

FINANCIAL PLANNING COMMITTEE MEETING

Wednesday, April 15, 2020 – 5:30pm

Virtual meeting:

<https://zoom.us/j/486960054?pwd=RkFOQzVBNktOQXJBcDFxcGtFbEhtZz09>

Meeting ID: 486 960 054

Password: 222621

One tap mobile +13126266799,,486960054# US (Chicago) +19292056099,,486960054# US (New York)

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
Melissa Malone, Town Administrator
Julie McDonough, School Committee representative
Anna Nolin, Superintendent of Schools
Dan Sullivan, Finance Committee representative
Linda Wollschlager, Finance Committee representative

NOTABLE ATTENDEES:

Frank Foss, Town Moderator
James Freas, Director of Community & Economic Development
Elise Gorseth, Co-chair Natick Special Education Parent Advisory Committee
Peter Gray, Director of Finance, Natick Public Schools
Henry Haugland, School Committee
Jim Hicks, Chief of Police
Rick Jennett, Select Board
Jeremy Marsette, Director of Public Works
Donna McKenzie, School Committee
Karis North, Town Counsel
Diane Packer, Town Clerk
Susan Salamoff, Select Board
John Townsend, Deputy Town Administrator/Finance Director
Kristine Van Amsterdam, Finance Committee

AGENDA:

1. Open Session

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- 2. Citizens' Concerns
- 3. Announcements
- 4. New Business
 - a. Joint and separate updates regarding revenue and expense projections for FY 2020
 - b. Joint and separate updates regarding emergency fiscal options, actions, and effects
 - c. Questions for future updates, including outstanding questions
- 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. April 1, 2020

OPEN SESSION

Meeting was called to order at 5:33 p.m. by Jonathan Freedman.

Roll call of attendees:

Karen Adelman-Foster	Y
Cathi Collins	Y
Jonathan Freedman	Y
Melissa Malone	Y
Julie McDonough	Y
Anna Nolin	Y
Dan Sullivan	Y
Linda Wollschlager	Y

CITIZENS' CONCERNS

None

ANNOUNCEMENTS

None

NEW BUSINESS/ OLD BUSINESS

Ms. North gave a legal update on legislative and administrative activity pertaining to COVID-19. She spoke about the omnibus municipal relief bill (Chapter 53 of the Acts of 2020) which provides the ability for a Town Moderator, in consultation with other local officials, to extend Town Meeting for up to 30 days past the date of the state of emergency. Currently, the Natick Town Meeting is scheduled for May 12. Ms. North noted that there is proposed legislation which, if enacted, could enable Town Meeting to proceed on a remote basis.

The Act also addresses fiscal procedures if COVID-19 emergency prevents towns from adopting a FY21 budget. Section 5 covers procedures for deficit spending. Section 6 allows appropriations after June 30, 2020 from free cash certified as of July 1, 2019. Section 7 allows for amortization of FY20 deficits over a 3-year period. Section 8 allows revolving fund expenditures to continue at FY20 levels. There is also a provision for town to appropriate not less than one twelfth of the total FY20 budget each month, pursuant to a plan by the Select Board, until a FY21 budget is adopted. Ms. North expects to have further guidance from the Director of Local Services on these emergency procedures.

Ms. Malone stated that, as presented at Monday's Select Board meeting, we are projecting a FY20 surplus of \$158K. The FY21 budget scenario assumes a 21% reduction in local receipts and a 5% reduction in state aid. She cautioned that in 2008, state aid decreased by almost 15%, so the 5% scenario may be optimistic. The IMF is projecting a downturn on par with a depression. Ms. Malone also noted that today was the first of weekly fiscal meetings which include all department heads.

Ms. Adelman-Foster asked about prepaying tuitions in relation to Ms. Malone's expectation that the FY20 surplus will be supported by school department savings. Ms. Nolin reported that the Commissioner advised that any savings should be used for legally mandated services such as special ed tuitions or out of district placements. Compensatory services for special education is a concern for FY21. Medicaid losses, which were projected to be \$150K, could be much higher. A spending freeze has been in place since the schools closed, with exceptions for emergency needs or mandated costs. The School Department is reviewing all encumbrances.

Mr. Sullivan asserted that, in the scenario outlined by Ms. Malone, the schools are the only department (excepting shared services) getting an increase at all vs. FY20. Ms. Collins stated that, depending on your perspective, you could see it as a huge decrease for the schools from the FY21 preliminary budget. She emphasized that it is important not to focus on the numbers and help each other understand what's going on.

Mr. Haugland stressed that it is important to understand, when taking budget reductions, to identify if we are deferring investments and expenses or destroying programs and process. Mr. Friedman stated that we should assume we are operating in good faith and have the best interests of the town as a whole.

Ms. McDonough pointed out that, in the absence of detail, it is hard not to think of the scenarios as a proposal. She stated that having conversations about what the proposal will be in very important and is not happening now.

Ms. Adelman-Foster pointed out that we need to keep in mind the different roles for the School Committee and Select Board. Ms. Wollschlager stated that we need to take into consideration the effect presenting scenarios has on the community. Conversations on department-level impacts on personnel and services will need to take place soon and should have community input.

Ms. Gorseth stated that the scenario presented at the Select Board meeting was perceived by many as a proposal. She said the community has a lot to say about where we want our money to go and that it is important to communicate the impact on service delivery.

Ms. Nolin suggested that the Thoughtexchange platform could be a vehicle for soliciting feedback from the community. This product allows users to rank and re-rank ideas so that a top 10 list emerges. Ms. Malone cautioned that using the internet to obtain feedback could potential exclude large swaths of the community. Mr. Sullivan stated that a survey would disproportionately favor those with large constituencies. Ms. Adelman-Foster pointed out that community-based budgeting is being explored by many communities, including Paris, France. However, she is wary that a survey might not be valuable given the lack of time to educate the community. Ms. Salamoff said we need to think about the best way to hear from the public.

For the next FPC meeting, Mr. Friedman asked for estimates of FY20 expenses and reductions in savings to offset FY20 revenue losses.

MEETING MINUTES

None

ADJOURN

Moved/Motioned by:	Ms. Collins
Seconded by:	Mr. Sullivan
Motion approved:	8-0-0

Roll call:

Karen Adelman-Foster	Y
Cathi Collins	Y

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Jonathan Freedman	Y
Melissa Malone	Y
Julie McDonough	Y
Anna Nolin	Y
Dan Sullivan	Y
Linda Wollschlager	Y

Meeting adjourned at 6:59 pm.