



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: March 6, 2018

The minutes were approved through the following action:

Motion:	Approval (as amended)
Made by:	Mr. Hayes
Seconded by:	Ms. Collins
Vote:	11 - 0 - 0
Date:	4/24/18

Respectfully submitted,

Bruce Evans

Secretary

Natick Finance Committee

NATICK FINANCE COMMITTEE MEETING MINUTES

March 6, 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
Cathleen Collins, Vice-Chairman (left at 11:30 p.m.)
Bruce Evans, Clerk
David Coffey, Member
Michael Linehan, Member
Robert McCauley, Member
Philip Rooney, Member
Jim A. Scurlock, Member
Dirk Coburn, Member
Kristine Van Amsterdam, Member
Daniel Sullivan, Member (came in at approximately 8:00 p.m.)

MEMBERS ABSENT:

Cathy Coughlin, Member
Linda Wollschlager, Member
Jerry Pierce, Member
David Gallo, Member

AGENDA

1. Public Concerns/Comments
2. Meeting Minutes
 - a. Meeting Minutes for February 13, 15 and 27, 2018 – Review and Approve
3. Old Business
 - a. Update on review/expense Forecasting and Budget Gap
4. 2018 Spring Annual Town Meeting Warrant Articles – Public Hearing
 - a. Article 21 – Amend By-Law Article 72: Building Regulation
 - b. Article 17 – Increase Personal Exemption Amounts - Reconsideration
 - c. Article 15 – Capital Stabilization Fund –
 - d. Article 16 – Operating/Rainy Day Stabilization Fund
 - e. Article 13 – Capital Equipment
 - f. Article 14 – Capital Improvement
5. Adjourn

CALL TO ORDER

Meeting called to order at 7:08 p.m. by Chairman, Patrick Hayes

ANNOUNCEMENTS/CITIZENS CONCERNS:

None.

MOTION

Move to open the Natick Finance Committee 2018 Spring Annual Town Meeting Warrant Articles – Public Hearing

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

Article 21 – Amend By-Law Article 72: Building Regulation

Sponsored by the Charter and By-Law Review Committee

Carol Gloff, Chair, Charter and By-Law Committee

Patrick Hayes: When we first heard Article 21, we had two motions: referral to the Safety Committee that was made by Mr. Coburn and seconded by Mr. Linehan that did not carry; and a motion for favorable action moved by Mr. Evans and seconded by Mr. McCauley that did not carry. Questions came up resulted in some takeaways, so we have no motion and can treat this as a continuation.

Ms. Gloff:

Warrant Article 21 is a proposal to amend By-Law Article 72 “Building Regulations”. The original proposal was to add a sentence that would prohibit anything such as a fence or a shrubbery that is within 15 feet of an intersection of a public way and a driveway should be maintained no more than three feet above the street grade measured at the said intersection (the intersection of the driveway and the public way). There has been discussion about whether different types of fences that might be not obstruct visibility would be allowed to be higher. I was willing to take it back to the Charter & By-Law Committee (CBRC) to see if they had any interest in modifying the proposed wording. Because we were narrowing the scope of the wording, the Town Moderator didn’t anticipate any problem with the scope of the warrant article.

On February 26th, the CBRC had a meeting during which we proposed to change the wording to add the phrase “that obstructs the visibility of a public way or sidewalk and is” those are the words that we are proposing to add to what we had there previously. We did include sidewalk – the committee felt that sidewalk was important because people use the sidewalk for more than walking and that would also be a danger. The words that we proposed to change:

- Section 5 in the title, we would make it height requirements at “intersections including driveways” in the first paragraph we proposed to change “streets” to “public ways”
- the sentences as proposed to constitute the second paragraph in that section we now propose to have it read “no fence, shrubbery or other object that obstructs visibility of a public way or sidewalk and is located within 15 feet of the intersection of a public way and a driveway shall be maintained more than three feet above street grade measured at said intersection.”
- The CBRC voted 3-0-1 to support this.

Questions

Mr. Rooney: How will this be policed? How are you going to know whether something was there or not there?

Ms. Gloff: The Building Commissioner would have that information.

Mr. Rooney: When someone puts up a fence the Building Commissioner would have that?

Ms. Gloff: Yes.

Mr. Rooney asked about hedges and Ms. Gloff asserted that if a hedge obstructed view of traffic, people could be asked to cut it back.

Mr. Rooney: I think enforcement of this could be a nightmare.

Ms. Gloff stated that safety and prevention of accidents was the primary consideration when the committee reviewed this language.

Mr. Rooney suggested that this would not solve the problem of pre-existing dangerous conditions and questioned whether those had to be grandfathered.

Ms. Gloff stated that this would solve a problem going forward but that pre-existing situations could not be changed to her knowledge.

Mr. Linehan: Could there be a situation where the sidewalk is well in from the street so you could get a fence 15 feet from a public way but it's still right up against a sidewalk – when the committee added sidewalk to the first part of public way did they think about adding it to the second part?

Ms. Gloff: Not specifically.

Mr. Linehan: Does this have any exceptions?

Ms. Gloff: If a fence obstructs visibility and is located within 15 feet of an intersection of a public way and a driveway, setting aside the sidewalk thing, it can't be more than three feet tall.

Mr Linehan: Would the Building Inspector be the person to determine what an obstruction to visibility is?

Ms. Gloff: Yes.

Ms. Collins: Public ways are publicly accepted streets right?

Ms. Gloff: Not necessarily – unaccepted street can be and often are public ways, they're just not accepted. There are such things as private ways but many of our unaccepted streets are not private ways they are public ways.

Ms. Collins: How would you have a driveway that doesn't intersect a public way? Assuming you have a non-see through fence you would have to leave 15 feet of your property uncovered – or the fence could be only 3 feet high – so were you to have a reason to have to go higher – say an athletic dog – you could not?

Ms. Gloff: Right.

Mr. Rooney: I thought we were talking about the intersections of streets – it's the intersection of two public ways?

Ms. Gloff: That's what the By-Law currently says – that's already there – in the By-Law it already says that if there's a fence or shrubbery located within 15 feet of said intersection it can't be more than 15 feet tall. The problem that was brought forward was that there is no rule about driveways that cause the same problem- when the property has a tall vision-blocking fence and the driveway intersects a busy public way – it is dangerous.

Mr. McCauley: Right now, what’s the penalty for violating this By-Law? Do you know if there is more of a penalty than just being asked to take the fence down?

Ms. Gloff: I don’t know the answer to that.

Mr. Chenard: There’s a general penalty of \$50 per day for violating the By-Laws but I’m not sure if it applies here or not.

MOTION

Move to recommend favorable action on Article 21 – Amend By-Law Article 72: Building Regulation revised version dated March 6, 2018

Moved/Motioned by:	Mr. Evans
Seconded by:	Ms. Van Amsterdam
Motions or Debates:	<p>Mr. Evans: Thank you Ms. Gloff for clarifying the “translucent” aspect of the fencing. I think that was the major objection from the last time so I think we’ve already had the input of the Safety Committee, as one of the members of the Safety Committee was talking to us last time we heard this information. I’m comfortable recommending favorable action.</p> <p>Ms. Van Amsterdam: I support Mr. Evans comments.</p> <p>Mr. McCauley: I’m supporting this now I supported it last time. I see it as a safety issue. We can’t always legislate behavior but I think over time it will may have an impact on safety so I’m supporting it.</p> <p>Mr. Evans: In response to the issue on speeding drivers on Speen Street, one thing about a By-Law is it has to cover the whole town it can’t cover just sections of the town although it really is only applicable to high speed streets. Another thing that I heard is that we should work on calming traffic. That’s why we have police patrols. Traffic calming what are you going to do on Speen Street? Are you going to put moguls to slow traffic down? I don’t think that’s feasible and it’s a state road if I’m not mistaken. In my view, it’s similar to when we have record snowfalls where you have four foot snowbanks at the end of your driveway and there’s no visibility. For that reason, I really urge support for this and if we’re not going to do it here I almost certainly think it would be done at Town Meeting because they’re more sensible.</p> <p><i>Mr. Coffey stated that he felt it was inappropriate for members who disagree with other members’ opinions to refer to them as not being sensible simply for expressing their personal opinion. Mr. Hayes commented that what Mr. Evans said was proper. Mr. Rooney took exception. Ms. Collins took exception as well for the record. Mr. Evans personally apologized to members he may have offended.</i></p>
Vote: No Recommendation	6-4-0

Move Referral of Article 21 – Amend By-Law Article 72: Building Regulation Revised version dated March 6, 2018 to the Safety Committee

Moved/Motioned by:	Mr. Coburn
Seconded by:	Ms. Collins
	<p>Mr. Coburn: I do appreciate the thought that has gone into this and the safety issues that are attempting to be addressed. I think we may be appropriating a fair amount of people’s property in favor of the drivers in this situation. I ask myself how a well-run town would solve this problem. I think traffic calming might solve some of the problem before we take an action that affects people’s property. I there are properties in town where people would be facing a significant impingement on their enjoyment of their property to solve the problem this way and I would like to see more thought go into it before we do that.</p> <p>Ms Collins: I agree with Mr. Coburn. I don’t know what’s magical about the three feet because in my neighborhood most of the people are significantly less than three feet so this isn’t really going to help them anyway and it also restricts and penalized people who have a shrub that’s well trimmed except got out of hand over spring and it hasn’t come up on their list yet. I think this is a step too far without investigating submittal ground because you need a permit for a fence you don’t need a permit for a shrub. This doesn’t help the problem of shrubs that obstruct. So I think we need to think more before we make such a step on this.</p> <p>Mr. Rooney: While I understand the safety aspect of the issue I’m not convinced that removing a fence or trimming a shrub is going to change behavior of some of the drivers with respect to these intersections. We can’t pass a By-Law to change how drivers behave but there may be other actions that can mitigate them in terms of enforcement. There’s no easy way to fix this. I’m just not comfortable that if we pass this it will solve the problem of the fence but we can solve that with a building permit. I’m just not comfortable with this.</p> <p>Mr. Linehan: As I said previously I think this is kind of a sledge hammer approach to a tack hammer problem. Specifically the issue arose about driveways coming off Speen Street and they do exist elsewhere but I’d like to state that Speen Street traffic is not typical of most streets on which houses dwell. The other thing this talks about is people coming out of driveways and not seeing the traffic – if you live on Speen Street and you shoot out of your driveway then you are an idiot. You should know that you live on a busy street and further more if someone is moving at a high speed as they are on some of these major streets 15 feet isn’t time, if someone shoots out of their driveway, for someone to stop. If this is really meant for the high speed streets – I mean it would help – but it would probably have to be 30 feet to give stopping distance. I understand the need for something like this but I don’t think this is it.</p> <p>Mr. Coffey: This By-Law will not fix the existing problem that gave rise to the By-Law since the existing properties are exempt</p>
Motions or Debates:	

	because they are grandfathered. It is going to infringe on the rights of property owners who might want to have a six foot fence because most dogs can clear a three foot fence. No amount of By-Laws are going to fix irresponsible driving. This to me is us trying to over legislate behavior – there has to be some sense of personal responsibility for drivers pulling out of their driveways and driving down a busy street. I just can't go along with this one.
Vote: No Recommendation	5-5-0

Article 17 – Increase Personal Exemption Amounts – Reconsideration

Sponsored by the Board of Assessors

Mr. Hayes; Explanation – The original motion that we received had an amount of 55.5% as the request for the increase in the personal exemption amounts and this committee voted favorable action on that motion 10-0-0. It turned out the correct amount was 55.0% so the Board of Assessors through Ms. D’Angelo has requested reconsideration for this reason.

Questions

Mr. Coburn: State law would not allow us to increase it by 55.5% - 55.0% is as high as state law would allow us correct?

Mr. Chenard: State law will allow you to set any percentage you wish but it must agree with what the Board of Assessors voted and they voted 55.0%.

MOTION

Move to reconsider Article 17 – Increase Personal Exemption Amounts – Reconsideration

Moved/Motioned by:	Ms. Collins
Seconded by:	Mr. Coffey
Motions or Debates:	None
Vote: Carried	10-0-0

MOTION

Move to recommend favorable action on the Amended Article 17 – Increase Personal Exemption Amounts – at 55.0% as communicated by the Board of Assessors

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

PROCESS QUESTION

Mr Hayes: Should we vote the Stabilization Fund first because later motions may be asking to use monies from this fund?

