

**FINANCIAL PLANNING COMMITTEE MEETING**

Wednesday, April 1, 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  
Peter Gray, Director of Finance, Natick Public Schools  
Henry Haugland, School Committee  
Michael Hickey, Select Board  
Rick Jennett, Select Board  
Tony Lista, Finance Committee  
Donna McKenzie, School Committee  
Sean O'Brien, Assistant Finance Director  
Susan Salamoff, Select Board  
John Townsend, Deputy Town Administrator/Finance Director  
Kristine Van Amsterdam, Finance Committee

**AGENDA:**

1. Open Session
2. Citizens' Concerns
3. Announcements
4. New Business

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- a. Updates regarding revenue and expense projections for FY 2020
  - b. Updates regarding emergency fiscal process options
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. February 19, 2020
  - b. March 4, 2020

**OPEN SESSION**

Meeting was called to order at 5:30 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**

Mr. Freedman announced that although the FPC meeting is not being broadcast, he believes it is being recorded. He noted that this is the committee's first virtual meeting and gave instructions on how to participate.

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Mr. Freedman stated that with the coronavirus, we are in uncharted territory and we have a responsibility as representatives of our boards and committees to plan for contingencies. He noted that things are changing on a day-to-day basis and the best information we have now is likely to change by tomorrow.

Ms. Malone reviewed a Financial Update presentation, previously shown to the Select Board on March 24<sup>th</sup>. Ms. Malone mentioned that the House and Senate Ways & Means Committee is scheduled to meet next week on FY20 revenues, which could mean a reduction in FY20 state aid. The postponement of tax collection until July 15 could be causing an issue for the state.

Ms. Malone stated that COVID-19 costs for custodians and additional cleaning have been projected through the end of FY20 and should be covered in the budget. Where possible, the Town will seek to obtain reimbursement for COVID-19 expenses.

Ms. Malone reported that the Town attempted to refinance the bonds for the High School and Community Senior Center on March 10 and 12, but was not successful due to market volatility, despite the Town's AAA bond rating. She indicated that municipalities are under greater scrutiny from ratings agencies.

Ms. Malone stated that she believes we will need to augment the FY21 budget with general stabilization funds. This should not cause a ratings downgrade per the Town's financial advisor. We have approximately 18 months of general and operational stabilization. She pointed out that we do not know how long the impact will last and we want to make sure we have sufficient funds in FY 21 and future years

For FY20, there will be decreased program revenues and decreased local receipts. The unforeseen gap in revenues will be closed by funds that would have previously fallen to free cash, a delta Ms. Malone estimated at \$3.5-4M. Mr. Townsend clarified that while there will be expense savings, to be conservative, all FY20 expenses have been included in their model.

Mr. Friedman wondered if it would there was any consideration to supporting FY20 with stabilization funds, keeping turn backs as an available source for FY 21. Ms. Malone indicated that we will need to have a plan in April to close out FY20 in the black. Ms. Collins asked that if FY20 expenses are down \$6M, while revenues decreased between \$3.6-\$4.3M, aren't we actually doing better?

Ms. Malone described some levers for FY21 and beyond – how we manage capital, possible reductions in state aid, decreased local revenues which could have a very long tail, retail and REITS challenging property valuations. Ms. Malone has proposed a hiring freeze (no new positions added) for FY21, in order to maintain the positions we have to the fullest extent possible. Ms. Malone indicated that she will attempt to present a revised FY21 to the Select Board in April.

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Ms. Nolin stressed the importance of coordinating efforts in applying for emergency funding. There are also decisions that need be made now about keeping people on the payroll that will impact FY20 and FY21. Ms. Malone stated that MEMA and FEMA funding is being coordinated by Mr. Townsend and Chief Hicks and cautioned that reimbursement has typically taken years. Ms. Nolin said we will receive reimbursement money due to our Title One designation, but there is a clause that addresses employment. Ms. Malone stated that Town Council’s consensus was that the clause did not apply to municipalities. Ms. Nolin said that there is a disagreement between the school and municipal attorneys on this interpretation.

Ms. Nolin stated that she has been given guidance from the Commissioner of Education that schools are to keep everyone employed and honor contracts as much as possible, even if services are not being provided. She stated that important to get everyone on the same page on these matters. Ms. Malone stated that the guidance she has been given is that the School Committee is for the purposes of these matters a different employer.

Mr. Sullivan wondered why these topics are being brought up at an FPC meeting and not addressed by ongoing dialogue between the school and town administrations.

Ms. Malone stated that the timing of Town Meeting is an item that will need to be addressed soon.

Mr. Friedman asked what policy decisions will need to be made by the Select Board and School Committee in the short term. Ms. Malone stated that the main policy decision would be guidance on how we are going to build FY21 economically and are we going to continue with multi-year planning. Ms. Nolin stated that the School Committee will need to decide how to handle current employees. She also said that she had signed on to multi-year budgeting strategy under the One Natick umbrella, but is wondering if the advice is to proceed independently. Mr. Friedman clarified that wasn’t what he was advising, but rather was asking to what extent do the boards need to be in lockstep.

Per Mr. Friedman’s suggestion, the FPC members agreed to meet on a weekly basis at 5:30pm, noting possible conflicts with Building Committee meetings.

**MEETING MINUTES**

Ms. Collins provided some minor corrections to the February 19 and March 4 minutes.

Move to approve February 19, 2020 minutes as amended:

Moved/Motioned by:	Ms. Collins
Seconded by:	Ms. Adelman-Foster
Motion approved:	8-0-0

Roll call:

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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

Move to approve March 4, 2020 minutes as amended:

Moved/Motioned by:	Ms. Collins
Seconded by:	Dr. Nolin
Motion approved:	8-0-0

Roll call:

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

**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.