



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 23, 2017

The minutes were approved through the following action:

Motion:

Made by:

Seconded by:

Vote:

Date:

Respectfully submitted,

Bruce Evans

Secretary

Natick Finance Committee

NATICK FINANCE COMMITTEE MEETING MINUTES

January 16, 2018

Natick Town Hall

School Committee Meeting Room 3rd Floor

This meeting has been properly posted as required by law.

MEMBERS PRESENT:

Patrick Hayes, Chairperson

Bruce Evans, Clerk

Michael Linehan, Member

Linda Wollschlager

Dirk Coburn, Member (arrived during Morse Library presentation)

David Coffey, Member

David Gallo, Member

Daniel Sullivan, Member

Kristine Van Amsterdam, Member

Philip Rooney, Member

Linda Wollschlager, Member

MEMBERS ABSENT:

Cathleen Collins, Vice-Chairman

Cathy Coughlin, Member

Robert McCauley, Member

Jerry Pierce, Member

Jim A Scurlock, Member

AGENDA:

1. Public Concerns/Comments
2. Meeting Minutes
3. Old Business / Public Hearing
 - a. Other Finance Committee Business
 - Property & Liability Insurance
4. New Business
 - b. FY 2019 Town Administrator's Preliminary Budget – Public Hearing
 - Bacon Free Library Budget
 - Morse Institute Library Budget
 - Keefe Tech Preliminary Budget Presentation
 - Natick Schools Preliminary Budget Presentation
 - Town Administrator or Deputy Director
 - Legal Services Budget
 - Board of Selectmen's Budget
5. Adjourn

CALL TO ORDER:

Meeting called to order at 7:04 p.m. by Chairman, Patrick Hayes

ANNOUNCEMENTS/CITIZENS CONCERNS:

Mr. Hayes: Explanation of the etiquette of presenting a Citizen’s Concern, statement or announcement. We have two types of opportunities during any Finance Committee meeting for Citizen’s Concerns or comments and questions. The first one is a general one at the beginning of the session for anything that is not on the agenda. The expectation of the Chair is that Citizen’s Concerns expressed during that time period are germane to the business of the Finance Committee and not to other committees, commissions, boards, town administration, and/or school administration. It is more of a one-way sharing point of view rather than a dialogue. The expectation is that we do not speak about individuals, town employees, or committee members, and we don’t bring issues about personnel or people personally into the discussion. So I want to make sure people understand that ground rule so that when they come to our meeting they have a sense of what our scope and purpose is regarding Citizen’s Concerns.

The second type of Citizen’s Concerns comments are during the agenda itself and we always give the public a chance to speak about the agenda item at the conclusion of when the Finance Committee has completed all its questions around the subject matter itself and we allow citizens to have comments or direct questions through the Chair for a reasonable period of time and we like to use the 3 to 5 minute maximum as a reasonable period. The questions need to be germane to the subject at hand and the Chair is the arbiter of whether it is in or out of scope.

No Citizen’s Concerns

MEETING MINUTES:

None.

MOTION

Move to re-open the Natick Finance Committee Public Hearing of FY 2019 Budget

Moved/Motioned by:	Mr Evans
Seconded by:	Ms Van Amsterdam
Motions or Debates:	None
Vote: Carried	10-0-0

OLD BUSINESS /PUBLIC HEARING:

Public Hearing: Town Administrator’s Preliminary FY 2019 Budget

BACON FREE LIBRARY

Ms Meena Jain, Director

Mr John Manning, Treasurer of Trustees of Bacon Free Library (delayed, arrived 5 minutes later)

Bacon Free Library is requesting a level service budget of \$173,839 for the year. A short presentation was sent to members.

Questions:

Mr Rooney: One of your initiatives to increase some hours is that person an external person?

Ms Jain: It's the current Assistant Director/Children's Librarian.

Mr Rooney: That would be how many hours?

Ms Jain: 300 hours which does not increase benefits because she already has them. Mr

Mr Hayes: (to Mr. Townsend) The acting Town Administrator's budget letter indicates that there's a list of items that were determined to be worthy and that would be included in the budget – is this one of them?

Ms Jain: Yes - his is one of them.

Mr Hayes: Mr. Townsend, if the proposed request is \$123,839 and that does not include this additional \$9,464 but the Acting Town Administrator has already indicated that they want it included, don't we want to be voting approximately \$184,000?