Mr Chenard: If you are using money from the Stabilization Fund and there is not enough money in it then yes it should be voted first. In this case we have \$9M in the fund so it would not be necessary.

Article 13 – Capital Equipment

Presentation

Mr. Chenard: From General Fund Projects, Capital Projects, these are Capital Equipment Article 13 Spring 2018 Annual Town Meeting we have a total request of \$860,000:

- \$100,000 from the One-to-One Stabilization Fund \$560,800 from the Capital Stabilization Fund and \$200,000 from Tax Levy Borrowing. \
- Under Water and Sewer Capital Enterprise Projects we have \$35,000 from Water and Sewer Retained Earnings, \$220,000 from Water and Sewer Borrowing for a total of \$255,000.
- Sassamon Trace Enterprise Fund Projects total \$41,000 from Golf Course Retained Earnings and \$108,000 from Golf Course Borrowing.

Motion as posted on NovusAgenda 3/6/2018

Motion A:

Move that the Town vote to appropriate the sum of \$560,800 to be expended under the direction of the Fire Department for the purpose of purchasing dive team equipment, purchasing auto pulse/automated CPR equipment, replacing an air compressor, replacing a backup power generator at station 2, under the direction of the Natick Public Schools for the purpose of purchasing textbook package upgrade, under the direction of the Police Department for the purpose of replacing police cruisers, under the direction of the Town Clerk for the purpose of purchasing Poll Pads For Voter Check-in And Checkout Processing, individually shown as items 1 through 7 in Table A below, and that to meet this appropriation the sum of \$560,800 be raised from the Capital Stabilization Fund.

TABLE A - MOTION A: Article 13 - Capital Equipment - 2018 Spring Annual Town Meeting

Item #	Department	Item	Funding Source	Amount
1	Fire Department	Dive Team Equipment	Capital Stabilization Fund	\$ 8,800
2	Fire Department	Purchase Auto Pulse/ Automated CPR Equipment	Capital Stabilization Fund	\$ 13,000
3	Fire Department	Air Compressor Replacement	Capital Stabilization Fund	\$ 55,000
4	Fire Department	Replace Backup Power Generator Station 2	Capital Stabilization Fund	\$ 63,000
5	Natick Public Schools	Textbook Package Upgrade	Capital Stabilization Fund	\$ 251,000
6	Police Department	Cruiser Replacement	Capital Stabilization Fund	\$ 138,000
7	Town Clerk	Poll Pads For Voter Checkin And Checkout Processing	Capital Stabilization Fund	\$ 30,000
Appropriation under Article 13: MOTION A				\$ 560,800

Questions:

Ms. Collins: Have you made any progress on putting some parameters around the textbook package process for when this will be considered – we talked about in Financial Planning Committee?

Mr. Chenard: Dr. Nolin, Peter Gray, Mr. Townsend and I met several times on this matter. The parameters we’re building around the textbook – we took a look at what some other school districts are doing – it’s only for when there are textbook resets. Normal purchase of textbooks we’re not going to put in the Capital Fund. We’re only going to do it for Textbook Resets. When the Department of Elementary and Secondary Education does a textbook reset and the school goes out and buys basically new curriculum textbooks and programs, a significant cost is borne by to the school district to comply with that. This year, there are two textbook resets and so we are supporting this and will continue to support this within the Capital Plan.

Ms. Collins: Will those procedures be in place before Town Meeting?

Mr. Chenard: We have agreed to those procedures.

Ms. Collins: I just want to make sure they have some sense of why this is different.

Mr. Chenard: I will do a memo for the record that goes in that meeting.

Mr. Rooney: Are these physical or electronic textbooks?

Mr. Chenard: It’s both. There are a complete set of classroom textbooks for each student in the class and the teacher and there’s a learning textbook but there’s also an electronic portion because we have a one-to-one program.

Mr. Rooney: Is the electronic textbook in place of a printed textbook? And why aren’t we segregating a capital piece that should be in the school budget itself?

Mr. Chenard: In this case, it’s all one package that’s purchased together it’s a textbook reset. It’s an entire program that’s purchased together as a new curriculum and a new package. There’s no hardware purchase at all.

Mr. Linehan: Regarding Motion A, Table A, Item 7, Town Clerk, poll pads for check in check out: Can the surplus iPads be re-purposed?

Ms. Packer: I doubt the devices that are surplus will be secure enough to be re-purposed. Eventually there will be a system and I doubt the state will allow us to use refurbished iPads.

Mr. McCauley: The initial use of the poll pads is this just an electronic voter registration database?

Ms. Packer: We use these for early voting as a check in system and then upload the information to our voter system which would automatically update who voted and didn’t vote.

MOTION

Move to recommend favorable action on Article 13 – Capital Equipment, Motion A, the items appearing in Table A, as presented, the amount of \$560,800 sourced from Capital Stabilization Fund

Moved/Motioned by:	Ms. Collins
Seconded by:	Mr. Linehan
Motions or Debates:	Collins: We need to keep plugging away at this very large capital work if we don’t we’re going to pay more later Linehan: None.
Vote: Carried	11-0-0

Motion B:

Motion as posted on NovusAgenda 3/6/2018

Move that the Town vote to appropriate the sum of \$200,000 to be expended under the direction of the Fire Department for the purpose of replacing S-5 Fire Alarm and Signal Bucket Truck, individually shown as item 1 in Table B below, and that to meet this appropriation the Treasurer with the approval of the Board of Selectmen is authorized to borrow \$200,000 under Massachusetts General Laws Chapter 44, Section 7, as amended, or any other enabling authority and to issue bonds or notes of the Town therefore aggregating not more than \$200,000 in principal amount and that the Town Administrator with the approval of the Board of Selectmen is authorized to take any action necessary to carry out this program, and further, that any premium received by the Town upon the sale of any bonds or notes approved by this vote, less any such premium applied to the payment of the costs of issuance of such bonds or notes, may be applied to the payment of costs approved by this vote in accordance with Chapter 44, Section 20 of the General

Laws, thereby reducing the amount authorized to be borrowed to pay such costs by a like amount.

TABLE B, MOTION B: Article 13 - Capital Equipment - 2018 Spring Annual Town Meeting

Item #	Department	Item	Funding Source	Amount
1	Fire Department	Replace 5-5 Fire Alarm and Signal Bucket Truck	Tax Levy Borrowing	\$ 200,000
Appropriation under Article 13: MOTION B				\$ 200,000

Questions:

Mr. Coffey: How much is the existing fire alarm system being used?

Mr. Chenard: The truck maintains the fire alarm system and some of our traffic lights also. It's used extensively for communications, call boxes and etc.

Mr. Coffey: How many alarms come in via the call boxes that are not false alarms?

Mr. Chenard: I don't have that answer.

Mr. Coffey: I'm wondering about the value of pouring a lot of money in an antiquated call box system?

Mr. Chenard: I'm not sure that is searchable in a database – but I will attempt to get an answer.

Coffey *Take Away Request: I would like that to be a takeaway – what does it cost the Town of Natick to maintain the fire alarm Call Box Alarm System on an annual basis and how many alarms are transmitted via that system and how many of those are false alarms?

Mr. Sullivan: If we're going to submit questions on the call boxes, I'd like to know if it's statutorily required. Last year, we spent a great deal of time talking about the additional investments that would have to be made for fire alarm systems to be ultimately a better standard from an insurability standpoint and if such a system did not exist would that impact the insurance rates of the homeowners in the Town of Natick.

Mr. Linehan: When we get a new bucket truck, would the existing one go into the DPW's auction process?

Mr. Chenard: Yes.

Mr. Linehan: If we did not have a call box alarm system would we still need this truck to maintain other systems around town?

Mr. Chenard: I think we would do a cost benefit analysis to discover that answer.

Mr. Coburn: At what usage level it becomes cost effective to own a truck versus renting or contracting? That can be a takeaway.

Chenard: The Police Chief just reminded me that we have Master Boxes in town and so it's going to be much more effective to have staff in the vehicle than to have this contracted – but I will get you that information.

Mr. Marsette: The bucket portion of this truck is 28 years old it was re-purposed. The vehicle portion is 10 years old. The bucket truck itself after 30 years we will not be able to get it certified for safety and there's a significant lead time for purchases of this type of vehicle so we're up against it as far as having a bucket truck and this is the only one we have of this size. We use it a fair amount for public works when we can't get our bigger truck into some sites. There's some significant mechanical issues on this and a safety issue – the proposed replacement is a hybrid and it will be a much more cost effective vehicle to run.

Mr. Rooney: This is the only bucket truck we own and it’s a Fire Department Vehicle?

Mr. Marsette: Yes. It’s the only truck of its size.

Ms. Van Amsterdam: The notes that came from the Capital Subcommittee – there are paragraphs in those notes that describe what Mr. Marsette said in more detail. I would encourage everyone to read those notes.

MOTION

Move to postpone approval of Article 13 – Capital Equipment Motion B until we have some of the takeaway responses

Moved/Motioned by:	Mr. Coburn (Mr. Coburn subsequently withdrew his Motion after further discussion and questions/answers)
Seconded by:	
Motions or Debates:	
Vote: Withdrawn	

MOTION

Move to recommend favorable action on Article 13 – Capital Equipment, Motion B, for the items represented in Table B, as presented, the amount of \$200,000 sourced from Tax Levy Borrowing

Moved/Motioned by:	Mr. Sullivan
Seconded by:	Ms. Van Amsterdam
Motions or Debates:	<p>Mr. Sullivan: The subcommittee notes on this were substantial. We are stewards of the town’s capital and make a recommendation to Town Meeting, but we’re not 1/15th of the chief operating officer of the town of Natick and if we’ve got professionals that go through the process and allocate these dollars and have substantive rationales and those were clearly denoted in the notes, I want to make certain that we continue to have confidence in those folks and make a recommendation to support their opinions. I’m not certain that I would want to investigate eliminating a fire alarm system or things of that nature to try to save money on a truck.</p> <p>Ms. Van Amsterdam: I just want to echo the substantive nature of the information provided to the Capital Subcommittee and also support what Mr. Sullivan said.</p>
Vote: Carried	11-0-0

Motion C:

Motion as posted on NovusAgenda 3/6/2018

Move that the Town vote to appropriate the sum of \$220,000 to be expended under the direction of the Public Works Department for purpose of replacing W-26 Dump Truck, individually shown as item 1, in Table C below, and that to meet this appropriation the Treasurer with the approval of the Board of Selectmen is authorized to borrow \$220,000 under Massachusetts General Laws Chapter 44, Section 8, as amended, or any other enabling authority and to issue bonds or notes of the Town therefore aggregating not more than \$220,000 in principal amount and that the Town Administrator with the approval of the Board of Selectmen is authorized to take any action necessary to carry out this program, and further, that any premium received by the Town upon the sale of any

bonds or notes approved by this vote, less any such premium applied to the payment of the costs of issuance of such bonds or notes, may be applied to the payment of costs approved by this vote in accordance with Chapter 44, Section 20 of the General Laws, thereby reducing the amount authorized to be borrowed to pay such costs by a like amount.

TABLE C, MOTION C: Article 13 - Capital Equipment - 2018 Spring Annual Town Meeting

Item #	Department	Item	Funding Source	Amount
1	Water and Sewer Enterprise	Replace W-26 Dump Truck	Water Sewer Borrowing	\$ 220,000
Appropriation under Article 13: MOTION C				\$ 220,000

MOTION

Move to recommend favorable action on Article 13 – Capital Equipment, Motion C, as represented in Table C, to replace W-26 Dump Truck, sourced from Water and Sewer Enterprise Water and Sewer Enterprise Borrowing \$220,000

Moved/Motioned by:	Ms Collins
Seconded by:	Ms Van Amsterdam
Motions or Debates:	None.
Vote: Carried	11-0-0

Motion D:

Motion as posted on NovusAgenda 3/6/2018

Move that the Town vote to appropriate the sum of \$35,000 to be expended under the direction of the Public Works Department for the purpose of Water Smart Software Implementation, individually shown as item 1 in Table D below, and that to meet this appropriation the sum of \$35,000 be raised from the Water Sewer Retained Earnings.

