



## 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: January 16, 2014**

The minutes were approved through the following action:

Motion:	Approval
Made by:	Mr. Pierce
Seconded by:	Mr. Evans
Vote:	10-0-0
Date:	February 25, 2014

Respectfully submitted,

James Everett  
Secretary  
Natick Finance Committee

**NATICK FINANCE COMMITTEE MEETING MINUTES**

**January 16, 2014**

**Natick Town Hall  
School Committee Meeting Room, Third Floor**

This meeting has been properly posted as required by law.

**MEMBERS PRESENT:**

Jonathan Freedman, Chairman	James Everett, Clerk
Karen Adelman Foster (arrival 7:40)	Patrick Hayes
Jimmy Brown	Jerry Pierce
John Ciccariello	Christopher Resmini
Catherine M. Coughlin	Edward Shooshanian
Bruce Evans, Vice Chairman	

**MEMBERS ABSENT:**

Mari Barrera  
Cathleen Collins  
Michael Ferrari  
Mark Kelleher

**ATTACHMENTS:**

- A. Agenda for this evening's meeting
- B. FY 2014 Subcommittee Assignments
- C. Emergency Management Parking Enforcement FY 2015 Budget Presentations
- D. Memorandum to Town Meeting Members from James White: Annual Report of the Board of Health – 2013

Meeting was called to order by Mr. Freedman at 7:02 p.m.

The Chairman reviewed the evening's agenda and the materials included in the meeting packet. He noted that there are no Meeting Minutes tonight so that item will be skipped. Last item to discuss will be under Old Business, which will be to discuss any hearing scheduled changes but is not aware of any so that item will be skipped.

**PUBLIC CONCERNS/COMMENTS:**

None.

**NEW BUSINESS:**

**PUBLIC HEARING:** The Chairman asked for a motion to open the public hearing for the FY 2015 Budget.

A motion was made, at 7:06 p.m., to open the public hearing for the 2014 spring annual town meeting FY 2015 Budget

Moved/Motioned by:	Mr. Everett
Seconded by:	Mr. Ciccariello
Motions or Debates:	None
Vote:	10 – 0 – 0 (unanimous)

The Chair welcomed Chief James Hicks and Sergeant Leo Fitzpatrick to the podium to present information relating to the following budgets.

The members were referred to Section IV, page 3 of the Budget Book. It was also noted to members of the public that budget materials are all on line at the town’s website. The link can be found on the Town’s homepage; Fiscal Year 2015 Budget.

Emergency Management Budget:

Sgt. Fitzpatrick reported that from FY 2008-2012 the Emergency Management budget was \$4,100. This paid for Emergency Management Coordination by a retired Lieutenant who was proficient in the field. The department submitted a PIR, which was approved that increased the emergency management budget to \$35,600. The bulk of these funds were and are used to pay the town’s contracted CodeRED, its reverse 911 provider. The CodeRED contract is approximately \$22,000 per year. Remaining emergency management funds are used for trainings and equipment necessary. As shown in the pie chart, CodeRED Reverse 911 contract accounts for 62% of the entire emergency management budget. The department requests an appropriation of \$35,600 in operational expenses in the emergency management budget for FY 2015.

The Chairman made note that this is level funded compared to the amount appropriated for 2014.

Member questions and discussion included the following:

- A member asked if the special room where everyone convenes in an emergency comes under the Emergency Management – Chief Hicks answered that venue was also covered under this budget, except what is covered by grant funding. This venue was updated with approved funds and is a tremendous asset.
- It was requested that Chief Hicks give a quick rundown of Reverse 911. Chief Hicks explained that this is the system they contract with to make phone calls notifying the town of any special emergencies or circumstances that occur in town. Recently it has been used mostly during snowstorms but is available for anything they may need. Chief Hicks reminded people to sign up for these messages. To do this, you can go to the town’s website and click on the link or call the office directly at 508-647-9511 and have your number added to the database.
- A question was asked as to what estimated percentage of the town is signed up for Reverse 911. Chief Hicks stated that was a tough question to answer because the total database also includes cellphones so the number in the database cannot be associated per residence as some residents have multiple numbers, as well as some businesses have multiple numbers. A guess would be probably around 75-80% of the town is signed up. Other problems include that a lot of people do not have landlines so they will not get the initial call and also if they have a line that is private or unlisted, they do not have access to that database. There is no longer a listing of phone numbers provided by phone companies that can be used in the town.
- A member asked a question regarding the Chief’s part time assistant for \$5,000. It was explained that that was a program improvement request that was submitted but it was not approved. The Chair pointed out that this is shown on Page 4 of the handout, which

shows a copy of a PIR form from a prior year. The reason it is in here is because there is one line item for \$24,000, which does represent the initial request for CodeRED. That part was approved but the rest of it was not. This is also reflected in the Budget Book on page IV.3, which shows 0 employees associated with the Emergency Management Department.

