



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: October 22, 2018

The minutes were approved through the following action:

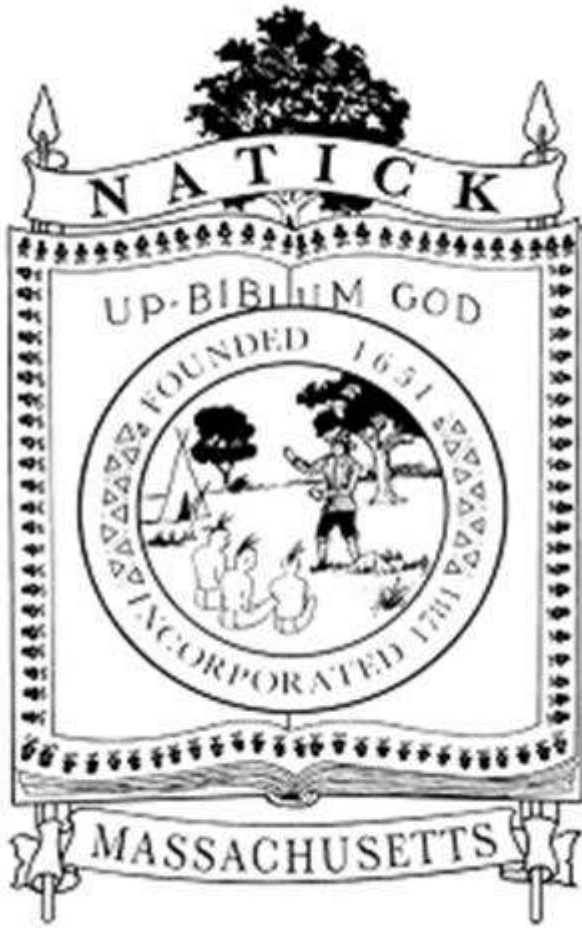
Motion:	Approval, as amended
Made by:	Mr. Rooney
Seconded by:	Mr. Scurlock
Vote:	9 – 0 – 0
Date:	November 5, 2018

Respectfully submitted,

Bruce Evans

Secretary

Natick Finance Committee



TOWN OF NATICK

Meeting Notice

POSTED IN ACCORDANCE WITH THE
PROVISIONS OF M.G.L. CHAPTER
30A, Sections 18-25

Natick Finance Committee

DAY, DATE AND TIME

October 22, 2018 at 7:00 PM

This meeting agenda was originally
posted on Thursday, October 18,
2018 at 5:15 PM; the revised
Motion was posted on Friday,
October 19, 2018 at 1:30 PM

PLACE OF MEETING

School Committee Meeting Room,
3rd Floor, Town Hall 13 East
Central St., Natick MA

MEETING AGENDA

1. Public Concerns/ Comments
 - a. Resident and Taxpayer Concerns and Comments
2. Meeting Minutes
 - a. Review & Approve the September 11, September 25, October 4, and October 9, 2018 meeting minutes
3. Old Business
 - a. Executive Session – to discuss and approve meeting minutes of the October 4 Executive Session
4. New Business
 - a. Discussion of Free Cash and Tax Levy
5. 2018 Fall Town Meeting Warrant Articles - Public Hearing
 - a. [Article 1 - FY '19 Omnibus Adjustments- Possible Reconsideration](#)
 - b. [Article 32 - Amend Natick Zoning By-Laws: Inclusionary Affordable Housing Requirements](#)

MEMBERS PRESENT:

Lynn Tinney	Bruce Evans	Cathi Collins
Dirk Coburn	Robert McCauley	Patrick Hayes
Linda Wollschlager	Dan Sullivan	Philip Rooney
David Gallo	David Coffey (arrived 7:15 pm)	

MEMBERS ABSENT:

Jim Scurlock	Mike Linehan	Jeff DeLuca
Kristine Van Amsterdam		

Ms. Collins moved to open the public hearing to discuss 2018 Fall Town Meeting Warrant Articles, seconded by Mr. Evans

Vote 10 – 0 – 0.

Mr. Hayes said that Mr. Coburn asked to put a discussion of the Free Cash and tax Levy on tonight’s agenda and possible reconsideration of Article 1 on tonight’s agenda asked him why he had pursued this and what he was hoping to accomplish at this hearing.

