new inclusionary housing bylaw. The Design Review Board decided to use language from downtown mixed use for project review and minor changes in the dimensional tables under Motion B. Ms. Evans also noted that projects with frontage on East Central street and/or Union Street shall provide a minimum of 50% of the first floor for non-residential uses.

Mr. Gillenwater asked to confirm that because this article no longer complies with the MBTA Communities Act, that a 2/3 majority will be required. The answer was yes.

Don Friswell, an abutter, spoke in favor of the article. He stated that the Planning Board and the Community Development Department have done a great job putting something together that is quite workable and won't inhibit existing use. It will also foster redevelopment of some of the parcels that essentially are vacant at the present time.

Motion A

Mr. Jacobs moved to recommend Favorable Action on the subject matter of Article 24 Motion A, seconded by Mr. Behery. Motion was approved unanimously 12-0-0.

Motion B

Mr. Gillenwater moved to recommend Favorable Action on the subject matter of Article 24 Motion B, seconded by Mr. Coburn. Motion was approved unanimously 12-0-0.

Motion C

Mr. Gillenwater asked if any of the properties being added to the zone are going in as a non-conforming property? Ms. Loomis stated that we tried to make all parcels as conforming as possible; we did do a complete review. The pizza place parcel, due to the footprint, would not meet the frontage requirement or depth regardless of how small we go. For the parcels on Grant Street, we tried to make them as conforming as possible, which is why we dropped down in the

dimensional table to 7000 square feet to allow for those parcels to be more conforming. We did not make any parcels more non-conforming.

Mr. Gillenwater moved to recommend Favorable Action on the subject matter of Article 24 Motion C, seconded by Mr. Metcalf. Motion was approved unanimously 12-0-0.

Article 27: Amend Zoning Bylaw: Inclusionary Housing

Ms. Loomis stated that in 2018, an inclusionary housing bylaw was created which included both regulatory and alternative options for affordable housing. However, the two options were merged which led to confusion in what was being allowed and required. As a result, several projects were reviewed that received significant density bonuses. To address this issue, the Planning Board has proposed separating the regulatory and incentive side and updating the bylaw, as it was meant to be updated every five years.

The focus is currently on the regulatory side, which includes a new purpose and intent that is consistent with case law, updated procedures, and increased applicability. Under the current bylaw, projects with only two units are required to include affordable units, which is extremely low. The proposed update increases the applicability to any project that results in five or more new dwelling units, which is more realistic and in line with other communities' standards. This would include cluster, loop, or other special permit projects such as historic preservation. The incentive side, which includes an add-on bonus for definitive subdivisions, will be addressed at a different Town Meeting.

The proposed bylaw applies not only to residential mixed-use developments but also to assisted living or life care developments that create five or more assisted living units. Wellesley, Brookline and Lexington are three of the communities that are currently implementing creating affordable units for Assisted Living residents.

There are also mandatory provisions. If you have to provide affordable units, the bylaw requires a minimum of 15% of market rate units to be affordable units, or 20% if in the downtown area. The options for compliance include creating the units on-site, providing a fee in lieu, or a combination of both. The creation of units off-site has been removed from the options due to concerns about the concentration of affordable units in one area of the town. The gift of land option was also taken off the table because the land may not always be suitable for construction, and building on it may lead to environmental issues.

The on-site affordable units need to look like the market rate units from the exterior. Similar finishes need to be provided inside, not as high end, but they do have to be nice.

Ms. Loomis stated that we have reviewed the numbers and determined that today it is more advantageous to pay a fee in lieu of creating a unit, as it is cheaper. We have changed it so the fee will be calculated based on the combined sales price of an affordable unit and the prorated cost of the land, as well as the total construction cost for a median unit in the project. The goal is to avoid the highest or lowest cost units and impose this fee for every unit of affordable housing that was supposed to be provided.

We want the applicants to use the local initiative program through the state. Those units get recorded and put onto our Subsidized Housing Inventory (SHI) to maintain our 10% level. As of today, we are at 10.62%, and a new census will be coming out at the end of May.

Mr. Jacobs asked why the change from two to five in terms of the coverage minimum. Ms. Loomis stated that each community is different, but two is extremely low. If you are updating a single family and creating a three family, you're now having to give one of those units or make a payment, to cover the affordable unit. And that might be prohibitive for a homeowner. Once you get into the five units, that's a larger scale project, because anything four and over is commercial.

Mr. Jacobs then asked for any evidence that there has been like a reduction in these kinds of developments because of the number being a two. Ms. Loomis stated we haven't seen anything of that nature.

Mr. Zitnick asked if we envision that this will lead to more affordable housing units in Natick. Ms. Loomis that it's not just this bylaw, it's the two other articles that we are adding this year, Article 26, the open space residential, and Article 24, the center gateway. Those two are additional opportunities for the town to create more residential units. As we create more residential units, this would then increase the number of affordable units.

Ms. Keeney asked where does the fee in lieu go. Ms. Loomis answered that money is supposed to be put into the funds for the Natick Housing Trust to create affordable units. Ms. Evans cited the Windy Lo project that was originally a conventional subdivision. It was the first and only project to use the incentive-based increase in density and number of market rate units. That project is still being completed.

Mr. Pope asked how the fee in lieu compared to other towns. Ms. Loomis stated that it's dependent on the scale of each project. There's a lot of communities that simply require developers to provide the affordable units on site with no alternative option. Natick is lucky to have an Affordable Housing Trust, that would be able to utilize the funds, hire project managers, etc. to create units. Some communities base the fee on a percentage of the market rate unit. Others base it on the cost of construction, minus the land and labor; other communities do it just on a set ratio. We do want to create the units, whether it be on site, which is actually preferable, or provide the fee in lieu.

Mr. Behery asked if there would be tracking of the number of affordable houses built. Ms. Loomis stated the number of units are being tracked by the state and we would do additional tracking as well.

Mr. Jacobs asked how often a residential development proposal happens in Natick that is between two and five units. Ms. Loomis described some recent projects but none were between two and five units.

Ms. Evans noted a typo in Motion A Section V-J Inclusionary Housing, subsection 1a, the sentence where two or more new dwelling units should be five or more.

Mr. Gillenwater moved to recommend Favorable Action on the subject matter of Article 27, as presented this evening with the following scrivener's change: In Section V-J Inclusionary Housing, subsection 1a, the sentence that reads "to ensure that all residential development or redevelopment project with **two** or more new" should read "...with **five** or more new." Mr. Metcalf seconded.

Mr. Jacobs moved to amend Mr. Gillenwater's motion to change the five back to a two in subsection 1a, seconded by Mr. Zitnick.

Mr. Jacobs argued that we haven't heard sufficient justification for moving from two to five and there's not really any data on this.

Mr. Jacobs' amendment failed 2-10-0. With Mr. Jacobs and Mr. Zitnick voting in the affirmative.

Mr. Gillenwater's motion was approved unanimously 12-0-0.

Motion made by Mr. Coburn, seconded by Mr. Pope to close the public hearings passed by unanimously by a vote of 12-0-0.

Committee Discussion

Ms. Wollschlager noted that this is our last meeting of the season, and the book deadline is Thursday at noon. We will be scheduling a meeting over the summer to discuss the DLS (Division of Local Services) Financial Management report.

Adjourn

Motion made by Ms. Sciarra, seconded by Mr. Metcalf to adjourn passed unanimously by a vote of 12-0-0.

Meeting adjourned at 9:57 PM.