MOTION

Move to recommend favorable action on Article 13 – Capital Equipment, Motion D, as represented in Table D, for Water Smart Software implementation, sourced from Water and Sewer Retained Earnings \$35,000

Moved/Motioned by:	Ms Collins
Seconded by:	Ms Van Amsterdam
Motions or Debates:	Mr. Evans: During Subcommittee meetings, we understood that this software is really going to help the town because it provides a dashboard that shows your records from the last several years so if you call in you can see any significant changes in usage and use that information to troubleshoot leaks and other things for that nature. There are also links to tutorials on how to check for leaks and troubleshoot for consumers.
Vote: Carried	11-0-0

TABLE D - MOTION D: Article 13 - Capital Equipment - 2018 Spring Annual Town Meeting

Item #	Department	Item	Funding Source	Amount
1	Water and Sewer Enterprise	Water Smart Software Implementation	Water Sewer Retained Earnings	\$ 35,000
Appropriation under Article 13: MOTION D				\$ 35,000

Motion E:

Motion as posted on NovusAgenda 3/6/2018

Move that the Town vote to appropriate the sum of \$100,000 to be expended under the direction of the Natick Public Schools for the purpose of one-to-one technology

initiatives, individually shown as item 1 in Table E below, and that to meet this appropriation the sum of \$100,000 be raised from the 1 to 1 Stabilization Fund.

TABLE E - MOTION E: Article 13 - Capital Equipment - 2018 Spring Annual Town Meeting

Item #	Department	Item	Funding Source	Amount
3	Natick Public Schools	One to One Technology Initiatives	1 to 1 Stabilization Fund	\$ 100,000
Appropriation under Article 13: MOTION E				\$ 100,000

Questions:

Ms. Collins: Why are we leaving \$5,000 and change in this account?

Mr. Chenard: Because the request was for \$100,000. The plan was not to close this Stabilization Fund out but I’m not opposed to the Committee voting to close this fund out.

Ms. Van Amsterdam: When the School Committee Subcommittee comes before us to make their presentation could we get an update on the one to one technology program for those of us who have only been on FinCom since last year?

Mr. Sullivan: Subcommittee member, yes.

Mr. Hayes: There is a warrant article on the Spring Annual Town Meeting Warrant for the One-to-One Stabilization Fund and the essence of that article is similar to what is proposed here in Motion D.

Mr. Chenard: That article has a misprint – the original intention of it was to do what is being done here under capital, but the request for that article copied previous language that would put money *into* the One-to-One Capital Stabilization Fund and not remove money from it. We agreed to allow NPS to put it in the Capital Plan and do it under this method to legally accomplish the same goal. They could not accomplish that under the original Article 11, so we’ll request “no action” On Article 11

MOTION

Move to recommend favorable action on Article 13 – Capital Equipment, Motion E, as represented in Table E, sourced from One to One Stabilization Fund \$100,000

Moved/Motioned by:	Mr. Evans
Seconded by:	Ms. Van Amsterdam
Motions or Debates:	None
Vote: Carried	11-0-0

Motion F:

Motion as posted on NovusAgenda 3/6/2018

Move that the Town vote to appropriate the sum of \$41,000 to be expended under the direction of the Community Services Department for the purpose of replacing a Tee Mower, and Fairway Mower Reels, individually shown as items 1 and 2 in Table F below, and that to meet this appropriation the sum of \$41,000 be raised from the Golf Course Retained Earnings.

TABLE F - MOTION F: Article 13 - Capital Equipment - 2018 Spring Annual Town Meeting

Item #	Department	Item	Funding Source	Amount
1	Sassamon Trace Golf Enterprise	Tee Mower	Golf Course Retained Earnings	\$ 26,000
2	Sassamon Trace Golf Enterprise	Fairway Mower Reels	Golf Course Retained Earnings	\$ 15,000
Appropriation under Article 13: MOTION F				\$ 41,000

Questions:

Mr. Rooney: With respect to these items has there been any discussion or inquiries as to buying equipment that could be shared between the Natural Resources and Golf Course groups in the interest of saving a few bucks?

Mr. Chenard: Typically the golf course type equipment is not compatible with the type of equipment the LFNR division uses, plus we also have the question of crossing over from an Enterprise Fund to a General Fund.

MOTION

Move to recommend favorable action on Article 13 – Capital Equipment, Motion F, as represented in Table F, for a T Mower in the amount of \$26,000 and a Fairway Mower Reels in the amount of \$15,000 for a total of \$41,000 sourced from Golf Course Retained Earnings

Moved/Motioned by:	Ms. Collins
Seconded by:	Ms. Van Amsterdam
Motions or Debates:	None.
Vote: Carried	11-0-0

Motion G:

Motion as posted on NovusAgenda 3/6/2018

Move that the Town vote to appropriate the sum of \$108,000 to be expended under the direction of the Community Services Department for purpose of replacing a greens mower, a trim mower, and main pump heads, individually shown as items 1 ,2 and 3, in Table G below, and that to meet this appropriation the Treasurer with the approval of the Board of Selectmen is authorized to borrow \$108,000 under Massachusetts General Laws Chapter 44, Section 8, as amended, or any other enabling authority and to issue bonds or notes of the Town therefore aggregating not more than \$108,000 in principal amount and that the Town Administrator with the approval of the Board of Selectmen is authorized to take any action necessary to carry out this program, and further, that any premium received by the Town upon the sale of any bonds or notes approved by this vote, less any such premium applied to the payment of the costs of issuance of such bonds or notes, may be applied to the payment of costs approved by this vote in accordance with Chapter 44, Section 20 of the General Laws, thereby reducing the amount authorized to be borrowed to pay such costs by a like amount.

TABLE G, MOTION G: Article 13 - Capital Equipment - 2018 Spring Annual Town Meeting

Item #	Department	Item	Funding Source	Amount
1	Sassamon Trace Golf Enterprise	Greens Mower	Golf Course Borrowing	\$ 38,000
2	Sassamon Trace Golf Enterprise	Trim Mower	Golf Course Borrowing	\$ 35,000
3	Sassamon Trace Golf Enterprise	Main Pump Heads	Golf Course Borrowing	\$ 35,000
Appropriation under Article 13: MOTION G				\$ 108,000

Questions:

Ms. Collins: In what amount are we currently subsidizing?

Mr. Chenard: \$270,000.

Ms. Collins: If we're still subsidizing – it's being borrowed for the golf course but it's essentially going to be required for the taxpayers to pay back, what are the costs involved that we will be facing?

Mr. Chenard: It's not in the book – we were planning on adding these to the BAN costs – it can be a takeaway.

MOTION

Move to recommend favorable action on Article 13 – Capital Equipment, Motion G, as represented in Table G, for a Greens Mower in the amount of \$38,000, a Trim Mower in the amount of \$35,000 and two Main Pump Heads in the amount of \$35,000 for a total of \$108,000 sourced from Golf Course Borrowing

Moved/Motioned by:	Mr. Evans
Seconded by:	Ms. Van Amsterdam
Motions or Debates:	Mr. Evans: Commend Kurt McDowell, Sassamon Trace Course Manager for replacing only what needs replacing and being creative to lower the cost of buying equipment to maintain the golf course..
Vote: Carried	11-0-0

Article 14 – Capital Improvement

Motion as posted on NovusAgenda 3/6/2018

Motion A

Move that the Town vote to appropriate the sum of ~~*\$545,000~~ \$495,000 to be expended under the direction of the Facilities Management Department for the purpose of installing AC in the conference room at Memorial School, replacing toilets at Bennett Hemenway School, painting classroom walls and ceilings at Johnson School, refurbishing the kitchen at Fire Station 1, replacing bathroom partitions at Bennett Hemenway School, replacing exterior doors at Johnson School, replacing the front entrance sidewalk at Memorial School, replacing the second floor classroom tile at Johnson School, renovate offices at Town Hall, and installing an ADA ramp at Wilson School, individually shown as items 1 through 10 in the Table A below, and that to meet this appropriation the sum of ~~*\$545,000~~ \$495,000 be raised from the Capital Stabilization Fund.

**See explanation under questions below*

TABLE A, MOTION A: Article 14 - Capital Improvement - 2018 Fall Annual Town Meeting

Item #	Department	Item	Funding Source	Amount
1	Facilities Management	Memorial School - Install AC Conference Room	Capital Stabilization Fund	\$ 10,000
2	Facilities Management	Bennett Hemenway School - Replace Toilets	Capital Stabilization Fund	\$ 30,000
3	Facilities Management	Johnson School - Paint Classroom Walls And Ceilings	Capital Stabilization Fund	\$ 40,000
4	Facilities Management	Fire Station 1 - Refurbish The Kitchen	Capital Stabilization Fund	\$ 40,000
5	Facilities Management	Bennett Hemenway School Replace Bathroom Partitions	Capital Stabilization Fund	\$ 40,000
6	Facilities Management	Johnson School - Replace Exterior Doors	Capital Stabilization Fund	\$ 50,000
7	Facilities Management	Memorial School- Replace Front Entrance Sidewalk	Capital Stabilization Fund	\$ 65,000
8	Facilities Management	Johnson School - Replace Second Floor Classroom Tile	Capital Stabilization Fund	\$ 70,000
9	Facilities Management	Town Hall - Renovate Town Hall Offices	Capital Stabilization Fund	\$ 25,000
10	Facilities Management	Wilson School - Install ADA Ramp	Capital Stabilization Fund	\$ 125,000
Appropriation under Article 14: MOTION A				\$ 495,000

Questions

*There was some confusion as to the correct total amount sought in the Motion and its related table (listed together as revised Article 14 Motion A on NovusAgenda on 3/6/2018): the Motion stated a total of \$545,000 the table showed a total of \$495,000. Mr. Chenard confirmed that table showed the correct individual amounts and the correct total and the motion language stated the old total of \$545,000 and was incorrect. Ms. Collins explained that the expansion of classrooms at Brown School in the amount of \$50,000 was removed from the final Motion causing the total to go down from \$545,000 to \$495,000.

MOTION

Move to recommend favorable action on Article 14 – Capital Improvement, Motion A, as represented in Table A, Memorial School Conference Room A/C \$10,000, Bennett Hemenway School Replace Toilets \$30,000, Johnson School Painting \$40,000, Fire Station 1 Kitchen \$40,000, Bennett Hemenway School Bathroom Partitions, \$40,000, Johnson School Exterior Doors \$50,000, Memorial School Sidewalk, \$65,000, Johnson

School Tile, \$70,000, Town Hall Renovation \$25,000, Wilson School ADA Ramp, \$125,000, for a total of *\$495,000 sourced from the Capital Stabilization Fund.

*Ms. Collins originally stated a total of \$545,000 but amended to \$495,000 as a result of the discussion detailed above under “Questions.”

Moved/Motioned by:	Ms. Collins
Seconded by:	Van Amsterdam
Motions or Debates:	None
Vote: Carried	11-0-0

Motion B

Motion as posted on NovusAgenda 3/6/2018

Move that the Town vote to appropriate the sum of \$4,175,000 to be expended under the direction of the Department of Public Works for the purpose of Engineering & Repairs To The Charles River Dam, Roadway & Sidewalks Improvement Supplement, and Roadway Improvements Washington Avenue, individually shown as items 1 through 3 in Table B below, and that to meet this appropriation the Treasurer with the approval of the Board of Selectmen is authorized to borrow \$4,175,000 under Massachusetts General Laws Chapter 44, Section 7, as amended, or any other enabling authority and to issue bonds or notes of the Town therefore aggregating not more than \$4,175,000 in principal amount and that the Town Administrator with the approval of the Board of Selectmen is authorized to take any action necessary to carry out this program, and further, that any premium received by the Town upon the sale of any bonds or notes approved by this vote, less any such premium applied to the payment of the costs of issuance of such bonds or notes, may be applied to the payment of costs approved by this vote in accordance with Chapter 44, Section 20 of the General Laws, thereby reducing the amount authorized to be borrowed to pay such costs by a like amount.

TABLE B, MOTION B: Article 14 - Capital Improvement - 2018 Fall Annual Town Meeting

Item #	Department	Item	Funding Source	Amount
1	DPW Engineering	Engineering & Repairs To The Charles River Dam	Tax Levy Borrowing	\$ 675,000
2	DPW Engineering	Roadway & Sidewalks Supplement	Tax Levy Borrowing	\$ 1,000,000
3	DPW Engineering	Roadway Improvements Washington Avenue	Tax Levy Borrowing	\$ 2,500,000
Appropriation under Article 14: MOTION B				\$ 4,175,000

Questions:

Ms Collins: How many times have we repaired the Charles River Dam?