Mr. Coburn said that the brief time between certification of Free Cash and Town Meeting left little time to disseminate information about funds available for appropriation. However, the compressed timeframe led to the impression that the compressed timeframe has led to recommendations on Town Meeting floor that were at odds with the Finance Committee’s recommendations. In addition, when we heard Articles that were using Free Cash as the source of funds, we did not have the Free Cash detail at that time and the Town Administrator advised that when the Free Cash certification took place, we would be informed. Knowing the certified Free Cash number may encourage us to revisit some of the decisions we made. That was why I made a Motion on Town Meeting floor to slow things down, pending more information and to allow the Finance Committee to schedule a meeting.

Mr. Hayes stated that he had spoken with Town Administration and suggested that they give an overview of Free Cash and tax Levy, geared mostly at Article 1.

Ms. Melissa Malone, Town Administrator

Mr. Bill Chenard, Deputy Town Administrator - Operations

Mr. John Townsend, Deputy Town Administrator - Finance

Ms. Malone thanked Mr. Chenard and Mr. Townsend for their diligent work and pulling together the information prior to Town Meeting and to compile more information to present to you tonight. Last Thursday, we provided a comprehensive historic view of where Natick has been. Regarding Article one Motions A through C, those Motions were presented to the Finance Committee in early October and we are not seeking modification of dollar allocations. We worked collaboratively with others to modify the language of these Motions to their satisfaction. Ms. Malone acknowledged that Motion D on the Bacon Free Library was faulty and they continue to request no action and it will be brought back in the spring. Ms. Malone stated that the Town received its certified Free Cash number very late on the heels of Town Meeting. We strive to be as transparent as possible and we are produced emails that show that when we

received certified Free Cash and certified new growth figures from DOR. Ms. Malone noted that the Free Cash histories as well as the financial management principles are in the Finance Committee's Recommendation Book. Ms. Malone acknowledged that some of the information provided by Town Administration has been in a different format than the format Town Meeting is accustomed to seeing. However, she noted that there were inconsistencies in how that information has been presented over the last decade. One of the issues that I think cause concern last week was what the Town has had as excess tax levy capacity. I note that, in 2015, the Town had excess levy capacity of over \$234,000 and in 2017 was \$70,000, so there is considerable variability. I say this to put this into perspective because many people were taken aback when we presented the Free Cash number of \$1.8 million. However, when we were able to show the amounts from 2017, Town Meeting was informed that those numbers were in line and that the last two years were the anomaly, providing comfort to Town Meeting members. We are happy to answer any questions that the Finance Committee has on these matters.

Mr Hayes asked members to consider questions on either Free Cash or tax Levy. Keep in mind that Motion was acted upon favorably by Town Meeting last week. Motion B is currently on the floor of Town Meeting. Mr. Hayes said that he wanted to focus discussion on Article 1, and not globally on tax Levy. Mr. Hayes passed out printed copies of revised Motions Article 1 Motions A through D received from Town Administration and noted:

- The language of Motion A is the same language as that approved by Town Meeting last week. The Motion A language that we approved is on NovusAgenda and in our Recommendation Book.
- The language for Motion B is the language on Town Meeting floor and the Motion B language that we approved is on NovusAgenda and in our Recommendation Book.
- The language that has been provided for Motion C is not the language that has been provided to Town Meeting since Motion C is not on the Town Meeting floor. It is different from the language that this committee voted favorably on during the October 4 meeting because there needed to be changes made to the departments referencing Motion C.

Questions from the committee:

Ms. Collins said that the two borrowings were from different sources:

- Kennedy Middle School – debt exclusion
- West Natick Fire Station - within levy borrowing because, at that point, the Board of Selectmen had not made a decision to use debt exclusion as the financing mechanism.

I understand the KMS part since we haven't started that project yet and cannot borrow in advance of that project start date. However, on the WNFS, if Town Meeting approves returning the \$990,000, is the excess tax levy \$182,506 or \$182,506 plus \$990,000? If Town Meeting does not approve this Article then we are \$990,000 over levy.