Mr Townsend: You are correct. The Bacon Free Library has a new addition of \$9,464 that was included, the rollup has \$10,664 which is incorrect.

Mr Hayes: Right. But, even the \$9,464 is not included in the budget book for the 2019 preliminary budget on that column on page 63.

Mr Townsend: The rollup on page 5 of the entire budget that includes \$10,464 is incorrect, it should be the \$9,464 number.

Mr Linehan: This is what was confusing last year the rollup is a different number than you expect to see.

Mr Hayes: On page 2 of Budget Summary that increase is in the column labeled 2019 Preliminary column?

Mr Townsend: It's under New Initiatives.

Mr Hayes: Page 2 of the Budget Book has the number of \$184,503 and I think that has the \$10,000 – so that shows a total increase of \$12,070 so that reflects what I expected to see based on the Town Administrator's budget letter.

Mr Townsend: The \$184,503?

Mr Hayes: Yes. The detailed budget on page 63 does not show any increase of the additional hours – it's just showing the standard 1+ increase. We have a habit of voting the detailed budget page as a reference for our recommending favorable action . . . so my question is what number are you asking the committee to vote on \$184,503 or is it the number on page 63.

Mr Townsend: The \$184,503 that's the number that was used in the rollup of the entire budget.

Hayes: The requested number is referenced on page 2 of the budget book if someone is looking to make a motion for \$184,503.

Mr Coffey: I add the \$9,464 to what's on page 63, I come up with a different figure of \$183, 303.

Mr Hayes: Go back to Page 63 – 65. On the other side of the page is \$1,200 and those two numbers added together and then added to the \$173,839 gets you to \$184,503..

Ms Jain: When I first submitted this budget request the \$9,464 was correct for the number but I hadn't gotten that persons raise for the year so I didn't know how much more she would be getting so I just put in that number so \$10,664 is the correct number given her current salary and so the number in the front is correct \$184,503.

Mr Rooney: Is the supplies number – so we're adding into these figures the supplies number? \$10,664 is the correct number for salary; \$1,200 in supplies should change the number to \$2,072; once you make that change it doesn't tie out to what's on page 203A.

Mr Townsend: One point of clarification. All new initiatives were included in the actual detailed budget workbook. However, not all those initiatives were approved. In this case, the increase in the salary line for the Assistant Director was approved by the Town Administrator in the budget message, Unfortunately, there was a problem with the number itself but the initiative was approved. The additional request for the \$1,200, the second initiative was not approved so that was not included in the rollup of the entire budget for the Bacon Free Library. So the actual number if \$184,503.

Ms Wollschlager: You are leaving – are the numbers in the budget in line with what is expected to be paid to the new Director?

Jain: Yes I assume so – it’s within the range. This is up to the Trustees once they find the person to replace me and negotiate the salary.

Mr Hayes: Page 63 – with added \$10,664 that would get added to the table for personnel services making that number \$158,017 and the Expenses of \$11,614 would stay the same and other charges and expenditures of \$14,872 would stay the same and the total would be \$184,503. Would you agree with that?

Mr Townsend: Yes.

MOTION

Move to recommend approval of the FY 2019 Bacon Free Library Budget comprised of \$158,017 Personnel, \$11,614 Expenses, \$14,872 in Other Charges for a total of \$184,503

Moved/Motioned by:	Mr Evans
Seconded by:	Ms Van Amsterdam
Motions or Debates:	Mr Evans: done Ms Van Amsterdam: done Mr Hayes: We will miss you and Medfield has lucked out. I want to thank you and on behalf of the committee thank you for the great work you’ve done in the library.
Vote: Carried	10-0-0

MORSE INSTITUTE LIBRARY – Budget Book - page 59

Ms Linda Stetson, Director

Dr Joe Keefe, President Board of Trustees

Dr Keefe: With us tonight are Kathleen Donovan, Sally MacCoubrey, Gerald Mazor, and Eliot Goodman is ill. One hundred and fifty five years ago on April 3rd, Town Meeting accepted the will of Mary Ann Morse and between that period of time April 3, 1863 and January 1, 1874 the then five trustees were to sell her assets and build the building that still stands across the street. We’re here again 144 years later.

