

FINANCIAL PLANNING COMMITTEE MEETING

Wednesday, February 19, 2020 – 5:30pm
Natick Town Hall, 13 East Central Street, Dlott Meeting Room, 2nd Floor

MEETING MINUTES

This meeting has been properly posted as required by law.

MEMBERS PRESENT:

Karen Adelman-Foster, Select Board representative
Cathi Collins, School Committee representative
Jonathan Freedman, Select Board representative
Peter Gray, Director of Finance, Natick Public Schools
Henry Haugland, School Committee representative
Melissa Malone, Town Administrator
Linda Wollschlager, Finance Committee representative

NOTABLE ATTENDEES:

None

AGENDA:

1. Open Session
2. Citizens' Concerns
3. Announcements
4. New Business
 - a. Discussion of possible Operational Override – form of ballot question(s)
5. Old Business
 - a. Continue discussion related to budget planning for FY 2021 and beyond
– updates on revenue and expense projections
6. Meeting Minutes
 - a. January 22, 2020
 - b. February 5, 2020

OPEN SESSION

Meeting was called to order at 5:38 p.m. by Jonathan Freedman

CITIZENS' CONCERNS

None

ANNOUNCEMENTS

None

MEETING MINUTES

Motion to approve January 22, 2020 minutes:

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| Moved/Motioned by: | Ms. Collins |
| Seconded by: | Ms. Adelman-Foster |
| Motion approved: | 7-0-0 |

Motion to approve February 5, 2020 minutes:

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| Moved/Motioned by: | Mr. Haugland |
| Seconded by: | Ms. Adelman-Foster |
| Motion approved: | 6-0-1 |

NEW BUSINESS

None

OLD BUSINESS

Ms. Freedman reported that the FPC’s February 15, 2020 memo, “Recommendation of Date of Potential Operating Override,” has been presented to the Select Board. He thanked Ms. Adelman-Foster, who wrote the memo, and other FPC members who provided comments. He anticipates the Select Board will start discussing the topic in March.

Ms. Malone stated that healthcare numbers from West Suburban Health Group should be available the first week of March. Scenarios run based on rate assumptions vary from being on budget to resulting in savings or deficits (\$100-\$300K). There is a town-wide effort to begin tracking the 22- to 25-year old cohort who currently are not enrolled and may be covered by their parents’ health plans until age 26.

Ms. Malone stated that she feels confident about state aid numbers and cautioned that the cherry sheets should be examined closely to take into account deducts.

Ms. Malone will be meeting this month with the DEP and EPA on the East Field contamination.

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Ms. Collins asked about the funding for the Redevelopment Authority of Natick (RAN), which was not included in the Spring Town Meeting warrant. Ms. Malone stated that the money budgeted for RAN has been reallocated to the Police Department.

Mr. Gray reported that there are number of different budget scenarios that the School Committee will be discussing. Depending on the options chosen, the worst case budget delta is about \$500K. The number of FTE asks has been reduced. The School Committee will be voting on the budget on March 9.

Mr. Haugland stated that the key budget driver is not enrollment growth, but the needs of the students. A challenge is that the range of services needed is constantly changing. Federal and State mandates require continuous improvements.

Mr. Gray stated that although the word complexity was not used in prior fiscal year materials, it was an issue that the schools have been dealing with through programs such as Response to Intervention. He made the point that it's not the classroom of even 10 years ago.

Mr. Haugland pointed out that although teacher salaries have been below average, we have been able to maintain a competitive position because the district is viewed as a good place to work.

Mr. Friedman opined that it is a town-wide imperative to maintain consistency and predictability and avoid layoffs.

Mr. Gray reported that 3 items not included in the budget have emerged: the probable loss of Title 1 funding (-\$192K), changes in Medicaid reimbursement rules (-\$150K), and two additional students attending Norfolk County Agricultural High School (-\$47K).

NEW BUSINESS

The committee discussed the merits of having one ballot question vs. multiple questions. It was agreed that more data was needed on multiple question overrides. A menu option, which potentially would pit funding one town department against another, was considered divisive. The desirability of having a unified One Natick campaign was emphasized.

Ms. Collins stated that choosing between a single question or a tiered question would depend on what the ask is; a smaller override amount might not warrant multiple questions. Ms. Malone stated that it wouldn't make sense to go through the override effort for a smaller amount. At the recent public forum, two scenarios were provided with different override amounts so the people could see the impact.

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Ms. Adelman-Foster stated that it would be important not to ask for what we think we can get because we may be able to pass an amount that is more than many people can afford. We don't want to become a town where parents leave after their children are through school.

Ms. Wollschlager said that it is important to do a bottoms-up analysis and determine what we really need. If the figure is too high and likely unpalatable to the voters, then we need to scale back. Mr. Friedman stated we need a strategic vision that people can understand and relate to them.

Mr. Friedman pointed out that the DLS pamphlet contains many options for structuring ballot questions and how the questions are worded is key. Malone stated that there is a municipal team member who supports the menu option, and she does not have a recommendation at this point.

Mr. Haugland stated that complex ballot questions have a high risk of unintended consequences and he prefers a simple straightforward question.

Ms. Wollschlager stated that having multiple tiered options could be problematic because the trade-offs between the options cannot be listed on the ballot. Ms. Collins pointed out that you are tapping different parts of your brain when comparing options vs. a yes or no decision. She cited the anchoring and adjustment theory.

Ms. Adelman-Foster guessed that the middle tier would generally be picked and stated that it will be interesting to do the research. She is concerned about sending the message to the voters that the highest tier is a "too-much" option.

Ms. Collins will provide the link to a website with Massachusetts override data.

Mr. Haugland wondered what the process is for collecting the revenue for an override, particularly if not all the money is needed in the first year.

ADJOURN

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| Moved/Motioned by: | Ms. Malone |
| Seconded by: | Mr. Haugland |
| Motion approved: | 7-0-0 |

Meeting adjourned at 6:58 pm.