Ms. Malone acknowledged that was true, but prefers to focus the discussion on Town Administration's proposals, rather than this hypothetical case. If Town Meeting approves Article 1, excess tax levy is closer to \$140,000. The \$182,506 figure included an error from Spring 2018 that has been revisited during our analysis. When you include the Chapter 70 money, the number is closer to \$200,000. We have a slide that walks through the calculation of the excess tax Levy. We recommend that the \$140,000 not be taxed to Natick residents since both of these projects will be part of a borrowing that the Town will be seeking and the first coupon and payment will be due on July 1, 2019.

Ms. Collins stated that there is Free Cash spend-down plan for 2017 in the Finance Committee Recommendation Book and requested that the Free Cash spend-down plan for 2018 that was presented to Town Meeting last week be made available. Mr. Hayes said that the reason the Free Cash spend down plan for 2018 was not included in the Recommendation Book was concerned that it would be a draft spend them proposal given that neither the Free Cash nor new growth was certified. Mr. Hayes added that he is working with Town Administration to determine what items should be made available in future Recommendation Books.

Mr. Hayes asked Town Administration to go through their tax Levy reconciliation calculation.

Mr. Townsend reviewed the Free Cash / Tax Levy presentation.

DOR provides the certified Free Cash number to the Town in the September / October timeframe, although the effective date is July 1, the beginning of the Town fiscal year. It includes actual receipts in excess of revenue estimates and unspent departmental budget line items for the year just ended, and unexpended Free Cash from the previous year. Free cash is offset by property tax receivables and certain deficits and, consequently, can actually be a negative number. Free cash is appropriated by Town Meeting; any Free Cash not appropriated is added to the next year's Free Cash calculation. The DOR certified Free Cash number for FY19 is \$6,576,906 and was received on October 10, 2018. The certified new growth number for FY19 is \$1,545,185 and was received on October 15, 2018.

RE the Free Cash spending proposal, here are the calculations

Item	Initial Amount	Revised Amount	Rationale
Certified Free Cash as of July 1, 2018		\$6,576,906.00	DOR certification
.5% of G/F Revenue Set-Aside	\$765,678.00	\$765,678.00	Financial Policies
2018 Fall Town Meeting			
Article 2 - Stabilization Fund	\$250,000.00	\$250,000.00	Financial Policies
Article 3 - Operational Stabilization Fund	\$250,000.00	\$500,000.00	Financial Policies
Article 4 - Capital Stabilization Fund	\$1,409,678.00	\$2,400,000.00	Financial Policies
Article 5 - OPEB Stabilization Fund	\$272,500.00	\$441,723.00	Financial Policies
Article 6 - McDaniel Trust	\$36,622.20	\$36,622.20	Article 1 2014 Spring Town Meeting; Article 1 2015 Spring Town Meeting
Article 16 West Natick Fire Station Land acquisition	\$1,000.00	\$1,000.00	Survey error
Article 20 - Legal Settlement	\$350,000.00	\$350,000.00	
Article 26 - Sawin House	\$5,000.00	\$5,000.00	Supplemental Funding
Article 31 - Mechanic St.	\$4,000.00	\$4,000.00	Survey and recording of deed
Article 16			
2019 Spring Town Meeting			
FY2020 Operating Budget	\$1,800,000.00	\$1,800,000.00	
Remaining Unallocated Balance		\$22,882.80	

Mr. Townsend said that the Town is going to have a large bond issue (to fund the KMS and WNFS). When you go out to issue debt, the rating agencies like to see that you're following your financial management principles by making contributions to your stabilization funds, so we contributed to some stabilization funds where we either had not funded in prior years or contributed a relatively lower figure to help obtain a favorable rating by the bond rating agencies.