Mr. Chenard: It looks like we’ve done the dam a lot but we’ve only done minor repairs and not in a long time. There are so many projects in that area and they all have “Charles River” somewhere in their name that you hear it over and over and it sounds like a lot...

Mr. Marsette: The Charles River dam is a permitted dam which means the town has a permit with the Department of Conservation and Recreation and it’s classified as a high hazard. That means there’s a fair number of properties down-stream of the dam that could be affected if it were to not function as designed. Every two years, we inspect the dam – those inspections have indicated the need to do this rehabilitation. From our records, the last significant rehabilitation was back in the 1930s, but there certainly has been what would be considered minor work in the interim. We’re proposing to do this work in two phases. This is the first of two phases – the earthen portion of the dam to stabilize the embankment. The subsequent phase would be the actual concrete spillway.

Mr. Sullivan: When do you anticipate the second phase would be happening and what would be the cost?

Mr. Marsette: Next spring, we would be asking for Phase 2 which has been estimated at about \$1 million – a higher price tag as it involves, concrete and the sluiceway and the structural components of the actual dam.

Mr. Sullivan: So this is, in essence, Phase 1 of a \$1.7 million project?

Mr. Marsette: Yes.

Mr. Rooney: Does the state have any responsibility for this dam?

Marsette: No - It's owned by entirely by the town of Natick.

Mr. Linehan: On the roadway and sidewalk supplement we're looking at a proposed 5-year roadway improvement plan – I noticed roadway crack sealing was schedule for Glen Street. It seems that in the recent past that we had to put in water and sewer and we used water and sewer enterprise funds to repave the entire street – it seems like it's early to be doing crack sealing on that street?

Mr. Chenard: it was several years ago paid for by Water and Sewer Enterprise Fund.

Mr. Marsette: Pavement management philosophy is it's never too soon to do crack sealing. It's a low cost measure to prevent water from getting underneath the pavement and causing damage and potholes. Many of the roadways that seem as if they need crack sealing more are beyond being helped overmuch by crack sealing at this point.

MOTION

Move to recommend favorable action on Article 14 – Capital Improvement, Motion B, as represented in Table B, Engineering and Repairs to Charles River Dam \$675,000.00, Roadway and Sidewalk Supplement \$1,000,000.00, Roadway Improvements Washington Avenue \$2,500,000.00 for a total of \$4,175,000.00 sourced from Tax Levy Borrowing.

Moved/Motioned by:	Mr. Evans
Seconded by:	Mr. Linehan
Motions or Debates:	Mr. Evans: Mr Marsette did a good job of describing the dam project and thank to Mr. Sullivan for asking the second phase question. Mr. Scurlock: In subcommittee, it was made clear that our roads according to the department still continue to decline and there will be a reassessment done very soon but at some point the decline needs to be turned around and they will need more funds to do that in the future.
Vote: Carried	11-0-0

Motion C:

Motion as posted on NovusAgenda 3/6/2018

Move that the Town vote to appropriate the sum of \$12,500,000 to be expended under the direction of the Board of Selectmen to design, construct, equip, and furnish Fire Station 4, including all necessary site improvements, individually shown as item 1 in Table B below, and that to meet this appropriation the Treasurer with the approval of the Board of Selectmen is authorized to borrow \$12,500,000 under Massachusetts General Laws Chapter 44, Section 7, as amended, or any other enabling authority and to issue bonds or notes of the Town therefore aggregating not more than \$12,500,000 in principal amount and that the Town Administrator with the approval of the Board of Selectmen is authorized to take any action necessary to carry out this program, and further, that any premium received by the Town upon the sale of any bonds or notes approved by this vote, less any such premium applied to the payment of the costs of issuance of such

bonds or notes, may be applied to the payment of costs approved by this vote in accordance with Chapter 44, Section 20 of the General Laws, thereby reducing the amount authorized to be borrowed to pay such costs by a like amount.

TABLE C, MOTION C: Article 14 - Capital Improvement- 2018 Fall Annual Town Meeting

Item #	Department	Item	Funding Source	Amount
1	Fire Department	Replace Fire Station # (West Natick)	Tax Levy Borrowing	\$ 12,500,000
Appropriation under Article 14: MOTION C				\$ 12,500,000

Mr. Hayes: I'm going to move to the presentation table because I'm the Vice-Chair of the West Natick Fire Station Building Committee and I would like to answer questions in that capacity and so Ms. Collins is going to run the Q and A part of tonight's meeting, but I am not recusing myself and when we get to motions and debate I am going to come back and regain my seat. I am not going to give a presentation but I am going to field questions with Mr. Chenard.

Mr. Chenard: The fire station project has been a subject of the Building Committee for approximately one year. There are several firefighters on the committee to give technical and program information, an owner's project manager and an architect who have significant experience in these types of buildings. As we developed the program, mostly because of costs increasing in the marketplace, the cost of the program went above our initial desired cost of under \$12M. The last estimate was \$15.5 million dollars. The Building Committee determined that there was no interest in going forward with the project at that cost and that we could not afford that program within levy and that the only way to spend that amount of money would be to go for debt exclusion. The committee decided that they would do some value engineering and gave instructions to the architects to come back with an estimate that would bring the cost to below \$10 million dollars. The reality is it looks like \$12.5 million is the all-in cost less what we've already expended which includes significant site improvements – the actual construction costs are just over \$10 million dollars.

Mr. Hayes: The Building Committee was a ten member committee. Of the ten members:

- Four members of the Natick Fire Department including the Chief, the Deputy Chief, a Station Captain and a Firefighter.
- Finance Committee representative (Mr Hayes)
- a representative from the Board of Selectmen
- Town Administrator
- three citizens at large
- Two architects and a facilities management and building maintenance experienced person.

When we began really getting into the design elements, the architectural firm is driving the programmatic aspects by using their subject matter knowledge from years of building fire stations and public safety buildings. They have worked closely with the Natick Fire Department to understand what the station needs in terms of space, equipment and other items. The demand on Station 4 – over 5,000 responses that we have in total for the town – more than half are coming from the West Natick district. Through the programmatic design approach, the committee agreed that they would plan a fire station that would last for 50 or more years to support the density that will make up West Natick over that time period. We started with the idea to construct the a building of the future leaving out nothing that would be necessary to make that building the best it could be. The idea was to design the right building first and then understand the impacts of that. That's how we got to a \$15.5 million building – we started out at 18,000 sf and then through a progression of understanding what the

needs were we got to a 24,000 sf building. In addition the cost per square footage has gone up over \$100 per square foot just over the last year and a half or so. In the last month, we started value engineering out some aspects of the construction to get the construction costs under \$10 million.

We had five different major scenarios we went through. The 24,000 sf project had, in addition to what is on the handout, was a roughly 1,200 sf training, meeting, public access meeting room – which is a piece we value engineered out. There was also a fifth bay which is no longer there, and there was a 1,200 sf basement storage area that has been engineered out. We shrunk the square footage of the building a bit which has made the rooms a bit smaller but they are still adequate. That is how we have reduced down to about 20/21,000 sf size. A couple of things that go into the value engineering – the public meeting room could be added on at a later date – the plan is it will be engineered and designed with the electrical and everything else to be added later. The bay could also be added on but it would be an appendage rather than added right next to the other bays. We will also gain a little cost efficiency on landscaping and hardscaping.

Questions:

Mr. McCauley: Where is the breakpoint between \$15.5 and \$12.5 million where you would have to go to debt exclusion?

Mr. Chenard: I would say that anything in excess of \$12.5 million would force us to do it as a debt exclusion project we would not be able to afford it within the levy. I also want to state that because of the number of capital projects on the levy that we are likely going to have to do some of those other projects as debt exclusion projects to complete them.

Mr. McCauley: Is it possible to do this on a split basis as a partial Debt Exclusion?

Mr. Chenard: Yes it is legal to do that.

Mr. Sullivan: This fire station discussion has been going on for a number of years and that originally it was to be done under the levy, when exactly did we forge that plan – that the project would be paid for under the levy?

Mr. Chenard: We forged that plan when we got a free cash number of \$12 million dollars and the previous Town Administrator said “I don’t know how to deal with a \$12 million dollar free cash number, I’m going to promise to do the fire station within levy and I’m going to take that free cash and start setting it aside and try to do this as a cash project.” This was about 2.5 years ago –September 2015.

Mr. Hayes: At the time the Town Administrator was thinking about both this project, the project had about a \$10 million price tag. This project and the downtown parking garage were both in the conversation about being paid for out of free cash proceeds.

Mr. Sullivan: In the intervening period since that plan was forged we’ve made some substantive changes in the way we factor free cash?

Mr. Chenard: Yes.

Mr. Sullivan: Is it accurate to say the plan that was forged two and one half years ago was planned under a reality that is very different from today?

Mr. Chenard: Yes.

Ms. Van Amsterdam: For the last 10 years, it has been discussed that we would try to pay savings accounts for – is that a true statement, that we continue to try to pull monies from mitigation, and capital stabilization, any cash, free cash etc. etc. to come up with this? Was it ever discussed that we were going to borrow in levy?

Mr. Chenard: It was discussed that we would take everything we could and put it aside in petty cash for this project. At that time, I'll note that this project was \$7.5 million dollars on our Capital Plan.

Ms. Van Amsterdam: When did the discussion start to take place of borrowing within the levy and/or doing a debt exclusion? Our town financial principles say that over \$1 million dollar projects must be discussed in a context of debt exclusion. Could you walk us through the discussions that have taken place since this building committee was formed?

Mr. Chenard: So the discussion was – it became a reality about a year and one half ago when we changed our model for free cash that we were not going to be able to set aside enough money for this project. I, the previous Town Administrator and some other people – I don't recall who – all determined that we were going to have to borrow to get it done. We could borrow the entire amount or we could borrow a portion with capital stabilization funds, but no decision was made at that time. The decision that was made was that we were going to look at interest rates and determine where they were going. If interest rates were going down we were going to pay cash because we wanted to offset our interest costs; if interest rates were going up, we were going to borrow because we would retain the cash to pay the cost of other projects where we would have to borrow for those projects at a higher interest rate. The intent of those discussions was to save the taxpayer as much money as we could. The feeling of the administration was that a \$12 million in free cash was too much. Our target free cash number should be at \$6 to \$7.5 million. We changed our model to make sure we weren't going to have that much free cash and estimates now are that our free cash is going to be significantly less – it's declining and will decline more unless something changes between now and the end of the next fiscal year. From a debt cost standpoint - whether you borrow within levy or outside levy, the result is the same. If you defer other projects to borrow within levy because your borrowing capacity is then limited and your flexibility is somewhat limited there could be a cost of not doing those projects.

Ms. Van Amsterdam: Where was the discussion to go with the debt exclusion such that monies within levy would be available for future borrowing as we look at the capital plan for the next five years?

Mr. Chenard: At a BoS meeting on December 18th, we had a lengthy discussion of whether we wanted to do this within levy or outside of levy. A number of factors were discussed including the fact that a Sudbury debt exclusion vote for a fire station that seemed to be very popular had failed and that it may not be advisable to move forward in the same timeframe as the Kennedy School debt exclusion vote. Those are all factors but I wouldn't say those were the predominant factors. The predominant factor was the political promise from the administration that we were not going to use a debt exclusion to fund the fire station, we were going to fund it through cash and levy borrowing.

Ms. Van Amsterdam: The decision not to consider a debt exclusion was based upon the fact that a Town Administrator who is no longer here had talked about a proposal and as such that was a major factor in the decision?

Mr. Chenard: There were many factors, that was one factor. The question was asked can we do it within levy and we had an hour and a half discussion - I didn't push aggressively to do this as a debt exclusion project but I represented to the Board as we would for any project that because of that \$1 million dollar threshold within our financial principles that we would consider a debt exclusion for projects such as this – over a million dollars.

Ms. Van Amsterdam: You mentioned that there was a lengthy discussion with regard to going within levy - did that discussion include the consequences as it relates to all the items on the Capital Plan for the next five years, of what would not be done and the

ramifications of that? Was that quantified? Was it put in text form or is it in Minutes? Is it somewhere so that the public can understand that?