Ms Stetson: The Morse Institute Library is requesting a level service budget for FY2019. We have one new initiative that we proposed that the Town Administrator approved so that final budget number would be on page 2 \$2,244,799. What we’re asking for is that an additional Sunday hour be paid for at a cost of \$18,739.93.

Questions:

Mr Gallo: Is that hour on Sunday something new?

Ms Stetson: The library had been open for 4 hours on Sundays. As we struggled for funding we reduced it to three hours. Last September, based on innumerable requests, we increased it to 4 hours again using library State Aid. We’re now the town to make up that shortfall.

Mr Sullivan: Fees rising for Minuteman Network: Do we know why a member left? How many members are left in that network?

Ms Stetson: Mass Bay Community College is leaving the Minuteman network because the network is primarily for public libraries and they’ve joined a consortium of other academic libraries instead. The possibility that others will leave the network exists but there are very few academic libraries within the network.

Mr Hayes: Numbers question: is the \$18,739.93 already included in the budget detail on page 59?

Ms Stetson: No.

Hayes: So the \$18,739.93 – (FinCom will use the number \$18,740 for vote) \$1,897,696 should be the total number for FinCom motion.

MOTION

Move to recommend approval of the FY 2019 Morris Institute Library Budget comprised of personnel services of \$1,897,696, Purchasing Services \$99,150, Supplies \$243,428, Other Charges \$4,525 and Expenses of \$347,103 totaling \$2,244,799

Moved/Motioned by:	Mr Coffey
Seconded by:	Ms Van Amsterdam
Motions or Debates:	Mr Coffey: I ‘m happy to see the addition of Sunday hours. Ms Van Amsterdam: Same. Evans: I applaud the additional Sunday hours. One hour may not seem like a lot but it allows time for more programming. Mr Sullivan: In favor of this budget but I would like to take issue with calling presented budgets “level-funded” when in actuality they have increases.
Vote: Carried	11-0-0

KEEFE TECH PRELIMINARY BUDGET – emailed out to members

Mr Jonathan Evans, Superintendent/ Director

Ms Dolores Sharek, Director of Finance

Dr. Stephen Kane and Tass Filledes are School Committee members to Keefe Tech in attendance. Thanks to Dr. Sanchioni for support. Keefe has been very well received by the Town of Natick and has a lot of interest from the middle school and high school students. Keefe has had three open meetings of their budget sub-committee; during one three members of the FinCom subcommittee attended. Coordinators reviewed each line item during those meetings.

On January 8th, our school committee voted a preliminary budget of \$19,288,603 which represents a 3.9% increase from FY18. We will be looking to find efficiencies to get that number lower before we bring that to you for final vote. Already we have had some good news regarding the cost of health insurance since the preliminary budget was created. Enrollment is at 729 students an increase of 13 students 7 from Natick which makes Natick total up from 65 to 72 which represents an increase of 10%. There was an error on the handout - the enrollment increase is not 9.7% it is 10.8%. 23 Freshmen from Natick this year.

The biggest areas of change within the overall budget – highlighted areas are increases in excess of \$25,000.

- One new position for FY19 in Legal and Protective Services program.

- One position that was previously funded by Title 1 needed to be moved into the regular budget.
- Other areas are increases for staff, health insurance and other areas. The total of these areas is \$736,850 when you add the total of those areas the total increase in the overall operating budget is \$686,163.

We will continue to review our budget and wait to hear from the Governor with the House One budget we will learn about the calculation of the wealth index from the state house as it sees our five member towns minimum contributions and we will then be able to calculate an assessment that coincides with the costs to our member towns in relation to the final budget we are presenting. We plan to have a public hearing on our budget at the beginning of March at that school committee meeting we are hoping to finalize.

Questions:

Mr Sullivan: Across the district are you seeing any other communities that are having a notable change in their enrollment?

Mr Evans: The biggest increase is from Holliston where we have approximately a 30% increase but there's a smaller number of students total. Relative to the physical plant of the school – how old is it – what's the lifespan of it and when do you anticipate the need of a significant capital investment?

Mr Evans: A few years ago we had a roof project that Natick supported and that has been a wonderful investment. The building is very well maintained and we don't have any active plans for a significant capital improvement. It is a 40 year old building and the list of improvements needed auditorium lighting system upgrades; carpeting replacement but no immediate capital needs.

Mr Coburn: How do you track effectiveness of your programming?

Mr Evans: We use a number of metrics: student outcome; follow up study chapter 74 program; program student enrollment.