Mr. Chenard discussed the tax Levy calculations. (insert chart here). At 2018 Spring Annual Town Meeting, tax levy was estimated at \$111,835,135. We projected \$5.1 million in debt excluded funding in the FY19 budget. However, since we aren't going to have that debt, we can't raise that on the tax levy. Estimated new growth was \$925,000 in Spring 2018, and actual new growth was \$1,545,185. The net

change is \$304,649, yielding an actual tax levy of \$111,530,486. This caused us to go forward in a deficit position with regard to proposition 2.5. Because we projected and appropriated those funds, but don't have those funds because we are not borrowing that debt in FY19 and the first debt payment is projected for FY20. We have to reduce the tax levy and also have to reduce the appropriations side to align tax levy with appropriations. The items in the 2018 fall annual Town Meeting have a net shortfall of \$1,421,190 for a net operating budget of \$153,598,841. We typically see other adjustments to the budget each year in the fall:

- Capital	+ \$2,973,950
- Miscellaneous Articles	+ \$395,622
- General Stabilization Fund	+ \$250,000
- Capital Stabilization Fund	+ \$2,400,000
- Operational Stabilization Fund	+ \$500,000
- OPEB Trust Fund	+ \$441,723

The next block of items titled "General Fund Expenses" is not appropriated by Town Meeting, totaling \$1,115,903. DOR requires that the Town inputs these on the recap:

- The first two items ("State and County assessments [\$53,387] and cherry sheet offsets \$89,707 offset to State Aid which shows an increase of \$186,991, so the net increase is \$43,897.
- Snow Removal Supplement + \$567,714 for a total of \$717,714. This is the first item that needs to be included in the recap. You can deficit spend for snow removal, but you either have to pay for it with a Free Cash appropriation or, as in this case, it will be raised on the recap. With the Municipal Modernization Act, the Town does not have to ask permission from the Finance Committee to spend this money.
- Recap Offsets + \$255,095 When we look at our Enterprise Funds, DOR looks at projected revenue vs. actual revenue as compared with the expenses in the Enterprise Funds. There was a deficit position in the water and sewer enterprise fund, but since our projected revenues were \$255,000 less than the actual revenue, DOR requires that we list this offset.
- Overlay + \$150,000 – This pays for tax exemptions and abatements and this gets added to the tax levy via the recap.

Moving on to the balance. I had stated that the balance was \$182,000 at Town Meeting. However, when we were doing the final roll-up in the spring, we noticed a \$21,000 error and rather than go through and correct everything, we simply put +\$21,000 and that formula rolled forward and we were off by \$21,000. Thus, excess tax levy capacity is \$161,419. State Aid is \$43,897 for a total balance for appropriation of \$205,316.

Your tax rate is calculated based on your actual levy divided by your total assessed value. In our case, this would yield a (rounded up since you cannot have a tax rate increment of less than one cent) tax rate of \$12.72 per \$1000 of assessed value. If you multiply \$12.72 times the total assessed value, you get \$111,469,508. That means that the \$60,978 can never be levied because you can't levy less than one cent. So, if you deduct that from the \$205,316 figure, you get \$144,338.

Questions from the Committee:

Mr. Rooney noted a \$25,000 math error in the Admin Support Services line in the budget reconciliation chart. Mr. Chenard stated that Mr. Rooney was correct and that the figure in Motion A was added late and

he hadn't reflected it fully in the reconciliation. This will be corrected before distribution to Town Meeting. The correct total should be \$229,759. Ms. Malone added that the \$50,000 has been added to address legal issues with alleged OML violations.

Mr. Rooney asked for clarification on the meaning of new growth. Mr. Chenard said that new growth is any new additions to the tax base and includes all new taxable growth – all building permitted additions, new buildings, new construction, new commercial buildings and any personal property increases. The DOR then certifies that number for the Town. When you're calculating your tax Levy limit, you use last year's levy capacity, multiply that by 2.5%, and add new growth to get your new levy limit, so new growth adds to your levy capacity. In our case, we will also add a debt exclusion and that gives us our total levy capacity.

Ms. Collins asked for clarification on the Recap Offsets. Mr. Chenard stated that he is frustrated by the DOR requirement for these offsets, since the water and sewer enterprise fund as a whole is in the black by approximately \$300,000. DOR is requiring us to raise \$255,000 as a shortfall in revenues, which is frustrating. Ms. Malone added that one should think of this as encouragement for accurate budgeting and this is a penalty for inaccurate forecasting. Mr. Hayes asked Mr. Chenard to send an email to him that specifies where the Recap Offsets are supposed to go – to the Water & Sewer Enterprise Fund or elsewhere. Ms. Malone said that Town Administration's collective recollection is that it goes into the Water & Sewer Enterprise Fund, but would confirm.