- The cost for the CodeRED system is all inclusive, which includes the maintenance and follow up of the database. It is a web base system so there is no hardware or software internally related to this program. The current 3-year contract expires June 30, 2014, at which time the contract will be re-evaluated along with looking into other vendors. At this time it is unknown what the FY 2016, 2017 or 2018 cost would be if we resign with same vendor. The Chair pointed out that this Fiscal Budget begins on July 1, 2014 and asked if this contract will have to be extended or renew one negotiated beginning July 1, 2014. The chief explained they are currently looking into other vendors to see if they can get a better price. The Chief is confident that the proposed amount will be enough.
- For public’s benefit it was explained that CodeRED and Reverse 911 are vendors that deliver a system. The system is a community notification system and CodeRED is one vendor and Reverse 911 is another vendor. They are used interchangeably but they are different vendors.

Public concerns/comments: none

A motion was made at 7:19 p.m. to move for favorable action of operating expenses of \$35,600 for the Emergency Management Department for FY 2015 as printed on page IV.3 of the Budget Book.

Moved/Motioned by:	Mr. Everett
Seconded by:	Mr. Pierce
Motions or Debates:	<ol style="list-style-type: none"> <li>1. Mr. Pierce wanted to thank Chief Hicks and Sergeant Fitzpatrick for starting up this program. He states he has seen the set up and it is quite impressive. It gives people a real sense of security. He expresses is appreciation for all their hard work on this.</li> <li>2. The Chair agreed and stated this is certainly money that is appropriated reasonable and important and so he intends to support it. He pointed out that there is a certain amount of uncertainty that is entirely reasonable as it is very early and it is six months away from when that contract needs to be executed. He will rely on the Chief’s judgment but it would be helpful to have documentation or research to back it up in the future.</li> </ol>
Vote:	10 – 0 – 0 (unanimous)

Parking Enforcement:

The Chairman noted this was on page IV.5 of the Budget Book. Sgt. Fitzpatrick reported the Police Department took over the Parking Enforcement Budget in January 2012. At that point, the FY 2013 Budget had already been approved and FY 2014 was still finding their way around so tonight's presentation will be a little more in depth than in the past to get a baseline.

Three components of Parking Enforcement Revenue include: Permit fees, Parking Meters and Fines. These components resulted in Total Parking Enforcement Revenues in FY 2013 of \$246,066. Of these three components, the only one affected by Parking Enforcement Activities is Parking Fines, which is a function of enforcement hours and tickets issued. Sergeant Fitzpatrick explained the Budgeted Hours of Enforcement Used as shown in the handout. He states they are also requesting a \$4,040 increase of the Saint Patrick Church parking lot lease, which is an approximately 8% increase from the FY 2014 appropriation. However, the FY 2014 budget was \$50,500, which is less than the actual FY 2014 lease payment of \$52,020. This accounts for 3% of that difference. The other 5% provides for a projected cost increase as the actual lease has not been negotiated for the FY 2015 term. The two areas that are increasing the FY 2015 request each comprise approximately 40% of the total Parking Enforcement Budget. The request is for appropriation of \$128,154 for Parking Enforcement for FY 2015, \$51,114 for Salaries and \$77,040 for Operational Expenses.

Member questions and discussions included the following:

- Since parking stickers for seniors are \$2.00 each, how could the total figure listed end in an odd number of \$3,699? It was determined this was just a fluke.
- A member had some information to share with Finance Committee members regarding parking. The Board of Selectman appointed a Parking Advisory Committee, which is made up of a group of citizens, two selectman, community development director, police chief and some business owners in downtown Natick District. Over the past three to four months, they meet on a regular basis reviewing all of the permits issued by the town for parking including employee parking permits, number of permits distributed vs. the number of permits that are really required, locations of parking, metered parking, permitted parking, areas where there are no meters. They are looking at the fine structure, enforcement and also the potential for construction of a new parking garage. The main charge is to come back to the Board of Selectman with a bunch of recommendations. Through all the work done, they have found some interesting information regarding parking permits, parking signage, how fines are distributed, how fines are waived by an individual and moving forward they will have a pretty good grasp of recommending some new parking rules and regulations and parking policies. Focus will be concentrate on the downtown Natick district including the adjacent streets surrounding the downtown center. It was discovered that enforcement needs to be done better, particularly in the latter part of the day. In looking at the numbers that are presented tonight, there will be some improvements made regarding enforcement and some other expenses. The amount of revenues generated will drastically improve as well once recommendations and policies get back to the Board of Selectman. They decide what the fees are going to be for parking and what are permitted, meters, etc. Of note, on two trips to every parking meter in downtown, only 7 meters were not operating properly.
- Community Development is responsible for commuter parking, and also business parking permits. The amount collected in stickers for the St. Patrick Church lot is believed to break even with the expenses for FY 2014 amount is \$52,020 but it was noted that other costs, such as plowing, are also incurred. It was brought out that if the town is going to pay for a lot and they are not recovering the costs, the committee would like to know that.

- The Parking Enforcement Officers collect the coins from the parking meters at least once a week. The revenues for that help cover the cost of the personnel services within the budget. It was explained by Chief Hicks that two people do the collections for safety reasons and for oversight. The coins are then taken directly to the bank to be counted. The Chief states they are looking for other alternatives as opposed to coins or cash. Other options may be credit cards or the like moving towards the future.

Public concerns/comments: none

A motion was made at 7:42 p.m. for favorable action to move approval of \$128,154; \$51,114 from Salaries, \$77,040 from Total Operating Expenses for the Parking Enforcement Department as printed on pg. IV.5 of the Budget Book.

Moved/Motioned by:	Mr. Everett
Seconded by:	Mr. Ciccariello
Motions or Debates:	<ol style="list-style-type: none"> <li>1. Mr. Everett states there have been a lot of discussions about parking and parking meters whether they get fully funded by the fines and the meters. Members who have been on the committee for a long time have heard several times that one of the reasons there are parking meters is to make sure that everyone has a fair chance to get downtown to use the shops and do their business within the town and the businesses not to have someone take up all the spots for long periods of time, therefore customers can find parking to shop and thus are basically a vital piece to the control of the traffic downtown for the businesses and the support of the businesses. He stated he would just like to be sure that for those items other than the parking meters themselves, which can be a little bit of a loss, that if we are paying for space to allow parking and charging for use of that parking, that they are actually getting enough money back to cover all the costs. He states he would not mind breaking even but would not like to be subsidizing parking. Otherwise, this is a little bit up year over year but reasonably so he recommends approval.</li> <li>2. Mr. Ciccariello reiterated that he thinks by next year at this time there will be new parking policies and recommendations and restructuring of parking in downtown Natick, which will hopefully be a major improvement. He stated there is a lot of metered spaces available at all times during the day, they may just not be in front of a business and may require a person to walk a bit. They are trying to deal with that issue but definitely anticipate seeing some changes. He also states that his recollection of the St. Patrick's parking lot is that we own the snow plowing so if we get a lot of snow and a lot of ice, the maintenance and the burden of that is placed on the town so if that occurs, we could have a loss. However, they do oversell the number of permits vs. the number of parking spaces so that is a good thing.</li> </ol>
Vote:	11 – 0 – 0 (unanimous)

The Chairman asked Chief Hicks if it would be possible to get an electronic version of his presentation tonight to which he stated yes. The Chair stated that it would help as an attachment for the Meeting Minutes.

Board of Health

Mr. Freedman welcomed Mr. James White, Director of Public Health, to the podium to present the proposed FY 2015 budget for the Board of Health.

The members were referred to page VI.33 in the Budget Books.

Mr. White stated he was starting with some good news; he was actually requesting a level-service budget this year for the second consecutive year in a row. He referred members to the handout of last year's Department Annual Report (attachment D) for a reference. He states this shows what past and current trends have been, as you can't predict what the future is going to bring with health. He explained that everything seems to be on the rise, increase in demand for services is evident. Highlights of his report included the following:

- Inspectional services. Food inspections were up nearly 200 inspections over previous year. Some of the reasons for this was that this was the first full calendar year that they had the use and utility of the food consultant. This resulted in additional compliance inspections by the department. There was also an unusual increase in Certificate of Occupancy (CO) inspections; last year they doubled to the highest amount they had ever done in any previous year. All the other inspections can vary. The number of permits issued last year came close to 2,000; 400 above any previous year. The total amount of revenue collected by the department through fees and deposited as revenues last year was \$209,566.86. That is a direct reflection of increase and demand for services and part of those services are a permitting process. All these mentioned are all annual all-time highs for the department. He also added that with the additional enforcement that they had, they also did collect a little over \$1,000 in fines through their non-criminal ticketing fine process which is used as an enforcement tool when necessary for compliance.
- Clinical side: This includes the communicable diseases and immunization program. Communicable disease is at a recent high, not an all-time high. Due to the state implementing an improved state reporting system, the frequency of reporting communicable diseases is much more accurate. Mr. White points out that these diseases are unpredictable from year to year. The annual flu clinics continue to be successful – he notes there is flu vaccine left and stated the hours of the clinic. He encouraged those who did not get a flu shot yet to get one.
- The insurance reimbursement continues to replenish the funds of their revolving account. Last year they actually deposited \$21,350 into the account. That account allows them to continue to expand their immunization program by offering additional clinics such as shingles vaccine, adult TDAP, especially for the individuals who insurance will not cover it. This revolving account also allows them to supplement the flu vaccine.
- Emergency preparedness involvement continues to increase and is very time consuming at the regional and local levels. The regional level especially requires annual drills and exercises. There is a lot of planning that goes into the After Action Reports. Last year they brought in an Intern who was in the Master's Degree at BU School of Public Health who assisted a great deal in getting the EDS Plan updated. The EDS Plan is used for example if there was an incident of Anthrax, they would have to be able to get the prophylactics to all the residents in the community within 24-48 hrs. They need to have sites set up specifically for that. The new community center and the new high school are some of the EDS sites. Another plan they have to do for the town is a local sheltering plan, which is in the process of being updated. There is another Master's Degree student from Regis who will be starting at the end of the month to assist with that. Mr. White

points out that they utilize any resources available to them to get things done for the community.

- The long awaited Septrack program has been implemented as of last June. It is web based. There are about 1500 homes that have septic systems that are currently in the database.
- In late November early December they found out they were accepted and approved for a \$111,000, three year grant through the MetroWest Health Foundation. They are going to start a regional tobacco control program, which is a nine town collaborative. The Board of Health is the lead agency and the town of Natick is the fiscal agent for the nine town collaborative. The goal is to reinstitute a very successful proven program from the late 90s when the state voted on increasing the taxes on tobacco.
- Department awards were given out last year: Public Health Nurse Leila Mercer received the Massachusetts Public Health Nurse of the Year Award last June at the Mass Public Health Nurses Annual Conference. Mr. White states he was inducted last year as a fellow to the Local Public Health Institute for mentoring others and his professional achievements and commitment to promoting public health field.
- Mr. White pointed out that all this is a brief overview and that there obviously are many more functions and services that are carried out by the department. He noted that the increase in service and demands is becoming very difficult for them to continue to operate and is putting a huge burden on the department. Because of this, in the next fiscal year he expects to put in a request to reinstate the sanitarian.

Mr. Freedman congratulated Mr. White on his achievement.

Member questions and discussion included the following:

- All communicable diseases are reported to the state and the state sends a report either through the Health and Homeland Alert Network (HHAN) or through a Maven, which goes directly to all of the public health nurses throughout the state.
- The age for someone to purchase cigarettes in Natick is age 18. A couple of communities in the coalition have already gone to age 21. All of the communities in the coalition want regulations that mirror each other; it is fair that way and it is also better with strength in numbers. There is no age limit to purchase a lighter but this is something that could be looked into being implemented through the program.
- On page VI.35 line items include the words “year to date”. This is because the budget has to be in to the Town Administrator the first week in December meaning that the year is not finished yet. By the time the budgets are submitted, there are still at least 30 to 45 days remaining in the calendar year.
- A member asked if the Town and Mr. White can last one more year without the sanitarian given all the added responsibilities. Mr. White explained he was holding off right now because the consultant just started a year and a half ago and they are starting to catch up and see some positive movement and improvements. He also wants to make sure they can give necessary attention to other programs taken on, especially with the tobacco control as he is going to be in charge of that and doing the grant reports. He also noted right now the department was in flux; his longtime Executive Assistant is retiring February 13<sup>th</sup> and they are in the process of replacing her and will need to train someone else. As far as hiring the sanitarian, the goal is to get somebody fresh out of college that they can train properly, which is a long process. That is the reason for waiting a year. Mr. White is weighing whether or not he would keep the consultant along with the sanitarian next year or put that money into the sanitarian’s position.
- There is a cap of \$40,000 in the revolving account, which is an annual spending limit. The account has a balance now of about \$42,000. They are planning to use this money on shingle’s clinics (a shingle’s dose is \$225) and he believes they will spend it down fairly rapid. He likes to keep a positive balance in there because it is also used for

emergency preparedness. In response to a member question, the Chairman stated the mechanism for raising that cap would be a Warrant Article for Town Meeting, not a budget question.