Mr. Chenard: I don't think we stated that we were not going to do capital projects. What was stated was that we were going to use the significant amount of cash in the Capital Stabilization Fund and the amount that we do collect from local option meals and hotel motel tax to offset the borrowing costs and increase our use of Capital Stabilization funds to do those projects. We set aside \$9 million in capital stabilization and we will start to draw that down to continue to do those projects. However, the big park projects and large roadway projects will likely have to be debt-excluded projects.

Ms. Van Amsterdam: Was there any discussion about a comparison of a Fire Station to a Community Senior Center? A Community Senior Center was \$10 million dollars that was always discussed as debt exclusion and this is a building.

Mr. Chenard: I don't recall any discussion or comparison at any time that I've spoken about it of the comparison of those two projects as buildings or debt-excluded projects.

Ms. Van Amsterdam to Mr Hayes: I know that the mission of your committee is to put together that which you put in front of us and the committee does not get into the funding sources but rather comes up with a dollar figure which the policy makers and the town can make a decision where that funding will come from?

Mr. Hayes: The short answer is the committee well understood the funding ramifications, whether that should have been a part of what we were keeping an eye on or not. From the beginning, there was an understanding, as we started the committee and our work, and because the Town Administrator, first Ms. White and now Mr. Chenard as acting Town Administrator, were each part of the committee, there would be times the committee during the early work would have a conversation around cost of the project and the \$10 to \$12 million number – we knew we weren't getting it for less than \$10 because you just can't any more – we should keep an eye on \$12 million as being our high end. That was part of the conversation – there were times, when a committee member would say “well if we add that it's that's going to make this project more expensive” and the typical guidance I or John Ciccariello the Chair of the Committee would give is – don't let the price tag get in the way of understanding what we need. Let's get the design for what we need and understand the costs and then step back from that and figure out how we sell that to get it approved. But we also got to a point where the confluence of increased construction costs and some other things where we got well above where we needed to be. In all honesty, the last two meetings have been almost exclusively focused on value engineering out the costs that we need to because the chosen path that was decided in December was to have a cap to be able to fund this project by borrowing through the tax levy there is an \$11 to 11.5 million dollar borrowing cap. So we are value engineering out the things that we would like to have and that support the community needs in the long run but that we can do without right now because an 80% building is better than no building.

Mr. Coffey: We specifically set aside money for this in the past are we not using that money for this project now?

Mr. Chenard: That's correct and that is why we have \$9 million dollars in the Capital Stabilization Fund.

Mr. Coffey: But now that money is not going to this intended project it's going to other projects?

Mr. Chenard: We could use the \$9M we set aside for this but I would strongly recommend against doing that. If we can borrow for this project at 4%, our debt costs would be such that it starts out around a \$1 million a year and then declines over the term

of the bond. Interest rates are climbing and if we pay cash for this project when we could borrow at the 4%, and then borrow for all those other projects that come up that are about that same cost and we have to borrow at 5% or higher, it's going to cost the taxpayers a lot more money in the long run. If you borrow \$12 million today at 4% and you borrow \$12 million in the next three years at 5% and 6% that interest increase is going to net you higher interest costs in your borrowing than you are going to pay for borrowing today at 4%.

Mr. Scurlock: Historically, for a substantial building we have not gone this way - tax levy borrowing? So the library, the police/fire combination, Wilson School, the High School these are all in my mind substantial physical structures.

Mr. Chenard: I am going to correct you a little bit. This building, the library and police/fire were not part of a debt exclusion. Wilson, High School and Community/Senior Center are all debt exclusion projects.

Mr. Scurlock: Why are we going left on some and right on others?

Mr. Chenard: We had a substantial amount of cash and when we built these as a result of the expansion at the Natick Mall. At that time town management decided they weren't going to fund these developments via a debt exclusion. It's not my decision, ultimately on this project although I sympathize with those that have to make it because it's a very hard decision. Promises were made, we're seeing a debt exclusion for a very large project, the Kennedy Middle School, and we do have the Sudbury decision where there was a fear that if we did this on a debt exclusion it may not pass. I can't say whether it would or not.

Mr. Scurlock: I have no question about the need – I'm trying to understand the rationale of why we are financing it this way. It doesn't appear to be a legal reason, it doesn't appear to be for a GAAP or accounting reason?

Mr. Chenard: No.

Mr. Scurlock: Are we getting back to the historical promises context?

Mr. Chenard: I think that's probably where we're at. I think that was a factor in the decision.

Mr. Scurlock: How many fire trucks will we gain in this facility?

Mr. Hayes: What you see in the picture are pieces of equipment that currently exist that would be housed at this facility – there's one depicted here that will be purchased at a later date.

Mr. Coburn: Can you describe what functionality is being reduced by moving from \$15.5M to \$12.5M?

Mr. Hayes: The removal of the public meeting space. The other areas of reduced functionality can be addressed by other means in this and other buildings.

Mr. Coburn: What will the longevity of this building? Mr. Hayes: Our concept was a 40 to 50 year design, functionality and space use of both the building and the parcel. It was perceived as supporting a 40 or 50 year time horizon in terms of functionality either as an as-built or as-built plus added on to.

Ms. Collins: What are the areas of savings?

Mr. Hayes: Removal of the 5th bay was approximately \$650K+/-, basement \$500K+/-, public meeting space (take away for Patrick). There was maybe \$150 - \$200K through optimization. Outside through loss of blacktop/drainage savings may be \$750K.

Average cost was \$385/sf . We need to be careful with average costs because different areas have different sf costs depending on what they are and how they are fit out.

Ms. Collins: What can the \$1 million dollars in mitigation funds be used for?

Mr. Chenard: I don't think we're using the mitigation- we were using the mitigation for design costs and we've already appropriated those funds. There's a small amount that can be used for the building but most of the reduction in that cost is coming from bond premium savings that reduce the amount you pay back.

Ms. Collins: Has the question of land rights been resolved?

Mr. Hayes: Not yet - it's going to be resolved.

Ms. Collins: Regarding the BoS meeting December- you gave more voice to the reason you would recommend borrowing a large amount in or outside of levy for this project as opposed to borrowing for 90 plus projects that are also contained in our capital plan. Could you share that here?

Mr. Chenard: The issue there is, again if you're going to borrow \$12 million at 4% it's better for the taxpayers to borrow it now at a lower interest rate and use that \$9 million in capital stabilization funds that is you were to take it and pay cash for this building and then have to borrow for all of those other projects at a higher interest rate. The taxpayers are going to pay more money in interest costs to the bank and the indicators in the market are that interest rates are climbing.

Ms. Collins: But your perspective of borrowing costs, are there other costs that would be associated with smaller debt projects that would not be incurred?

Mr. Chenard: Yes. There's your actual bonding cost, if you do one large project it's one large project. If you do several small projects you're borrowing costs to do that, to prepare the bond issuance, are going to be substantially higher, and doing 90 projects that total \$12 million dollars versus one project that is \$12 million dollars.

Ms. Collins: What is our current within levy borrowing capacity?

Mr. Chenard: It's \$390 million dollars – we don't have a debt problem

Ms. Collins: What constraints are we facing already, before this project, that caused an item to show up on the Financial Planning Committee agenda entitled "Possible Debt Structuring Options."

Mr. Chenard: That was a discussion of what we could do with debt and ways to reduce our annual costs now because we are up against our Proposition 2 ½ Levy. You can structure debt differently that the Town of Natick typically does to reduce your cost today, but over a twenty year period you will pay more to borrow that same amount of money. We do level-principal borrowing to reduce our interest costs over the term of borrowing. Most municipal governments in the Northeast do. You're paying off your principal faster, so there's less debt to calculate that interest against. You could do level payment, but you'll pay more interest as a result of that. The other thing that we can do that was discussed, and we're still discussing for this project, is instead of doing a 20 year bond, which is typical for the Town of Natick. In other municipalities, people do longer than 20 years – we could do a 25 or even a 30 for this type of building. Again, you can pay less principal off every year you're keeping that amount of debt on the books for a longer time and you will pay more interest. However, it will reduce your early costs as

opposed to where you're at now. So we talked about a methodology where we could potentially close the gap.

Ms. Collins: Part of that discussion also, as I recall, of FY19 and FY20 and the possibility of needing an operating override – possibly as soon as next year. I'm trying to understand why would choose to not go outside of the levy limit for twenty years and instead increase our Prop 2 ½ limit permanently and rising every year? Financially why would we do it? I understand politically, because people have no guts, but financially why would that make sense to anyone?

Mr. Chenard: First let me say that this project isn't going to solve all of our structural problem within our budgeting. We have a structural deficit built into it – why you would do that – I can't answer that – financially you're not going to ... it is a piece to that and if you're paying a million dollars within levy then taking that as a debt excluded project you're removing a million dollars from debt that's within levy. However, historically in the Town of Natick, we just fill that \$1 million with something else. We're not saving the taxpayers any money by taking this out of the ... I'm not saying it's a wrong decision, it's a political decision to make. But if we back-fill that with some other debt, another big project or parks, playgrounds whatever we've been talking – there's close to \$30 million of parks and playgrounds on our five-year capital plan, there's over \$20 million dollars of streets and paving programs on our five-year capital plan, if we continue along that – I've been saying this for two years – if we continue along that path, we're creating a situation where we can't afford to do these projects. We can't afford to pay for them within levy and that should not be a surprise to anyone that we are going to have to do something with those. If we pay for this within levy, which we can afford, we cannot afford to do those other projects, the bigger projects, within levy. It's going to be outside of our capacity to pay that debt.

Ms. Collins: Correct me if I'm wrong, we have limits on what we can borrow for roads and sidewalks do we not?

Mr. Chenard: There's no limit per se.

Ms. Collins: Can we go outside of levy for that?

Mr. Chenard: I believe you can, I mean you're limited in – I'll look it up – I don't want to say unless I'm absolutely sure. There's a lot of changes in the Municipal Modernization Act and I just want to be sure.

Ms. Collins: In the Financial Planning Committee meetings in the fall, we had our financial advisors in to talk about debt. I recall that, the person who spoke, I can't recall her name, that debt exclusions helped our bond rating because it showed the communities' willingness to fund and support outside of the levy.

Mr. Chenard: She did say that. I will state however, Standard & Poor's ratings indication has no points or subtractions if you don't do it as a debt exclusion, however, just because they don't do that doesn't mean they don't recognize it, they see it as favorable if you do that because it shows that the taxpayers are willing to pay that back.

Ms. Collins: If we were to do this within levy in addition to much of the rest of the capital plan or OPEB what else might we be faced with cutting because of this decision? Once we don't go outside we can't go outside a year later – it's not an option – once we're in levy we're in levy is that correct?

Mr. Chenard: That's correct.

Ms. Collins: So what really is in play here? Is it just a political decision or is it ... I guess what my question is ... I'm trying to understand and you may not be the person who can answer it but I'll ask the question of you anyway because you're here, you have been very clear over the last period of time about our structural deficits. We've been talking about structural deficits since in this town for a very long time. Our financial principles say we should consider an exclusion for anything over \$1 million. This is significantly over \$1 million and we don't really know exactly how much it is, which is also worrisome that we're making a recommendation on funding and we don't even know what the budget is. If we do this within levy, the first \$1 million in revenues go to this at the beginning at least?

Mr. Chenard: That's correct.

Ms. Collins: In your opinion, do you believe the taxpayers have a right to vote on whether they want a twenty-year, time limited debt exclusion or should they wait until such time as they might face an operating override instead? In the meeting of December 18th you stated that, if the previous town administrator hadn't made promises you'd probably have a different recommendation. Is that still true?

Mr. Chenard: That's still true.

Ms. Collins: Alright, I'll really be blunt here – do you agree with the Board of Selectmen's decision to go within levy? I know it's your requirement to follow it but financially speaking, from the budgeting experience that you have, do you believe it is a sound financial decision for this town?

Mr. Chenard: I just cost myself a job. It's tough. I'm in a difficult position.

Ms. Collins: I understand that. But I believe that the people of the town, who employ the Town Administrator, have a right to know.

Mr. Scurlock: It seems to me that there were at least three factors, right, wrong or indifferent that almost everyone agrees one. There's an agreement that we need a firehouse. Which road we use to get there seems to be based on promises or political positions, a potentially soon to come override, and not wanting to put that too closely to a debt exclusion – those two might not be well received potentially and the lessons of Sudbury. Is that the book on this right now?