Ms. Wollschlager asked where the \$4,979.855 in additional available funds comes from. Mr. Chenard said that all of the appropriations made from Free Cash are funded but from that available funds line item on the revenue side. Although Free Cash is the largest number within available funds, it also includes other revenue sources.

Mr. Coburn asked for an explanation of the difference between Free Cash and tax levy in the circumstance where we are trying to "relieve" a previously budgeted appropriation. If you the previous appropriation from sources that had Free Cash and tax levy, does the relieved tax levy not roll over to the next year unless it is appropriated that year? Mr. Chenard said that the debt Motion (G) has a large tax levy component and a large Free Cash component. If we had available levy capacity, we would use it. However, since we can't reduce the Free Cash, we must reduce the tax levy and make it available to pay things like the snow & ice removal supplement and the reduction in debt service from the KMS project. If we didn't do that, DOR would require that we have a Special Town Meeting to get under the Prop. 2 ½ limit and they will not certify a tax rate until the Town did so. Mr. Coburn commented that there was enormous value in making the Finance Committee's recommendations clear and congruent with those presented to Town Meeting.

Ms. Collins requested clarification on not having any variance on local receipts. Mr. Chenard noted that local receipts are not your previous year's local receipts. Local receipts are your projections based on the model that we've built for several previous years of what we will actually raise in 2019, not what we raised in 2018. Any amount above or below that local receipts forecast is added to / subtracted from Free Cash. Ms. Collins asked how much Free Cash was due to an increase in local receipts. Mr. Chenard said that if you take away the \$1.2 million in remaining Free Cash from the prior year, the remainder is almost equally split between departmental turn backs and increase revenues (approx. \$2.5 million each). Ms. Collins stated that prudent budgeting meant that you didn't try to exactly match revenues, but to have enough buffer so that if the revenues were a little lower, you would not be required to make cuts until the

Town had gone all the way through that \$2.5 million. Mr. Chenard confirmed that is correct and said that they have done regression analysis where they can, but there are some local receipts numbers that have great variability.

Comments from the Public:

Frank Foss, Town Moderator, Precinct 6 resident

Mr. Foss asked if a Town Meeting member went to the 2018 Spring Annual Town Meeting Recommendation Book and went to the revenue sheets that were provided tonight, the Town Report, and the 2018 Fall Annual Town Meeting Recommendation book, would I find any new information other than what you've provided tonight. Ms. Malone said that the only new item would be the Free Cash certification received on October 10 in the certified new growth received on October 15.

Mr. Foss stated that a Town Meeting member could reasonably put this information together. Mr. Hayes opined that the information was available, save the two certification numbers, but wasn't sure whether the majority of Town Meeting members might be able to put together all the numbers discussed tonight.

Mr. Foss asked whether the Finance Committee is hearing this information for the first time. Mr. Hayes said that the committee did not hear either the certified Free Cash number or the certified new growth number until tonight. The committee also didn't hear some of the tax Levy adjustments that the Administration reviewed tonight.

Paul Griesmer, Town Meeting member, Precinct 7 asked what the excess tax levy number is. Mr. Hayes said that the available tax Levy is \$136,419. Mr. Griesmer requested that this budget reconciliation be provided to Town Meeting. Mr. Hayes confirmed that this information would be provided by Town Administration in some format to Town Meeting.

Mr. Hayes asked Mr. Coburn whether he wanted to pursue a reconsideration of Article 1. Mr. Coburn said that he greatly appreciated the presence of the Town Administration and the information provided tonight. This provides an informed view of what is required to make a fully considered recommendation to Town Meeting. This discussion has cleared up the scope of available tax levy that was unclear to me, and probably others, at Town Meeting. In my opinion, if there is excess unused tax levy, it hastens the day when we need to consider an operational override or not and it potentially could raise the amount that would need to be considered for that that operational override.