Mr Rooney: Regarding building structure: are assessments performed and when?

Mr Evans: Siemens Energy Lease requires assessments and there are other permits and audits done.

Mr McCauley: Has Natick enrollment been the same over time or is it significantly up?

Mr Evans: It's difficult to look at trends with the amount of students but from F student outcome; follow up study chapter 74 program; program student enrollment.

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Mr Evans: Siemens Energy Lease requires assessments and there are other permits and audits done.

Mr McCauley: Has Natick enrollment been the same over time or is it significantly up?

Mr Evans: It's difficult to look at trends with the amount of students but from FY12 we had 72 students – because of the small numbers there are significant percentage increases.

Mr Hayes: I have you in the FinCom schedule on February 15th.

Evans: That date is fine at this point.

Mr. Hayes: To the subcommittee and Mr Evans: is the subcommittee finished? Yes.

NO MOTIONS BUT DEBATE ALLOWED:

Mr Linehan: The sub-committee went through all the meetings and Keefe was very gracious in answering every detailed question we asked. I was very impressed with the depth and the degree to which they really do squeeze nickels into dimes in extracting maximum value for things. I was very supportive of the budget they ended up with.

Ms Wollschlager: I echo Mr. Linehan's comments but not only did we have very productive and information meetings but they served us really great food from the students at Keefe Tech. If anyone's children have culinary aspirations I would send them to Keefe Tech they are doing a great job. It was very impressive we went through every budget with each department head and not only were they very knowledgeable but they were all looking to save money. No one was trying to expand it was very clear that they have some incredible talented and dedicated staff at Keefe Tech – it is very impressive and we left those meetings feeling the school is very well run and managed. Thank you for what you do for our kids in Natick.

Mr Sullivan: Taking a look at some of the macro trends in Massachusetts three of the top six most worked in job sectors in the Commonwealth of MA are areas where you have lines of education and if we look at the percentage of students education as their line of work and where they ultimately end up – we look forward to the next steps in your budget approval process.

Close this portion of the public hearing

NATICK PUBLIC SCHOOLS PRELIMINARY BUDGET

Dr. Peter Sanchioni, Superintendent of Schools

This will take many turns and twists before April. State funds are not defined and health insurance is not defined they are major drivers of our budget. What you see here are is a request based upon the educational needs of the district.

We start with our goals – the district is growing by 85 students per year so we have to maintain our personnel, meet all mandated transportation and tuition costs for Special Education. That's non-negotiable, we have to add additional staff to meet our Individualized Education Plans (IEP) requirements under special education, we have to have calculated increases for transportation, energy and maintenance of the buildings – that's a "have to do" list.

The "want to do list" is adding additional staffing positions to produce high academic standards and increase our capacity for technology in curriculum.

Our budget summary rounded off we are currently at \$61.2 million we are asking to increase this budget by about \$5 million which would bring it in at about \$66 million, an 8% budget increase. Our budget is divided into two major categories: Personnel and Expenses. Personnel makes up 78% of the budget. Personnel compared to FY18 we're at about \$48.1 million things that are driving that increase are negotiated steps, COLA, increases for substitute teachers, merit adjustments for non-union personnel and lane changes. It's about \$2.4 million.

We'd like to add 21.7 FTE – we're going to offset that with some retirements so the total salary increase is \$3,666,598 for a total budget of \$51.8 million which is a 7.6% budget increase. Major driver other than what's mandated is the staff additions of the 21.7.

The positions we're requesting are divided into three categories:

Compliance (most positions fall under special education) we need to add these people so we can deliver the mandated services;

Enrollment: these are positions we need to keep our class sizes the same or continue to add programs as we see fit (coaches for athletics) directly related to student's needs;

21st Century Growth: These are positions that are going to enhance the things we're trying to do in the district. Technology coaches – critically needed at the middle school.

EXPENSES - Mr Peter Gray, NPS Business Manager

Expense Budget is 22% of the total budget – currently \$13.6 million – increase is \$754,924 for \$14,347,549 or 5.6% increase.