- A member asked about a position that will be open after an individual retires and whether or not somebody will be brought on board prior to that for transitional purposes and if there was any money left in the budget to achieve that. Mr. White stated there was no money left in the budget to achieve that but as right now, there is another fulltime clerical position there so they are not going to be without. The goal is that the other clerical position will stay and they will advertise to fill the open position.
- Question was asked regarding lead paint and asbestos and if the town had any requirements for this. Mr. White stated they do have a requirement for any demolition as far as asbestos and the EPA actually has a requirement through the building application process that has specific guidelines that have to be followed for any renovations with possible lead paint so between the Building Department and the Board of Health there is a process.
- Request was made for Mr. White to advise the public of the benefit of the shingle’s vaccine and the age to get this. Mr. White stated that shingles was extremely painful and an active case of shingles takes a long time to heal. Anyone age 60 or above can get the shingle’s vaccine. There are clinics available.
- The only increase requested in the budget on Salaries Operational Staff line item at 2% increase is a COLA. The rest of the budget is completely level-funded.

Public concerns/comments: none

A motion was made at 8:11 p.m. for favorable action for the Board of Health Budget for FY 2015 in the amount of \$458,532 of which \$408,582 is Personnel Services, \$34,950 is expenses and \$15,000 is other charges and expenditures as printed on Page VI.33.

Point of order requested by Mr. Everett: He asked if the expenses and other charges needed to be broken out or do they do it as a total operating expense. Mr. Chair stated it would be the total operating expenses; those two numbers add up to \$49,950 as printed. What is on this page is what Mr. Brown has moved.

Moved/Motioned by:	Mr. Brown
Seconded by:	Mr. Pierce
Motions or Debates:	<ol style="list-style-type: none"> <li>1. Mr. Brown stated that year after year the Board of Health does a phenomenal job and is a class act. He would like to get the sanitarian on board eventually so that Mr. White can breathe a little bit.</li> <li>2. Mr. Pierce stated he was impressed with how much Mr. White’s department does and how well they do it, not only professionally but emotionally they are always very pleasant. He states they can be stressed out and have ten people in line for a shot and they are just so happy and pleasant and pleased to give the shot. It is nice to have those people in town. Mr. Pierce is also very impressed with the use of college students. This is a great resource and is very thoughtful and he commended Mr. White for doing that.</li> <li>3. Mr. Evans acknowledged Mr. White’s great</li> </ol>

	use of grant writing, which not only pays off immediate needs but gets back to those schools and gets back to other students who may one day work in Natick. He thanked Mr. White for that effort.
Vote:	11 – 0 – 0 (unanimous)

Town Report:

The Town Report can be found on Page VII.12 in the Budget Books.

Ms. Martha White took the podium to discuss this. She stated that the Town Report is one of the more straightforward budgets that is one line item; the Printing and Advertising for the Town Report and they are proposing level funding for FY 2015 of \$5,500. That is the cost to produce approximately 400 copies of the Town Report. They are required to produce that prior to each spring town meeting. Her Executive Assistant is in the midst of assembling the departmental information and soliciting the bids.

Member questions and discussion included the following:

None.

The Chair clarified that this is simply to produce these and that they are not mailed out so there is no postage or variables to work with that. Ms. White stated they are just made available to the public. They are handed out to town meeting members. Residents who want them need to come and pick them up at the Selectman’s Office.

Public concerns/comments: none

A motion was made at 8:15 p.m. for favorable action to recommend approval of the Town Report Budget for FY 2015 in the amount of \$5,500.

Moved/Motioned by:	Mr. Ciccariello
Seconded by:	Mr. Evans
Motions or Debates:	None
Vote:	11 – 0 – 0 (unanimous)

Non-contributory Retirement:

Non-contributory Retirement can be found on Page IX.17

Ms. White states these are costs attributable to personnel employed by the town prior to 1939;. There is still one remaining non-contributory retirement member from the Fire Department, one from the School and one from the Police but that is shared with the Commonwealth. There has been a slight reduction as one of these enrollees has passed away. It was a pensioner who was receiving a very small annual pension so there is only a 3.3% reduction in this budget. They are requesting \$41,496.