Ms. Wollschlager agreed that the questions she had have been answered and would like to only open it up for procedural Motions. It seems like Motions C and D are different from the Finance Committee recommendations, and if we can vote on those, it would make Town Meeting go smoother. There was a lot of confusion on Motions A and B as to who was making the Motion and why they were different from what the Finance Committee had recommended. Mr. Hayes said that Motion A has been voted by Town Meeting and Motion B is on the floor of Town Meeting as it is in the Motion language I distributed tonight. The language in Motion C distributed tonight is different from the language in the Motion C in the Recommendation Book – tonight's language is the preferred language because it uses the correct departments in the Motion voted at 2018 Spring Annual Town Meeting. Finally, Motion D can really only be No Action. The Committee can accept Motions to reconsider Article 1 Motions C and Motion D.

Comments from the Public

Mr. Foss reminded members that the difference between reconsideration by the Finance Committee and reconsideration by Town Meeting. I'm doing this more for citizens watching this is a public service announcement. According to the Town Charter, "the subject matter of any Article, once voted upon in any manner, may be reconsidered only once, but at any time during the Town Meeting, provided compelling circumstances are stated which indicate that reconsideration is warranted." One of the standards I've used for compelling circumstances that I've used is what new information has been provided. The other thing that I want to mention is that if the Finance Committee provides additional information on any of the Articles less than 48 hours before we are taking up the Articles at Town Meeting, I will push these Articles out to allow Town Meeting members the chance to review this new information. Mr. Hayes stated that the memo that he provided for Motion C to align with the language in the Recommendation Book. However, the proposed Motion C from tonight was provided to Town Meeting in a memo already provided to Town Meeting. If what we act on is the same as the Motion C in that memo, is that new information subject to the 48 hour notification? Mr. Foss said that Town Meeting hasn't finally acted on Article 1 Motion B and Article 1 Motion C isn't on the floor yet. I wanted to make sure that the public at home understood the requisite standards that I will use to evaluate whether to reconsider a given Article.

Mr. Foss also noted that Town Meeting votes all budget items except the two libraries. These are excluded from the Omnibus budget because they are trusts managed by the trustees of the respective libraries. Because they are trusts, they aren't governed by the Town Charter, but are governed by the Trustees in partnership with the Town. I think Town counsel ruled that these libraries should be managed outside of the Omnibus budget back when I was on the Finance Committee. Thus, you cannot appropriate any funds for the libraries under Article 1 and that is why Town Administration is requesting no action.

Comments from the public:

Mr. Griesmer said that this type of information is extraordinarily helpful. With respect to my former Finance Committee colleague in the present moderator, I believe that there was substantial information that was not in the Recommendation Book and in the public domain. When you present information to the shareholders, it is not the job of the shareholders to go through the accounting records and pull together the annual report. That is the collective work of Town Administration, the Board of Selectmen, and the Finance Committee. This is the essence of financial reporting. As I've learned where we are with the tax levy, where we have approximately \$140,000 of excess tax levy. After we put back \$990,000, that means where \$850,000 upside-down, not because of any error or omission, but due to the Municipal Modernization Act accounting requirements for handling snow & ice deficit, among other items. I'm not sure whether the MMA would allow the Town to appropriate money the way it used to be. Even if we appropriate additional budget from Free Cash, or some other source you may be locked in by the restrictions of the MMA. Moving forward, we may need to consider this when budgeting for snow and ice removal. If we hadn't had the fortune of \$600,000 more new growth above forecast, we'd be upside-down \$1,450,000, and the \$990,000 wouldn't rescue us and we would be forced to make cuts to get back into balance. I think this puts a spotlight on the fact that there is no way possible that the West Natick Fire Station could be funded within tax levy. This public vetting of information has yielded a \$25,000 reduction – this action caused a positive result. It's a good practice like proving the annual report or the tax forms before submission. Some Town Meeting members have thought about asking for

reconsideration of Article 4 – the Capital Stabilization Fund that was increased to \$2.4 million. I would ask those members not to do so, because it's the same two thirds vote to take the money out of the Capital Stabilization Fund as it is to reconsider the amount put into the Capital Stabilization Fund. Mr. Griesmer also suggested that this information be provided as a standard procedure and included in the Recommendation Book because there might be more available money, but there also might be a significant shortfall.