Mr. Chenard: There's a whole bunch of factors. If you're asking me my honest opinion, we're not going to be able to walk away from an operating override unless we find a huge economic boon to the town where we're going to bring in a lot more revenue. I don't see that out there anywhere. Or we have huge expense cuts and unfortunately the demands on our departments and our town side and the Natick Public Schools are incredible. I would characterize us as an incredibly well-run town overall. And because we're so good at what we do, we've been able to provide services that most of our comparable

communities don't. We lead the way, but there is a cost to that unfortunately and I don't think we are going to realistically avoid an operating override – it's likely coming – we have a structural deficit that we've been battling for six years.

Mr. Scurlock: I'm just trying to follow the rationale. The Selectmen's rationale is we saw Sudbury fail, we made some promises and, to your point, we're probably going to need an operating override anyway, it seems like we're adding insult to injury and compounding a problem if we then try to do a debt exclusion for this fire house. It just seems like what was a thought process was, I'm just asking you to clarify, would be too much for the citizens of Natick, that would put it over the edge.

Mr. Chenard: Yes, we're just concerned that it's very, very difficult.

Mr. Coburn: My understanding that this project has not been sent out for bid. Can we talk a bit about timeline including when we expect it will be sent out to bid?

Mr. Chenard: We're at a point where we have completed the conceptual and the final design process will likely take a couple of months to complete so we're looking at bidding late summer early fall.

Mr. Hayes: The optimum time would be in the next month before what would be the Town Meeting vote on this. We would have a schematic design budget. If there was favorable support from Town Meeting on this, then the expectation is late summer to begin the permit review process with the anticipation to be able to select a builder and be ready to start work.

Mr. Coburn: If the bids come back on the value engineered functionality at \$13 million or \$14 million is there any sense of what we would do about that? From both the financing and the building aspects?

Mr. Chenard: Depending on how it's structured – you can't bid a project and sign a contract unless you have funds available to pay for that contract, so you might have to either band that money with the intent of permanently borrowing it, which is typically what we try to do but we're evaluating that because interest rates are increasing and it might be smarter to not band these and just borrow the money it might cost less in interest rates. You have to have the funds in place when you sign a contract for construction.

Mr. Hayes: I think in a way it would probably require the committee, working with Town Administration to understand whether there's wiggle room but if it's a million and a half over I think we would go back and look at other options like going down to a third bay – any of those would require a significant amount of re-work on the design and construction documents and everything else – which could end up costing us \$200,000 to save \$1 million.

Ms. Van Amsterdam: Hypothetically, if the policy makes us decide that we're going to fund this project this project outside of levy, what is the reality for the committee given the delay with all that's involved in a debt exclusion override (six months, a year)? What would happen and is it possible to get a hard number – similar to what we get for the schools – for example? We know what we're going to pay for a school.

Mr. Hayes: I think when we last had this discussion the OPM's advice was if we waited a year it would cost us 10 to 15% percent more for the same thing next year.

Ms. Van Amsterdam: Six months? Mr. Hayes: Same – because a delay between now and say June, and then beginning in December instead of say September or October – might not be substantial but, waiting until next fall to do final stuff and then bidding it the winter after the first of the year is a killer. Because all the contractors line up next year's

work in the fall. So we're getting contractors who will bid on it at a high rate because they don't necessarily need it.

Ms. Van Amsterdam: That's where the 10/15% comes from?

Mr. Hayes: Well that plus the rising costs of construction in general.

Ms. Van Amsterdam: Looking at the 10/15% increase in the project, I would look at the analysis more broadly in terms of what I had alluded to earlier – was there a financial analysis done of the trade-offs for going in levy for all projects that may not occur because of that decision to go in levy? Did such an analysis take place prior to coming to the decision that we will go in levy?

Mr. Hayes: Not by the Building Committee.

Mr. Chenard: No.

Ms. Van Amsterdam: Has such an analysis been done in the past with regard to big projects and these trade-offs of in levy, out of levy, and explain it to the public, help them understand and ramifications on any operation overrides and/or future capital projects as contained in our capital improvement program? Has it been done in the past?

Mr. Chenard: Generally yes, but not in all cases.

Ms. Van Amsterdam: Do you believe that such an analysis could be done for this project not to derail it in any way but to see if it could happen – could such an analysis be done?

Mr. Chenard: Yes, this analysis could be done. We'd need to get the staff in place and have the resources to do it. Yes it can be done.

Mr. McCauley: On a possible debt exclusion, can it and has it ever been done for a shorter period of time rather than a longer period?

Mr. Chenard: On debt exclusion? I don't recall – in the Town of Natick or in the state?

Mr. McCauley: Is it permissible?

Mr. Chenard: Oh yes absolutely. We have not done it in the Town of Natick.

Mr. McCauley: Some of the projects that you alluded to earlier that were done within the tax levy like the Municipal Complex, are those starting to come off? And are those funds somewhere out there or are they already allocated? Mr. Chenard: They are not debt excluded projects so these projects are within levy and they came off – the downtown projects are off for the most part, I'd have to look at the schedules to be sure 100%. A had asked a couple of years ago that we create a program that looks at when the debt is rolling off so we can plan our debt within that so we're not eating that debt within in our operations. That was not my decision to make at that time. There is a significant amount of debt coming off in five years.

Mr. Rooney: Do we have the resources to do the kind of study Ms. Van Amsterdam has suggested?

Mr. Chenard: Yes it's a good business practice that the town should do.

Mr. Rooney: Should we be concerned about that?

Mr. Chenard: I think we should all be concerned about that. If we take a look at our administration in the last 3.5 years and where we've been and where the bulk of that work has come from.

Mr. Rooney: Is that implying that we are not managing our resources properly?

Mr. Chenard: We are doing – I would argue that since the departure of Mr. Towne we've had significant vacancies at our administration level in the last three years that have cost us in our ability and the available resources to get a lot of this type of work. Mr. Towne was replaced, but it took several months and almost a complete budget season to get there and get up to speed.

Mr. Rooney: Why should I have any faith in making a decision on this – it's not that we don't need it and I believe – should I have questions about making a decision on this and really feeling comfortable about our ability to deliver once that decision is made?

Mr. Hayes: This project budget is based on the program described by the committee to the architects which has been designed into the final structure – our . . . so the Selectmen who are the only ones who have the authority to make the decision on a debt exclusion by the voters decided in December that they were not going to put this project forward at any time in the future not just now, but at any time in the future, as a debt exclusion project. With that decision then, the way this project gets funded is either from available cash or from borrowing through the tax levy or a combination of those two. That decision essentially describes to the building committee what the final high end of this project can be. So we are going to engineer the final project to meet the needs of the community with a cap at \$12.5 million preferably a bit lower because that is the available funding that we have based on the decisions the Selectmen made.

Mr. Rooney: Did the Selectmen have the information they needed when they made that decision?

Ms. Collins: No one here can answer that

Mr. Hayes: I can only say you should watch the video of the December 18th meeting or ask the Selectmen.

Ms. Collins: Was the vote of the Selectmen on this matter a unanimous vote? Mr. Chenard: I don't recall. If I were to guess I would say it wasn't but I don't recall.

Ms. Collins: It was not it was 4 to 1. And the analysis that was requested here was requested by the member who voted against it. The new growth numbers, I believe you've seen an analysis that was done by a citizen, former member of this committee, about new growth in this town since Prop 2 ½ that indicated that we've about doubled in size since then. I wanted to follow up – one of the BoS members said that night that we were getting new growth so that would help us pay for things in the future. Was I correct in hearing you say that you don't expect new growth to be at the level we have seen in the past?

Mr. Chenard: We are not going to see projects like we've had in the past. We may see some office teardowns and some other projects but we're starting to get built out as a community. We have very few large parcels remaining that are buildable for those types of projects. We're going to see a lot of home tear downs and McMansions go up in ranch neighborhoods.

Members of the Public Questions/Comments:

Julian Munich Precinct 5, Citizen

I have attended quite a number of the building committee meetings and I think it should be entered into public record that it was really a very excellent process. The OPM,

architect and the committee itself restored my faith in the ability for committees to work together and come up with good product. We so often see the opposite and I really wanted it to be part of the public record that what they've done is commendable. One of the big issues is precisely to the debate of the value engineering. At some point, the reality of the budget always comes into play and the danger is that sometime working back to a capped number results in "cheaping out" you get a "ticky-tacky" project instead of the good masonry wall you get some studs and drywall and what have you. Those are examples of bad compromises because the only way you can fix them is to tear down and start over and ultimately it's the worst way of wasting money because you've made something that doesn't do what you need it to and it doesn't last as long as it ought to. There is the other way of value engineering and that's where you defer the items you can so that you still achieve everything you need in the present and near term and you have planned for the things you need in your grand scheme of the long vision are built in. It's kind of modular thinking and I would suggest that what you have before you represents that. In a perfect world you can say that you can future-proof something – there is a method in bidding for instance where there's the alternatives sheet that goes along when it goes out to bid that indicates if per chance there is a contractor out there that is aching to get into the business that can meet all the criteria and underbids this some of these items could theoretically be added back in. But I will say from doing a lot of planning around town that the land use is appropriate. The site planning of this is quite good and it's planned going forward. For the people at home that are getting a little scared about the talk of adding on later, I think it's important to communicate that we're not saying the town is going to grow an extra 20% or that it's inevitable and therefore we have to accept that's going to happen. I think that what's going to actually be a driver for more need for this facility is the change in the service model as we go forward. The population is aging, there will be more need for emergency services needed for "x" number of houses. Also, the facility is being laid out in such a way that the service model of safety and emergency services of what we are now looking at as the community room – twenty years from now the need and demands of the town could be that maybe it would be an area of utility that the police can base out of. I want to commend the process and the proposal that you have in front of you captures the ability to do all the things that you might want it to in the future. To the financing element of this I certainly share everyone's worries at the conundrum that has been presented with this – the only thing that I try to keep myself sane with this is that this is a result of not just the decision of December 18th but quite frankly there's a whole series of decisions which have occurred with this fire station over the preceding decade. From the Planning Board end of things, we were discussing this long before the change and just the extension of the mall ... it goes all the way back to the mall being torn down from its old one to the replacement of the new one. This is probably the most deferred capital improvement project that this town has needed. The method that is chosen for financing this it may be a question of either a change in policy or it may be cleaner to talk about this as an expediency entirely driven by the way interest rates are going.

Mr. Sullivan: Point of order – Can we recommend a debt exclusion override?

Mr. Hayes: The committee's objective is to provide a recommendation on every article that goes to Town Meeting. So the general options we have are a recommendation for favorable action, a recommendation for referral, a recommendation for indefinite postponement. If nothing carries we end up with no recommendation. There's an opportunity for a member to postpone to a date certain. To your question around debt exclusion – by law the only people who can make that decision are the BoS. I don't think it's our place to tell the BoS what they should be doing. That said, if a member or members believe that the decision deserves another conversation I think that can be expressed in some manner, as a hypothetical, maybe not refer to the Selectmen, but let's postpone to a date certain and make clear in debate what the purpose is for doing that.

Mr. Sullivan: I understand the options.