Member questions and discussion included the following:

- Based on the budget detail, there is a 3% cost of living increase each year for each of these still in the plan.

Public concerns/comments: none

A motion was made at 8:20 p.m. for favorable action to recommend approval of the Non-Contributory Retirement Budget for FY 2015 in the amount of \$41,496.

Moved/Motioned by:	Mr. Ciccariello
Seconded by:	Mr. Pierce
Motions or Debates:	None
Vote:	11 – 0 – 0 (unanimous)

Debt Service

Page IX.19 to IX.28 in the Budget Books. Mr. Freedman welcomed Mr. Jeffrey Towne to present this.

Mr. Towne introduced himself as the new Deputy Town Administrator/Finance Director for the Town of Natick. He states he started last Monday, 1/6 and had the privilege of working with Mr. Walters Young for the last nine days to try to get up to speed on the budget. He stated this is his first presentation to this Board and to the Public. He introduced Mr. Jankowski, the town treasurer, who will be doing a joint presentation with him.

Attention was brought to Page 10 at the top chart, where Mr. Towne explained that the variance column is incorrect. The Principal Variance is less than what is printed in the book (a new page will be provided). The Principal Balance is a variance of positive \$365,301 for a change of 4.5%. The number that is the variance for the interest is negative \$9,385, for a change of negative .34%. The total of the combined variance is a positive number of \$355,916 or a variance of 3.25%. The budget number does not change and it does not add to the deficit or reduce the deficit; it was just a formula error for that variance column.

Mr. Towne discussed how the Natick community is a Triple A rated community, which was affirmed last May 14, 2013. Reasons for the good rating were explained including proximity to and participation in the Boston Metropolitan statistical areas, very strong income levels, extremely strong wealth levels and low debt to market value property in town. The debt to assess valuation in town is 1.5%. There is a low unemployment rate; as if this report, in February of 2013 when checked it was 4.3% compared to 6.8% for the state and 8.1% nationally. There is a 72% scheduled roll off in ten years for the principal amount of debt in the general fund, which is phenomenal. Pension system is 64% funded; Natick is ahead of the curve from what most communities are. There is a stable outlook that reflects their view on the towns’ very strong credit ratings, credit factors including both financial and economic factors and they do not expect to lower the rate during the next two year period starting in May of 2013 through May 2015.

With the Debt Service this year, Mr. Towne states they are looking to seek the Committee’s recommendation on a total debt service budget of \$11,316,959, which is made up of three components: leased equipment of \$82,000, principal payments of \$8,491,268, and interest of \$2,743,691. This debt is only the general fund debt (town and school); the Water and Sewer enterprise debt and the Sassamon Trace Golf Course debt will be reviewed when they get to those funds. The increase is \$355,916. In this Debt Schedule (bottom of Page 19), the High School debt came online in 2012-2013 which is shown by the increase over 2011.

Debt as a percentage of general fund revenue is a key financial indicator that most communities use. For Natick, it is 8.48% of general fund revenue, which is within acceptable standards and financial indicators as noted in the back of Section XIII in the Appendices. On Page 20, it also shows debt service per capita of \$308 and debt service per household is \$790. Total debt in the community includes both what is within the levy and excluded from the levy. Excluded from the levy are taxes that town voters take to add the

debt principal and interest payments for a particular project, i.e., the high school, where the debt has been excluded from the limitations of Prop 2½. As a reminder for the public, there is about a 50-50 split; 52% of within levy debt for the general fund and 48% of the total debt is excluded debt at this time. The total debt, principal and interest without the lease is \$11,234,959. Details of these particular points are outlined on pages 21-26. Also included in the 15 year budget is the expected amount that will be due in FY 2015 for a debt that has yet to be issued. Debt will be issued in the spring of 2014 with first principal and interest payments due in 2015. Mass General Law, Ch. 44, Section 10 sets Debt Ceiling limits. Natick's Debt Limit Ceiling is \$329 million which is significantly higher than the actual principal and interest outstanding for the general fund of just over \$95 million..

Included in the budget books are pages showing what was in 2014 and then 2015-2019 individual payments per debt issuance; both principal and interest as well as the issue balance and that is all the remaining cumulative years beyond 2019 until the debt is done. The last piece of the Budget Book talks about the leases. There are three leases; police motor cycles, mailing equipment and copiers making up that \$82,000 (this can be found in Section IX.27).