Ms. Julie McDonough, School Committee member questioned the rationale for the allocation of the Free Cash. In FY18, we had \$9.5 million in Free Cash and we allocated \$1.9 million the Capital Stabilization Fund. In FY19, we have \$6.5 million in Free Cash and are allocating \$2.4 million to the Capital Stabilization Fund. Mr. Hayes said that he had hoped that Ms. McDonough's questions dealt with Article 1. However, they pertain to allocations on the Capital Stabilization Fund which has already been voted on by Town Meeting and asked Ms. Malone to provide a brief summary of the rationale. Ms. Malone presented the summaries of the General, Operational, and Capital Stabilization Funds that were shown at Town Meeting last week and pointed out the Capital Investments and Improvements for FY19. Some of the new items that we received at the close in December / January included the modular classrooms for Kennedy Middle School that were previously not on the Capital plan. The additional funds that were seeking for the Capital Stabilization Fund are spelled out because the capital needs of the Town are so large. Mr. Hayes offered to meet with Ms. McDonough and Town Administration if she were interested in getting more detail.

Mr. Julian Munnich, Town Meeting member, Precinct 5 stated that past practices of Town Meeting are to receive Motions from individuals under the auspices of the Finance Committee, not out of a vacuum, even in a situation where new information is available. Public hearings are quite important in the operation of local government since they provide the mechanism for gathering information and hearing them under public notice. For that reason, I would urge that you reconsider your Article 1 votes, with Motion A, as noted, to be an affirmation of your prior vote. It would serve Town Meeting better to have a new recommendation from the Finance Committee because it would have the backing of a public hearing process, which is hugely important.

Mr. Jonathan Freedman, Town Meeting member – Precinct 4, Member Board of Selectmen requested that take any action that would delay these Articles being acted upon by Town Meeting. Time is very short for a tremendous amount of work to be done by Town Administration in preparation for borrowing for the KMS West Natick Fire Station projects.

Ms. Wollschlager moved to reconsider Article 1, Motions C and D, seconded by Mr. Evans.

Not Voted

Ms. Collins moved to reconsider Article 1, all Motions, seconded by Mr. Gallo.

Vote: 11 – 0 – 0

Debate:

Ms. Collins asked whether, procedurally we are able to reconsider specific Motions within a given Article or must reconsider the entire Article. Mr. Hayes agreed that the appropriate procedure was to reconsider the entire Article, even though Town Meeting had already taken action on Motion A.

Ms. Wollschlager said it is helpful to reconsider Motions C and D but, for those members aren't Town Meeting members, things got a little confused about what the Finance Committee's recommendation was on the floor, and I would like to avoid that. I'm hopeful that the Town moderator agrees that we already have provided this information to Town Meeting, so we won't have further delay.

Mr. Evans agreed that Town Meeting needs clarification from the Finance Committee. I also appreciated Mr. Munich's comments about affirmation of our prior votes. I will vote for whichever of these Motions is first in precedence.

Ms. Collins said that she didn't intend to be difficult, but believed that this is the correct procedure.

Mr. Gallo agreed that this was the correct procedure and that reconsideration of Article 1 would make things clearer to Town Meeting.

Mr. Coburn noted that there is a discrepancy on the wording of Motion B and there is concern that touching anything in Motion B would lead to delaying action. The information provided tonight gave us a solid basis for making a clear recommendation to Town Meeting on a Motion that has not yet been acted upon by Town Meeting.

Mr. McCauley said he started out thinking he was going to oppose both Motions, but after listening to the debate, the Motion to review the entire Article 1 is the right thing to do. If it turns out that the proper procedure would be to hear the entire Article and we only considered Motions C and D, then we would might have to meet a third time to discuss this.

Mr. Sullivan said a prior speaker had raised the issue of "confidence" in the process. I see a disconcerting trend developing where few communities have upwards of 15 sessions of Town Meeting per year, and only get through a few Articles per night. It becomes problematic both to achieve a quorum at Town Meeting and harms the ability to get new people to participate in Town Meeting. I'm hopeful that we can take a step back and analyze our processes to improve them moving forward.