MOTION

Move to postpone to April 27th 2018 consideration of Article 14 – Capital Improvement Motion C

Moved/Motioned by:	Ms. Collins
Seconded by:	Mr. Sullivan
Motions or Debates:	<p>Ms. Collins: First I think it’s significant that there was not one question among this committee about the need for this project. The need has been clearly defined and articulated and well developed by the Building Committee and I appreciate their work. The reason that I chose the 27th and it would also require a motion on Town Meeting floor to postpone capital probably to the 29th, is that gives the Board of Selectmen at last two more meetings before, possibly three. They “decided” in December, but they never saw the analysis that was requested here and requested by a BoS member that evening. They had no appetite. I believe, fundamentally they are wrong. They express concern about the taxpayers. I’m a taxpayer. Ask me. It’s been said here that we can’t go forward above \$12 million in levy. If we do that, we take a great deal of flexibility out of our future. Will it avoid an operating override? I doubt it. Will it make it smaller? Possibly. But at least this piece of it will be for a time certain. The “promise” that was made numerous years ago was to pay cash. There was never a promise to keep it in levy. The promise was to pay cash, once we decided we weren’t paying cash, there’s no need to honor that promise. The promise which never should have been made because the individual had no right to make it, but we have no requirement to honor a promise that we’ve already decided financially we can’t afford. I deeply appreciate the Acting Town Administrator’s willingness to answer some very difficult questions. It’s not the first time he’s said this. He said it at the BoS meeting. They didn’t listen. I think we need to give them an opportunity to reconsider. Is a debt override a great thing? No. I’m at the bottom of the income ladder. But it’s an important project and I would rather pay for 20 years than ad infinitum. Because that will send me out of town faster. In our effort to keep it in levy we’ve had to make some choices – are they wants versus needs? I can’t exactly answer that but I am concerned that we’re trying to get down to a certain number and not deciding what we need to build for the building and we may make decisions that cut of our nose to spite our face. I know that’s not the Building Committee’s intention and I appreciate all the hard work, but they don’t control the construction market. Postponing it to April 27 gives some time for the analysis, for the analysis to be reviewed, for more discussion to go on. I really want this project to go forward, but I will not either here or on the Town Meeting floor vote to do this within levy because that, in my opinion, is financial suicide. And I’m not sure there’s any point to us meeting after that because there’s no good options. There are difficult discussions that have to be entered whether we go inside or outside the levy, I’m not trying to mitigate that. But I would have an incredibly</p>

difficult time facing any taxpayer in this town and explaining why I think it's a good idea to use up all our flexibility rather than ask for a well needed, well defined project. So I ask that you postpone until the 27th so that we can continue this. Thank you.

Mr. Sullivan: I see this as a three bucket topic and two out of the three buckets are incredibly sound and the need is compelling. I've spoken at Town Meeting twice about the overwhelming need for a fire station on Speen Street. When we talk about the fact that we have a fire station that essentially equates to upwards of 50% of the gross calls that we have amongst four stations in the town and if you look at where the significant growth has transpired in the last 15 years and frankly where it's going to go in the next 10 with the MathWorks building on line, the Mall, the redevelopment of the Sam's Club site. This is a constituency that pays a significant amount of revenue to the town and there are two things they ask in return: one when an alarm is sounded in a building that we get a fire truck there in a timely fashion and if there's a problem we get a police officer there. So bucket number one: the compelling need for this particular piece of property is overwhelming; Second bucket, the process: I think the Building Committee has done an extraordinary job here – I think the third bucket, which is the funding mechanism has really adversely affected the Building Committee's ability to do this project. The idea was, we're fifteen to twenty years overdue on that property, so let's build a building that actually gets us to 2020 or 2030. We go through that entire process get it to what it needs to be, circumstances change dramatically from when a promise was made 2 ½ to 3 years ago when we saw a dramatic spike in free cash, so the fact of the reality is the building that needs to be delivered on the charge is significantly more than the confining aspect of bucket number 3, which is the funding mechanism by the promise that's been made – the bottom line is I'm incredibly in favor of this insofar as the need, at the end of the day if we need a building that needs five bays ... and so many other things, the whole concept of value engineering or cutting back the building that we said that we needed and that ultimately responds to better than 50% of the gross fire calls in town, to me is absolutely crazy. There's only one specific reason as to why we would not want to do this as a debt exclusion override and that is the fact that the vast majority of the entities that would benefit most by this investment don't vote. I think it's potentially problematic to do it inside of the levy limit and I don't think that it would be all that bad to just ask the Board of Selectmen for a reconsideration under the circumstances.

Mr. Rooney: I'm going to support postponement because as a member of the Finance Committee I have a fiduciary responsibility and to ensure that the people who make the decision, the Selectmen, that if I have a hint or a feeling that maybe there's some information here that really needs to be considered – it's my responsibility is to try to bring it to their attention. In my questions, I was not trying to denigrate anyone

in the financial department of this town, I was trying to discover what information the Selectmen had when they made their decision on this. I'm not comfortable, times change, things change and if we have the opportunity to get new information to people who make the decisions for reconsideration it's my fiduciary responsibility to do so and that's why I'm supporting postponement.

Mr. Evans: I think we're universally agreeing that the project is worthy. The project cost has changed, the environment has changed, the project scope really has not changed and we'd like that to continue. One thing I've learned being on the Kennedy School Building Committee is that anybody who hears that term "value engineering" cringes because the implication is that you cheapen things, but I don't think that's what the terminology means in this case. In this case, it means forgoing things that are the "nice to haves" in favor of a budget that's constrained. So I think the West Natick Fire Station Committee has done a great job of that. They plan to go out to bid this summer and hopefully interest rates will remain hovering at about 4%. I came in here tonight thinking I'm voting for tax levy borrowing. I heard enough things that swayed me for the rationale of using debt exclusion and I want to give the BoS an opportunity to assess this based on new information. I'm not at all opposed to the project. Bottom line is that I'm persuaded by member's comments and Mr. Chenard's courageous answers in response to difficult questions. I will vote now to postpone, I will ultimately vote for favorable action on this because it's an obvious necessity and I have faith in both the Town Administration and the Building Committee to drive the costs down as much as practicable.

Ms. Van Amsterdam: I echo the comments of members with regard to support his project. I was on the 2007 fire station study committee. So much great work has been done on this project and I want this project to go forward. On the Finance Committee, the question has been asked over and over "what are we foregoing if we take this amount of money from any one of these sources and we put it toward this well-deserving project?" That's what's missing for me. The fire station has been a long deferred capital project. I would like to have an understanding as a Finance Committee Member who has to make a recommendation to Town Meeting why this project, as a building, should not be viewed through the same lens that other buildings have been in this town? And so I would like it to be postponed until the 27th such that possibly we will get some additional information as to what additional projects will not happen if this goes in levy. Or the timeframe in which some of those projects would ever realistically be considered. I would also like a better sense of what does going in levy have an impact on the discussion that's taken place with regard to the operations override that could potentially take place next year. I want to thank Mr. Chenard and Mr. Hayes in answering all my questions. I think we deserve answers to the questions that many of us asked so that we have a better recommendation to

	Town Meeting.
Vote: (requires 6 votes) Carried	7-4-0

MOTION

Move to recommend favorable action on Article 14 – Capital Improvement, Motion C, as represented in Table C, Replace Fire Station 4 (West Natick) \$12,500,000 sourced from Tax Levy Borrowing.

Moved/Motioned by:	Mr. Coffey
Seconded by:	Mr. Coburn
Motions or Debates:	<p>Mr. Coffey: I don't think the delay is going to get the Selectmen to change their decision. We should act and not delay this project any longer with the possibility of a debt exclusion override is unconscionable in my opinion. That delay will only cost us more money in construction and interest costs. I urge the members to vote to move forward. Station 4 is a great little suburban fire station when you have capes throughout that entire area it's totally appropriate. We now have high rise buildings in West Natick and we have no ladder truck to reach those people in a timely fashion without it coming from downtown Natick. To even look at the possibility of a debt exclusion override to me is a non-starter. Tax levy borrowing has its concerns no doubt but this is a building that needs to be built. I'm sorry if I'm going to step on some toes here, but when we're holding \$3.2 million dollars aside for one project to buy an empty building that nobody else wants to buy . . . a walking trail is a great thing, but a firehouse that is absolutely necessary is a far greater thing. Where we spend our money is an issue and now we're hearing that we don't have that much more money to spend. Why? Because we're spending it on people's pet projects and on other matters and if that's going to aggravate people tough. Somebody needs to say these things. We have an incredibly valuable project. I really urge the members to move forward and not to vote for postponement and let the people who made this decision to put it in the tax levy, let's make them answer for it when the time comes. And ask them then, why did you make this decision? And previous people who made promises aren't around anymore to hold accountable and there's nothing we can do about that and I really don't think it was fair to put anybody in this room in that hot seat when they're not the ones making the decisions. Let's not delay this project.</p> <p>Mr. Coburn: We have a lot that can be done that is on the five year agenda that I would not characterize as people's pet projects but very worthy projects to enhance a great community we live in. I'm not going to denigrate those projects but I am going to say that this project is needed beyond those. In my estimation, it's probably the most important large capital project that we can do in the near term over the next few years. It has been needed for a long time. We've been brought a plan that we can quibble around the edges but has been well developed and</p>

well- articulated and kudos to those who did that hard work. I want to support it no matter what happens tonight, postponement or not. I don't know how I'll vote on the postponement. *Later* I am going to support postponement.

Mr. Hayes: Two things: the postponement motion is a procedural motion for the committee and as such it does not require the 8 vote quantum vote minimum because it's not a recommendation to Town Meeting. We have 11 members here so a postponement motion would carry with 6 votes. The favorable action motion is a recommendation to Town Meeting and so does require 8 votes to carry. If a postponement motion carries because it is not a recommendation to Town Meeting it does not require a reconsideration vote on the 27th, we just take it back up off the table and continue to hear it.

Mr. McCauley: I want to echo both the comments of Ms. Collins and Mr. Evans regarding Mr. Chenard and his assistance in answering questions, I really appreciate how you've handled yourself during this. I've been weighing the options and I'm coming down on the side of voting the motion for favorable action. Basically what it comes down to for me is last fall we had a capital item, there were a couple of parks and I think we voted favorable action, but at the end of it there were very good comments made that at some point there will be another park, or something else and at some point we're going to kick the can down the road until we run out of the road. So I'm hearing that if we do this one way we may have to do some other things another way, and for me it comes down to there are requirements, there are needs and there are wants, there are wishes there are dreams, I mean this is a requirement obviously, a fire station. And if you put this on a debt exclusion vote this will pass. I think the residents of this town have shown this in the past. If we did this by tax levy the other projects might have to go to debt exclusion and maybe we might have to reach the point where we do have to cull the herd a bit and maybe not everything that everybody wants turns out to be a need or requirement. So for that reason I'm going to support favorable action.

Mr. Linehan: I would support favorable action if I thought it would accomplish what we're trying to accomplish which is to force the Selectmen to readdress this. They don't have to take it up. I did not watch the meeting but from a member's description, they were warned that a financial evaluation was strongly recommended and it sounded like there was a complete lack of interest in that. So that's risk number one, that we postpone and we're in the exact same place we are tonight on the 27th. But number 2 is that if we delay until the 27th we have a very short period of time to get in there a five minute discussion, vote and get to Town Meeting. It doesn't allow a lot of thinking about it. And the third thing is putting stuff on debt exclusion does not guarantee that it will pass. We had a high school that was absolutely required and there was still fear that the town would not pass that so they bundled it with a Senior

Community Center so that they got a not greatly overlapping groups who would support it so the debt exclusion went through. I don't have the confidence that the voters would necessarily support a debt exclusion for a fire station when they're already looking at a debt exclusion for a new middle school which is pretty well guaranteed support and I would not want to risk the fire station going out another two or three years before it gets started because we're concerned about how we're going to fund it. If the Selectmen examine this, and if they change their mind on how they recommend the funding source then we can always reconsider this at that time but I think that with all the potential negatives lined up I think that we should support this at this point and if the Selectmen can be convinced to review their earlier decision then we can always change our decision.

Mr. Hayes: As everyone knows I sit on the Building Committee for this project. This is difficult for me – we being the committee and others, we gave guidance to the committee on the way to approach this and supported by the architects and other folks we designed a \$15.5 million dollar building. I'm not 100% sure yet that should really be viewed as the final embodiment of what the West Natick Fire Station should be. So I ask you to take that with a grain of salt. The team did what was asked of them which was to put into the program everything you think you need or want or would like or wish for to have the fire station of the future that could last for 20 to 50 years and we accomplished that task and it would cost us \$15.5 million dollars on paper. But we didn't proof that through the final validation. It didn't get filtered through the "do we really need it" final conversation. So I want to be sure you understand that while I would support a \$15.5 million dollar project that looked like it did on paper, I can't tell you with 100% confidence that should have been the final outcome. It's the high end. Do I see the \$12.5 million dollar project that we're shooting for now to be a compromise? I do as a member of the committee. Is it unexpected? Absolutely not. I would have to tell you with all honesty that I would be concerned if a member of the committee felt they were forced into this kind of compromise. We all knew what we were doing and what had to be accomplished. Other members of the committee may have a different opinion but that's where I'm at. Did we make a compromise to get there? Yes we did. Do I think we compromised the project and what the Town of Natick needs? No I don't think we did. Because we designed a building that gives us some expansion capability. It's no different if I can make an analogy than the house that I bought. I knew that it would suit my purposes for 25 years but I also knew the day I walked in the five projects I would do first. So we have a building that we know we can use for the next 25 years and we can add some stuff on. As a Finance Committee member I'm not happy with the decision that was made by the Selectmen on how they chose to direct this project in terms of financing. I respect their right to make the decision. I think I understand to a degree why they came to their decision. It's easy for me not being in a position to challenge them on it I

	<p>might have a different opinion if I was in their position, but I'm not. And so I feel that I can challenge them if I do that fairly and objectively and because of that I wish they had made a different decision then and I would like them to revisit the decision now. And so in that regard I would be comfortable going to sleep tonight supporting postponement. And under different circumstances, if I wasn't a member of the committee that's charged with bringing this building to the community I could comfortably support that motion. But I'm actually concerned about the unintended consequence if somebody reads the vote or reads the debate and says, "what the hell's going on when a committee member of the Building Committee supports postponement instead of favorable action when that motion is on the table? And they ignored the last two hours of the conversation?" And so, members, without feeling like I'm copping out I'm going to support favorable action even if I was the only one supporting it except for the two who made the motion, only for the reason that I feel like there's probably six votes supporting postponement. And if I'm wrong on that decision I apologize in advance.</p>
<p>Vote: (requires 8 votes) Not Carried</p>	<p>7-3-1</p>

Point of Order Mr. Sullivan: How do we formally communicate the postponement and the desire to have the Selectmen reconsider their December decision? How does that get communicated to the Selectmen?