A discussion was presented on the use of the Capital Project Stabilization fund to help give relief for the increases to the debt excluded costs to the taxpayer. It is the Town Administrator's goal to not let the excluded debt burden on the tax payer go higher than it was in 2012. To achieve that goal in FY2015, the proposal will be to use \$750,000 of Capital Project Stabilization funds to be added to the general revenues and not raise revenues from the excluded debt charges to tax payers.

Each year the Finance Director looks at opportunities to also provide relief to the taxpayers by looking at refinancing opportunities for debt. This year, the 2004 issue that was for Wilson Middle School has come up as an opportunity. While 59% will end up going back to MSBA because that is how of a grant they offered when the project was started toward the debt that has been in existence since 2004, 41% comes back to the community, which will end up resulting in a reduction of the amount that you have to raise on the recap for your debt exclusion, which will be a direct relief to the taxpayers. The Finance Director will try to do that as part of the spring issuance of the debt just like Michael Walters Young did last year. This year we have the opportunity to refinance \$5,550,000 which have interest rates presently ranging from 5% for the next five years and then it going to 4.25% for two years, 4.375% for a year and 4.5% for the remaining two years. This is the existing debt service schedule for those two issuances. There are two issuances; one was originally \$9,850,000 and the other was \$1,300,000 and they are both for the middle school.

Member questions and discussion included the following:

Questions came up about the \$355,000 increase from last year with the recommendation that that difference come from taking it out of the Capital Reserve Fund. Member wanted to know how often that was done in past years. The answer was in FY 2012 just under \$690,000 was used and in FY 2013 \$1,062 million was used. In the spring and fall town meeting, about \$1,337 million that has been voted out of the Capital Project Stabilization Fund for Capital Projects. The member was looking specifically taking it out of Capital to pay off debt and when that started. Ms. White stated she believed 2012 was the first year that they did that. In the first year the number was comparatively modest; it was not in the range that is proposed for FY 2015. Mr. Town states he believes it was about \$108,000 that took place in 2013. In 2014 it was \$250,000 from the Capital Project Stabilization Fund with a goal of doing about \$1,500 million from what Mr. Walters Young said over the next four years with an estimation of \$750,000 coming in 2015, \$500,000 in 2016 and tailing off because more debt is coming offline from the excluded debt, in 2017 it will be \$250,000.

The \$355,000 is the total increase in that debt budget and includes the excluded projects but we are going to offset the cost of those excluded projects by \$750,000 to help reduce the tax burden on the taxpayers associated with those project. All of that is coming from hotel meal taxes.

Mr. Towne clarified that there are two pieces of this: the excluded debt for 2015 would be \$5,352 million if we did not apply any premiums, if we did not apply anything coming from the capital project stabilization fund and if we did not apply any SBA reimbursement. So that is the gross amount that is due according to the principal and interest payments in the chart. We are going to apply like we always have and have to premiums associated with that debt when we received it and when we issued it. That adds up to about \$106,000. Then the SBA reimbursement associated with those projects is \$123,000. Then the goal was to try to keep the net amount as close to last year as we could and last year we did some funding from Free Cash, some from the Capital Project Stabilization Fund so the gross amount to the net amount went from \$5.4 million down to \$4.2 million and that is what showed on the recap above Prop 2½. This year the \$5.3 million minus those SBA reimbursements minus the premiums minus \$750,000 only would bring that down to \$4.3 million that would appear on the recap. The \$305,000 was Mr. Young Walters trying to keep the debt that is within the limits steady as well. He wanted to try to keep it from impacting the Operating Budget so what he did was he took last year’s amount of \$5,441 million, he applied Prop 2½ because Prop 2½ on that debt would not have effected any other operating amount because we are adding 2½% to the \$5,441 million and then he took the difference between that and the \$5.8 million (shown on Page 20), that is due within the levy limit and the difference came out to \$305,508 and that is what he is projecting to use from the Capital Project Stabilization Fund so that it would not impact any other operating services.

For clarification: The \$355,000 increase in the Debt Budget is not directly related to the \$750,000 we are contributing to offset the tax burden. The Debt Budget is comprised of within levy and excluded and a sum of already incurred debt, that debt budget is increasing on its own accord by \$355,000. Then, as a matter of principal and practice, we are proposing to contribute \$750,000 from the Capital Stabilization Fund, which monies came from the hotel and meals taxes, to offset the taxpayers burden of simply a portion of the excluded debt and that dates back to when those projects were first imposed upon a taxpayer.