Drivers are:

District-wide Administration: \$19,000 of which \$18,000 has been under budgeted in previous years for dues and memberships;

Technology: \$202,241 of which \$195,000 is due to an additional lease of computers for the incoming freshman class and a need to replace obsolete iPads;

Curriculum seeing a slight drop to \$32,526;

Online Learning a slight increase to \$5,000;

Pupil Services is a reduction in number of out-of-district placements \$110,000 decrease;

Transportation shows a \$394,800 increase of which \$78,000 is due to McKinney-Vento homeless transportation. We have no control over this, other than forecasting based on historical records of students who move into the district that are homeless. We have to provide transportation to and from their district – but the bigger driver is the \$370,000 increase to out-of-district transportation to the Accept Collaborative. Historically, they provided us with a maintenance number based on enrollment – but their Board of Directors is addressing deficits within this fiscal year rather than putting to next fiscal year. This is a one-time large amount due to that change;

Operation and Maintenance \$173,943, \$100,000 of that is a potential energy increase cost;

General Facilities Maintenance: \$69,000; HVAC, Custodial, Plumbing etc.

The next several categories relate to all of our schools – we adjusted how we allocate general supply funding. In the past, some schools received more per pupil than other schools this attempts to level that.

Athletics: went up \$10,000 to support departments and operating expenses and a small increase in specialty advisors comes to \$354,924; there's been a slight decrease in regular transportation from \$882 to \$841 a decrease of \$41,591 – last year we requested and received funding for 2 new buses we've only needed one and one half.

Offsets: Operating budget shows at a decrease of \$4591 for transportation – bus fees we're anticipating the same amount of fees collected in 2018 and 2019 and the town appropriation which is a Warrant Article we typically ask for a 2.5% annual increase so that would be an increase of \$9,087 so overall our regular transportation costs will be down \$30,784

Dr. Peter Sanchioni, Superintendent of Schools

So you've seen the personnel and expense part of our operating budget there also be capital requests. Since 2007, we've added over 1,000 students about 84 students per year. Population predictions show an increase of at least 85 students per year for the next decade. We didn't add staff during the recession years and we started in FY13 to make that up and last year we added 25 FTE. We're requesting 21 this year to keep up with the increased number of students and adding 85 students per year and we have to keep compliant with mandatory services. Budget as a whole 78.07% of the budget is people. 76.7% is teachers. The most recent data is FY16 and FY17 will become available before Town Meeting.

Explanation of Budget Book:

Page 13 – Personnel portion of budget – every employee of the Natick public schools is listed

Page 49 – Expense portion of budget – lists all costs

Page 83 – New requests

Page 89 – Capital Budget

Page 90 – Spring Town Meeting presentation

Page 91 – Five year capital plan

Questions

Mr McCauley: On the salary side increase of 7.6% and operational is 5.3% so you'd think the overall budget would be somewhere between the 7% and 5% – why is it above them both?

Dr Sanchioni: That increase is based on that portion of the budget and the overall aid is on the total portion so the salary increase is on a much larger number and the expense increase is on a smaller number and then combined it equals the 8. Part of what occurred this year is when we present the budget to the Finance Committee, we're making some assumptions. In FY18, we were looking at a \$501,000 of retirements and/or changes in the bottom line so I understand your confusion. If you look at the personnel line that says "actual salaries" which does not equate to what we budgeted because as part of the

process once we began our fiscal year we actually did not realize that \$501,000 savings we actually through the course of hiring new staff and replacing staff that were leaving we actually didn't realize that number so not only did we lower the estimate for FY19 but we started the budget process by saying where is our payroll right now so between now and the end of the fiscal year we will have to find efficiencies to cover that balance in order to come in to what the town of Natick approved us for a budget. So that's the trade-off between looking at the two numbers the percentage increase in personnel and expenditures vs. what we're actually doing right now.

Mr Rooney: On the Dean of Students job restructure, \$65,000 is that the increase or is that the cost?

Dr Sanchioni: That's the increase – the rationale – we have 2 retirements at the high school this year administrative positions – we want to add an administrator. We currently have a Principal, two Assistant Principals and a Dean of Students. We're taking the Dean of Students position and creating two positions from that one and the \$65,000 is the delta for that.

Mr Rooney: One of the six new positions is a grade 3 teacher elementary and Brown – cost of \$61,000 – am I replacing anyone and if I am why is a net increase?

Dr Sanchioni: Yes we are replacing someone. This year we took Grade 3 teacher and we turned it into our Elementary District Technology coach. That position was funded and paid for by Natick Educational Foundation (NEF) for 1 year. It's been so successful that we want to continue it. So his replacement is what we need which is why we're listing a Grade 3 teacher that allows us to keep the digital learning coach position.