Mr. Chenard: I will take care of that on your behalf.

Mr. Hayes: And I will work with Mr. Chenard on that. It may come from both the Acting Town Administrator and the Financial Committee.

Motion D:

Motion as posted on NovusAgenda 3/6/2018

Move that the Town vote to appropriate the sum of \$2,017,000 to be expended under the direction of the Department of Public Works for the purpose of Fox Hill Drive Water Main Replacement, Replace Ground Water Wells, East Central Water Main Abandonment, individually shown as items 1, 2, and 3, in Table D below, and that to meet this appropriation the Treasurer with the approval of the Board of Selectmen is authorized to borrow \$2,017,000 under Massachusetts General Laws Chapter 44, Section 8, as amended, or any other enabling authority and to issue bonds or notes of the Town therefore aggregating not more than \$2,017,000 in principal amount and that the Town Administrator with the approval of the Board of Selectmen is authorized to take any action necessary to carry out this program, and further, that any premium received by the Town upon the sale of any bonds or notes approved by this vote, less any such premium applied to the payment of the costs of issuance of such bonds or notes, may be applied to the payment of costs approved by this vote in accordance with Chapter 44, Section 20 of the General Laws, thereby reducing the amount authorized to be borrowed to pay such costs by a like amount.

TABLE D, MOTION D: Article 14 - Capital Improvement - 2018 Fall Annual Town Meeting

Item #	Department	Item	Funding Source	Amount
1	Water and Sewer Enterprise	Fox Hill Drive Water Main Replacement	Water Sewer Borrowing	\$67,000
2	Water and Sewer Enterprise	Replace Ground Water Wells	Water Sewer Borrowing	\$50,000
3	Water and Sewer Enterprise	East Central Water Main Abandonment	Water Sewer Borrowing	\$850,000
Appropriation under Article 14; MOTION D				\$ 2,017,000

Questions:

Mr. Linehan: Item 3 East Central Water Main Abandonment – it appeared from the discussion that there 26 attachments necessary to attach a 6” main and a 10” main – how many of those have to go across the street?

Mr. Marsette: The existing water main bedding is compromised but the existing 10” water main on the opposite side of the street is more than adequate to service those that are currently on the 6” compromised main so instead of replacing the 6” it is much more cost effective to move those to the 10” main. After this project we will have to resurface the entire width of that roadway above.

Mr. Linehan: So paralleling the lines would not make sense?

Mr. Marsette: Right.

Ms. Collins: The 26 houses on one side – where does that run from?

Mr. Marsette: From University Drive to the Wellesley Town line on East Central Street.

Mr. Linehan: So these houses are on the north side? Mr. Marsette: The houses are on the south side where the 6” main is the larger main is on the north side and it includes the houses that abut East Central Street only – it does not include University Drive. There’s a graphic on NovusAgenda in the presentation.

Mr. Hayes: I just want to make sure we’re all on the same page – there was an earlier version of this motion that asked for \$2,417,000 – the \$400,000 item is gone – so we’re now talking about a \$2,017,000 motion?

Mr. Chenard: Yes.

MOTION

Move to recommend favorable action on Article 14 – Capital Improvement, Motion D, as represented in Table D, Fox Hill Drive Water Main Replacement \$667,000, Replace Ground Water Wells, \$500,000, and East Central Water Main Abandonment, \$850,000 for a total of \$2,017,000 sourced from the Water Sewer Borrowing.

Moved/Motioned by:	Ms. Collins
Seconded by:	Ms. Van Amsterdam
Motions or Debates:	None.
Vote:	11-0-0

Motion E:

Mr. Chenard Noted: This is part of the MWRA grant program so you will note that the motion reads a little bit different. In the last two lines, the second to last line, starting with “amount, and that the Board of Selectmen is authorized to accept one or more grants or gifts from the Massachusetts Water Resource Authority or any other public or private funding source for the purposes of this Article.” That language needs to be there so they can accept the grant funds from the MWRA. This does not have to be expressed in the FinCom’s recommendation.

Mr. Hayes: So the funding source is still Water and Sewer Borrowing and if we ever get something back later the motion language will facilitate that?

Mr. Chenard: Correct.

Motion as posted on NovusAgenda 3/6/2018

Move that the Town vote to appropriate the sum of \$969,000 to be expended under the direction of the Department of Public Works for the purpose of completing sewer main rehabilitation, individually shown as item 1 in Table E below, and that to meet this appropriation the Treasurer with the approval of the Board of Selectmen is authorized to borrow \$969,000 under Massachusetts General Laws Chapter 44, Section 8, as amended, or any other enabling authority and to issue bonds or notes of the Town therefore aggregating not more than \$969,000 in principal amount and that the Town Administrator with the approval of the Board of Selectmen is authorized to take any action necessary to carry out this program, and further, that any premium received by the Town upon the sale of any bonds or notes approved by this vote, less any such premium applied to the payment of the costs of issuance of such bonds or notes, may be applied to the payment of costs approved by this vote in accordance with Chapter 44, Section 20 of the General Laws, thereby reducing the amount authorized to be borrowed to pay such costs by a like amount, and that the Board of Selectmen is authorized to accept one or more grants or gifts from the Massachusetts Water Resource Authority or any other public or private funding source for the purposes of this article.

TABLE E, MOTION E: Article 14 - Capital Improvements - 2018 Fall Annual Town Meeting

Item #	Department	Item	Funding Source	Amount
1	Water and Sewer Exp. (circled in red)	Sewer Main Rehabilitation (MWRA I&I Removal Grant Program)	Water Sewer Borrowing	\$ 969,000
Appropriation under Article 12: MOTION E				\$ 969,000

*Ms. Collins noted that the language below the chart should read “Article 14:” Mr. Chenard confirmed that this was an entry error.

Questions:

Mr. Rooney: On the grant – if we were to get some funds where would they go – to the General Fund or to Water and Sewer? Mr. Chenard: These funds would have to go to the Enterprise Fund and this project because they are for Enterprise Fund Projects because they are given by the MWRA to the Town of Natick through the Selectmen who are acting as the Water & Sewer Commission.

Mr. Marsette: Those funds are available and are earmarked for the Town of Natick so it’s a 75% grant 25% low interest loan from the MWRA and those funds are available and the town will be receiving those.

Mr. Evans: At the subcommittee, we asked whether the MWRA likely to continue this grant program and Mr. Marsette was kind enough to say that the possibility exists but it’s not definite. Some towns have not used their allotment and the MWRA board is talking about extending it for two years.

Ms. Collins: Can you give us a sense of how much money we are saving by not sending storm water to be processed sewer?

Mr. Chenard: When we were doing the initial phases we were able to reduce our percentage increase flow year to year to where we were getting 1.5 to 2.5 and other like communities were in the range of 5.0 to 7.0% so it is significant when you talk about a \$6 million dollar expense year after year you are talking about a significant savings to the town.

Mr. Marsette: That’s based on an average daily flow of 3 million gallons per day and through this program we’ve been able to remove 1.5 million gallons of sewerage per day.

MOTION

Move to recommend favorable action on Article 14 – Capital Improvement, Motion E, as represented in Table E, Sewer Main Rehabilitation (MWRA I&I Grant Removal Program) for a total of \$969,000 sourced from the Water Sewer Borrowing.

Moved/Motioned by:	Ms. Collins
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Seconded by:	Ms. Van Amsterdam
Motions or Debates:	None.
Vote:	11-0-0

Article 15 – Capital Stabilization Fund

Sponsored by Town Administrator

Mr. Hayes: Article 15 is to appropriate \$500,000 from free cash for the purpose of supplementing the Capital Stabilization Fund.

Mr. Chenard: There is one significant change from our proposal in the budget. We had originally proposed to set aside \$1.5 million from free cash into Capital Stabilization. As a result of viewing where we are anticipating our free cash position to be at the year-end close, and some other funding requests that are likely to come at this Town Meeting under Articles 24, 25 and 26, I have reduced the amount of free cash that we’re going to be putting into Capital Stabilization by \$1 million. We need to have the flexibility with free cash with the goal of having that free cash available at year end so it rolls to the next year. However, there will be additional funding requirements. There are going to be fiscal year 2018 requests that have to come from free cash for funding departments that are unfunded.

Motion as posted on NovusAgenda 3/6/2018

Move that the Town vote to appropriate \$500,000 from free cash for the purpose of supplementing the Capital Stabilization Fund established by vote of the 2010 Fall Annual Town Meeting under Article 2, as authorized by Chapter 40, Section 5B of the General Laws, as amended.”

Questions: None

MOTION

Move to recommend favorable action on Article 15 – Capital Stabilization Fund that the Town vote to appropriate \$500,000 from free cash for the purpose of supplementing the Capital Stabilization Fund established by vote of the 2010 Fall Annual Town Meeting under Article 2, as authorized by Chapter 40, Section 5B of the General Laws, as amended

Moved/Motioned by:	Mr. Evans
Seconded by:	Mr. Linehan
Motions or Debates:	None.
Vote:	9-0-1

Article 16 – Operational Stabilization Fund

Mr. Chenard: It’s been a bit since we’ve put money in here at a substantial level. I just want to show our bond rating agencies, we’ve got significant bond coming up, that we are indeed putting money aside per our financial principles and goals. Half a million dollars will more than do that and as we look at our budgeting and stuff that’s coming forward having money in Operational Stabilization is a solid financial practice.

Questions:

Mr. Sullivan: The preliminary deficit we had in the budget when initially presented was at what number? Mr. Chenard: \$3.7 million when state aid came out it went to \$3.8 million, today it is anticipated to be \$0 when we make your votes.

Mr. Sullivan: And that obviously includes \$500,000 in Operational Stabilization?

Mr. Chenard: Yes.

Mr. Hayes: On Thursday night, Mr. Chenard has agreed to give us an update on the budget gap so we're not avoiding the question we just did not have it on tonight's agenda the proper way – Thursday night we can have a conversation so members know what's going on before we get into the final budget Articles.

MOTION

Move to recommend favorable action on Article 16 – Operational Stabilization Fund that the Town will vote to appropriate \$500,000 from free cash for the purpose of supplementing the Operational Stabilization Fund established by vote of the 2011 Spring Annual Town Meeting under Article 4, as authorized by Chapter 40, Section 5B of the General Laws, as amended.

Moved/Motioned by:	Mr. Evans
Seconded by:	Ms. Van Amsterdam
Motions or Debates:	Mr. Coffey:
Vote:	10-0-0

Mr Hayes: Sponsors of Article 34 have some analysis they want to share – poll for a members who are interested in a public working group early next week let Patrick know.

MOTION

Move to close the 2018 Spring Annual Town Meeting Warrant Articles – Public Hearing

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

OLD BUSINESS

MEETING MINUTES

Deferred

ADJOURN

MOTION

Motion to adjourn.

Moved/Motioned by:	McCauley
Seconded by:	Coffey
Motions or Debates:	None
Vote Carried	9-0-0

Meeting adjourned at 11:45 p.m.