Question was asked if we have any discretion over this. The only discretion is that this is always adjusted at the fall town meeting for when the actuals come in from the spring. At this point in time, this is based on our best information and what our expenses will be based on obligations that we have agreed to when we took out this debt.

Public concerns/comments: none

A motion was made at 9:00 p.m. to move \$11,316,959 Total Debt Service Budget for FY 2015, as printed on Page IX.19.

Moved/Motioned by:	Mr. Everett
Seconded by:	Mr. Evans
Motions or Debates:	1. Mr. Everett states we get into discussion of how we pay for it, which is always a good discussion but it is a separate discussion. We owe this money, we have already spent it in effect and we are committed to paying it so this is not something that is discretionary. What would be discretionary is future capital

	<p>expenditures, which will be under the capital budget so as of right now, we have to pay this.</p> <ol style="list-style-type: none"> <li data-bbox="740 331 1302 554">2. Mr. Evans followed up on Mr. Everett’s point by stating he wanted to congratulate the continued efforts by the Town Administration to both keep the debt service costs down and to provide relief to the taxpayers for the debt excluded portion.</li> <li data-bbox="740 558 1302 1381">3. Mr. Hayes agrees that this is an obligation that we have to pay. He stated that the Board has an obligation and fiduciary responsibility to town meeting to make sure not only that we understand what we are writing a check for but how we are going to make sure that check doesn’t bounce. While it is probably important to keep things simple and understanding what the big number is that is going to be on the check, the conversation about where the money is coming from is relevant and pertinent for us to be able to feel comfortable that we are representing the meeting fairly. With this kind of puts and takes; i.e. where is the growth coming from, what is the impact to the tax bill, where is the money coming from, he encourages the town administration to try to figure out how to do a simple chart showing flows of money and the sources of the increase and the sources of the funding would be helpful versus a 25-minute conversation with some confusion.</li> <li data-bbox="740 1386 1302 1703">4. Mr. Freedman commented about a very good write-up, Martha’s budget message for the fall town meeting, good section in there on the use of Capital that included a very good discussion of the uses of Capital and the conceptual model of using the Capital Stabilization Fund to stabilize the impact to the taxpayer. Mr. Freedman recommends people read that.</li> </ol>
Vote:	11 – 0 – 0 (unanimous)

Sealer of Weights and Measures:

Mr. Freedman referred members to Section VII.57 in the Budget Books. Ms. White explained that Sealer of Weights and Measures is a function required by state law to provide. The Sealer ensures that all of the various scales in the community are properly calibrated so that the charges the customer pays are fair and accurate. Ms. White is proposing to level fund this budget at \$15,534.

Member questions and discussion included the following:

Question was asked regarding what this covers. Ms. White explained this covers gasoline pumps, scales at the grocery stores and states there are innumerable examples. Even the scales at pharmacies are covered so there are literally hundreds of examples in the community. It varies depending on the type of device how often these are calibrated but each one is required to be verified at least annually.

Mr. Freedman notes that this budget appears to have been funded at the same amount since at least 2012. There have been no increases due to staff salaries or COLAs. These calibrations are performed by part-time town employees.

Public concerns/comments: none

A motion was made at 9:05 p.m. to move a recommended approval of the Sealer of Weights and Measures for FY 2015 in the amount of \$15,534 of which \$14,659 is salaries and \$875 for the purchase of services.

Moved/Motioned by:	Mr. Ciccariello
Seconded by:	Mr. Evans
Motions or Debates:	Mr. Evans wanted to comment in homage to Mr. Michael Walters Young who claimed that one of his favorite words was avoirdupois and that we were thinking of him. Ms. White states she and Mr. Chenard looked that word up and found out that it means measurement or weight.
Vote:	11 – 0 – 0 (unanimous)

A motion was made at 9:10 p.m. to close the public for the 2015 Spring Annual Town Meeting for the FY 2015 Budget. After discussion, the Chair decided to leave this one open because the public notice says a public hearing and it happens to be over several dates but it is described as a public hearing. If it was closed it would have to be re-advertised. Motion was withdrawn.

**HEARING SCHEDULE CHANGES/OLD BUSINESS:**

The Chair states he does not know of any and is not planning on any so for Tuesday what was passed out at last meeting is what the Board will be doing. There are no subcommittee updates.

A motion was made to Adjourn at 9:12 p.m.

Moved/Motioned by:	Mr. Pierce
Seconded by:	Mr. Evans
Motions or Debates:	None
Vote:	11 – 0 – 0 (unanimous)