Mr Coburn: Accept Collaborative increase – is that a one-time increase and it will drop again next year?

Mr Gray: What's occurred in the past we would estimate the number of students we would need to accept on the out of district placement at the end of the fiscal year they would reconcile the number of students and locations then they would reconcile the actual – if they put off that deficit funding for a number of years because they didn't want to have that financial impact that they've now decided to do – so they put off that deficit for a number of years. So this is their way to clean the slate and moving forward that number will be smaller and based on the actual number of students that we project. All districts have to make up this deficit. Coburn: How can they possibly go back and open those previous years? Grey: All I know is that when they presented this budget to use they've been carrying these deficits and they've been chipping away at them but that they needed to . . . Coburn: Have they been disclosing anything about this? Grey: In their Financials they did but they were not as aggressive in retaining those. Coburn: They've been presenting documentation to us saying that we owe this money? Grey: Yes I believe they did. Coburn: The capital plan in FY20 there's a fair amount of capital improvements to the Kennedy School – is this plan B – is there any part of that will not be done if the Kennedy reconstruct goes forward. Sanchioni: This is the fall back plan. Sullivan; New FTEs, how much more catch up is going to be necessary? Sachinoni: We could diagram something out for you. Sullivan: It's fair to say we're not going to be asking for 25 to 27 new employees every year – the question is where do we get flush? Let's say 40% of those employees are playing catch up – so I'd like to see some equation

that shows that so we can predict – we can't spend 15 years catching up for 4 years?

Rooney: I think what Mr. Sullivan is requesting is excellent but there are more elements . . .

Sullivan: If there is a third driver of new enrollment or new mandates are creating the changes we need to make that clear.

Sanchioni: Yes but there's another driver which is driving excellence. So there are three drivers – catch up; enrollment; program improvement.

Hayes: The presumption in Mr. Sullivan's request is that we never caught up to the back log. I don't want us to operate under that presumption. I would like us to understand whether we actually caught up to the backlog and when we did. If we did when we did. I think it's a fair premise but I'm not sure that it's a fair premise until it's answered that we never caught up. So I'd like to understand that analysis.

Sanchioni: I understand the request for analysis.

Linehan: In the expenses – change more equitable distribution – nobody went down everyone went up – Is this simply bringing everybody up by a formula?

Grey: In this case we looked at requests for FY19 and they were much higher than what you saw for the equitable allocations – so realizing that we weren't going to fund them how could we take some portion of that an equitably distribute it amongst the schools in a formula in such a way that brought some schools that had a disparity be up to certain levels. So it was a combination of looking at an equitable distribution as well as what they requested in 19 so that there was some increase in their budgets based – some of them asked for much more money but we said equitably you can't do that. Some of them asked for less but we gave them more so that we wanted to equitably distribute those expenses. Per pupil.

Linehan: Is the per student number per school close to equivalent?

Grey: Yes.

Linehan: How many Deans will we have?

Sanchioni: The current Dean is at \$30,000 and we're asking for the funds to fund 2 Deans at about \$50,000 each.

Linehan: In the operations and maintenance budget – energy costs none of those are part of facilities management budget - ?

Grey: These are expenses for the custodial.

Wollschlager: Do you have at this point any identified areas that are expected to change up or down that you can share with us now?

Sanchioni: No increases for sure – we have contingency plans based on revenue and we're going to stay with this for now until we have all the information.

Wollschlager: Do you have any insight from the state about where you expect your numbers to be?

Sanchioni: We've read that state revenue is higher than predicted so we're hoping that chapter 70 will come in higher and local aid will come in higher.

VanAmsterdam: School Choice and Foreign Student Tuition revolving accounts where it says that the funds are restricted for compensation for employees but for school choice and foreign student tuition given that those students could be anywhere within the school district those monies could be applied K-12 correct?

Sanchioni: Correct.

Coffey: Is there any information available to us for a dollar for dollar comparison of this budget to past budgets?

Grey: So if you look at any of the expense lines you'll see we've indicated what we spent FY16 actual, FY17 actual, FY18 budget and FY19 budget so that should give you some historical context.

Coffey: I'm looking for what's budgeted compared to the actual for those years.

Hayes: If they went over budget by \$9,000 let's say, are you also expecting the school department to show you what other budget that \$9,000 came from?

Coffey: Yes.

Hayes: How about this as a starting point. If we get the budget to actuals for each year and understand them and if we have a specific request for something that's material – okay?

Coffey: Yes.

Sanchioni: Yes. So for example we're probably \$100,000 over in legal this year, but we have never delivered a budget that came in – we've never gone over budget – we're going to hit the mark every year we guarantee you that so you have to make some

decisions with what we do with what we have – so I appreciate letting us start with just budget to actual – you’re going to see some items that are over and under but we manage it internally. Hayes: So let’s see how that turns out before we press for where did the money come from – the money came from their budget – McCauley: How do you prioritize and have you already prioritized this year - ? Sanchioni: we work with the school committee and our administrative team to take the available revenue and see what positions we can add and prioritize those that are more critical to us and a lot of times it ends up being those positions in compliance and then those things that we think would really make a difference and enhance the school system side but that’s the decisions we have to make. McCauley: Budget Page 2 the two new budget things – the increases don’t add up – do you know where the difference is on that? Grey: That’s within the personnel – part of that \$501,000 that we didn’t realize that between now and the end of fiscal year we need to find that money. Linehan: Whatever your budget is that town meeting votes the actual slicing and dicing of that is purely in the authority of the school committee is that true? Sanchioni: True. Linehan: If we did not have school choice in the coming year how many students would we lose? Sanchioni: We open up our school choice after we evaluate every program district-wide before we know where we have openings for choice students. Sullivan: To what extent does the new charter school cause a bubble effect in the freshman class in Natick? Sanchioni: Usually it’s between 7 and 10 students a year. Hayes: Requested the report on school choice. Coburn: If a district does not vote to participate in choice – students can still choose to go to another school right? Sanchioni: Yes. Hayes: Budget online – Sanchioni: Tomorrow. Hayes: The Accept Collaborative – do we have a contract with them? Does the contract allow them to back bill us? Grey: Yes I will look. Hayes: They are coming to us now with a rather large bill that happened outside of the 18-month operating year. Grey: Will confirm how many years back they are billing us for. Hayes: McKinny Bento my recollection was there was some level of reimbursement in the past? Grey: I believe in the last 3 fiscal years it was 34%, 35%, 36% and it goes to the town not the school. Hayes: Could you update the cost out pay in schedule you provided a couple of years back? Hayes: on the technology budget leases – it would be helpful for me to understand the debt coming off and has it been consumed by other areas of the school budget or did it fall back to free cash at the end of the year? Are we really spending \$295,000 this year on devices or are we spending \$195? Sanchioni: Yes most of it turns back into the sustainability so that one lease comes off and a new lease comes back on – Hayes: Dean of students I’d like to have you spend a little bit more time going through the rationale of what you’ve learned in the past couple of years? I’d like to hear the rationale for the positions because this is driving an additional cost 2 years out. VanAmsterdam: Can they spend time with the school administration to understand the model so we understand better why the NEASC track is this way and the school cohort model is substantially higher. I think it’s really important that the Finance Committee understands the drivers within each of those models. Linehan: Do any of our school choice either from other towns or via staff are any of those special education students? Sanchioni: Yes. So the base is \$5,000 and we can charge back anything that’s special ed services that the student requires so we can end up charging a district \$15,000 for their student to come here and conversely it happens to us too on the other end. Linehan: Does that include the cost of special ed teacher percentage cost salaries? Sanchioni: It’s direct services only – not administration. Coburn: NEASC model is that

an open model is the internals of how they calculate an openly published thing?
 Sanchioni: Yes.

PUBLIC QUESTIONS:

Ferkins Reed, Resident and School Committee Member: In any given year if you have a number of students who are special education and have a high need can impact a budget. That catching up conversation is very complicated, it's not pure math, and I think we got to that by the end, but that's why my hand went up.

LEGAL SERVICES Page 135

John Townsend, Deputy Town Administrator/Director of Finance

Legal expenses are to cover various legal services provided to the town of Natick. Services are provided by Murphy, Hesse, Twomey and Leahan the total amount requested for 2019 \$342,100 which is a \$3,505 decrease from 2018 which represents a 1% decrease. The main issue with the budget is that before 18 they did receive an increase in the retainer and so this year is level funded. Except for the retainer side much of it is dictated by litigation.

Linehan: This was presented to General Government subcommittee – we asked why the reduction and it had to do with the labor mix of the legal team. Sullivan: Do we have a sense as to what percentage is retainer and what is hourly expenses for fees. Townsend: The retainer is specifically for John Flynn the other is hourly. Hayes: The write up says that there's one-year terms or contracts – the subsequent year is always approved by the Board of Selectmen? Townsend: Yes. Hayes: Do we ever put it out for a bid process? Townsend: Not that I'm aware of.

MOTION

Move to recommend approval of the FY 2019 Legal Services Budget comprised of \$334,600 operating expenses, \$7,500 other charges and expenses totaling \$342,100

Moved/Motioned by:	Linehan
Seconded by:	VanAmsterdam
Motions or Debates:	Linehan: None VanAmsteram: None Hayes: We at the Finance Committee have an opportunity to work with Town Counsel and Town Counsel's firm for a number of things and from the Chair's perspective they have been quite responsive so I feel like we're getting our monies worth.
Vote: Carried	11-0-0

BOARD OF SELECTMEN BUDGET Page 131

John Townsend,

Total amount requested on this budget is \$2,776,747 which is a net decrease of 4.35%. This is one of those budgets is a little rare in that the major expense portion is other charges and expenses 54%; personnel services is only 64%. The personnel services does cover the Town Administrator, the staff and both the deputy Town Administrators including myself. A couple of notes it has been budgeted for another OPEB Actuarial

study – every two years we did one in FY16. Labor Contract settlements are projected to be \$1.4 million. We do have some coming up for negotiation next year and that’s the amount we’ve set aside for those particular negotiations. The last note is on personnel services line you see a decrease of 7.14% that reflects the moving of the Katie Sugarman position from the Town Administrator’s budget into the Public Health Department.

Questions: Sullivan: What exactly does the town get in return for the Natick Revitalization \$80,000 what is it spent on? Townsend: I’m actually not sure – I believe it’s small grants but I’ll have to get back to you. Rooney: Are you comfortable with the transfer of the Public Health Department of the Sugarman position? Townsend: Yes I believe we got that settled. Wollschlager: Can you remind us what contract settlements are out there for 2019? Townsend: All 8 unions are up in 2019. Hayes: There’s still one union contract in arbitration from previous year is that right? Townsend: Correct. The police patrolman contract is not settled. Hayes: The \$1.4 million is assuming settlement of that and settlement of the additional ones coming up? Townsend: Yes. Linehan: Garage consultant went to 0 – where is the garage at this point? Townsend: That \$32,000 is an encumbrance and was left over money from a larger sum back in 2015. The company has delivered so that was an encumbrance on that amount. Hayes: When is that encumbrance being released? Townsend: 2019

MOTION

Move to recommend approval of the FY 2019 Board of Selectmen Budget comprised of \$1,600,197 personnel services, \$120,800 purchased services, \$127,750 technical and professional expenses, \$31,000 supplies, \$1,491,000 other charges and expenses totaling \$2,776,747

Moved/Motioned by:	Linehan
Seconded by:	VanAmsterdam
Motions or Debates:	Evans: I would like to see the question that Mr. Sullivan raised be answers – what does the revitalization include, how long is it going to go on and will it be continued at that funding level.
Vote: Carried	11-0-0

OLD BUSINESS:

Future Meeting Dates and Scheduling:

We will not have a meeting on Tuesday, January 30th. Three of our members are involved in the search committee interviews for the Town Administrators. We were going to hear facilities management and get a second cut at some of the Natick school stuff. Facilities will move to Thursday night of that week. I will send an update of the schedule shortly.

Linehan: There will be a General Government meeting on Thursday to approve minutes. Tentatively there will be a Facilities Management on the 24th, Wollschlager DPW tomorrow night.

Hayes: I forwarded the members the capital plan back to January members asked if a copy could be printed. Before I send it to the copy center for printing how many member want it – 3 – I have 4 or 5 copies to make. I sent members the document request from

last year and I'm submitting it to Mr. Chenard on Friday of this week so if there's something you want not on that list I need you to get that to me in the next day or so.

ADJOURN

MOTION

Motion to adjourn.

Moved/Motioned by:	Linehan
Seconded by:	Evans
Motions or Debates:	None.
Vote Carried	10-0-0

Meeting adjourned at 9:30 p.m.