Mr. Coffey stated that when the next certified Free Cash and new growth numbers were unveiled at Town Meeting, Town Meeting members were surprised that the Finance Committee was unaware of them. Tonight, we have the opportunity to correct that and demonstrate that a full public hearing was completed and we can move forward. Town Meeting should never be a rubber stamp – if you're a Town Meeting member, you should assess the recommendations made by the Finance Committee, the Planning Board, the Board of Selectmen, and Town Administration, and make your decision.

Mr. Rooney said that one of the previous speakers likened this to be like a corporation reporting to its stockholders. I agree with that analogy, but I don't think he went far enough. The leadership of a corporation vets information and provides an opinion and that's what the Finance Committee also does. However, they state that they aren't infallible and Town Meeting members are like voting stockholders and have the obligation to try to understand what they're looking at and make informed decisions. During the review process, members have urged is in cautionary words to describe the issues that will soon confront Natick and alerts Town Meeting members to stay involved in this process and to make sure that they understand what's happening and planned.

Ms. Wollschlager said that while she agreed that the Finance Committee's recommendations to Town Meeting our advisory, and that a source of frustration among Finance Committee members was that recommendations were made that didn't match what we had heard during our sessions. I would urge that

should new information become available that the Chair and Town Administration be encouraged to meet to reconsider these items to the public hearing.

MOTION

Mr. Coburn moved to **re-affirm Article 1, Motion A as provided on October 22**, seconded by Mr. Evans

Vote: 11 – 0 – 0

Debate:

Mr. Coburn said this is a bit moot, since Town Meeting has already acted on this, but this ties everything together correctly.

MOTION

Ms. Collins moved **Favorable Action on Article 1, Motion B as provided on October 22**, seconded by Mr. Coburn “Move that the Town vote to decrease the appropriation voted by the 2018 Spring Annual Town Meeting under Article 7 by the sum of \$1,694,125, said sum to be distributed as follows:

- To reduce the Debt Service budget as voted under Article 7 Motion G of the 2018 Spring Annual Town Meeting by reducing the Principal line item by \$700,000 and Interest line item by \$994,125.

With the above Budget be reduced from the following sources: Tax Levy of Fiscal Year 2019 \$1,694,125”

Vote: 11 – 0 – 0

Debate:

Ms. Collins said she wanted to make this Motion because at Town Meeting, she had the beginnings of a Motion that I was providing to the moderator and appreciated the updated information provided. I appreciate knowing the accurate tax Levy number so that Town Meeting can make an informed decision on whether to spend it and what to spend it on. Further, she emphasized the DOR could be punitive where the Town not to properly account for the items discussed earlier.

Mr. Coburn said it is appropriate to understand the amount of tax levy because people can understand it and mean something to everyone who uses it for a public purpose. Having the information that we started to receive last Thursday was instrumental in understanding whether we were over or under tax Levy and by how much.

MOTION

Ms. Collins moved **Favorable Action on Article 1, Motion C as provided on October 22**, seconded by Mr. Evans “Move that the Town vote to decrease the appropriation voted by the 2018 Spring Annual Town Meeting under Article 7 by the sum of \$60,000, said sum to be distributed as follows:

To reduce the Water & Sewer Debt Service budget as voted under Article 7 Motion H1 of the 2018 Spring Annual Town Meeting by reducing the Principal line item by \$40,000 and Interest line item by \$20,000.

With the above Budget be reduced from the following sources: Water and Sewer User Fees \$60,000”

Vote: 11 – 0 – 0.

Debate:

Ms. Collins said that it was important for the Finance Committee to have a recommendation that's aligned with what will be presented on Town Meeting floor.

Mr. Evans said that mere words cannot describe the joy that I have with the clarity that this will bring to Town Meeting, so I urge support.

Ms. Wollschlager expressed concern about whether a no action vote on Article 1 Motion D which constitutes new information since it changes the prior Finance Committee recommendation to Town Meeting.

Mr. Foss, Moderator, said that he is considering that Article 1 will likely be moved because there is no press at this meeting and Town Meeting members would be receiving new information just prior to voting on it at Town Meeting.

MOTION

Ms. Wollschlager moved **No Action on Article 1, Motion D**, seconded by Ms. Collins

Vote: 11 – 0– 0

Debate:

Ms. Wollschlager stated that the Finance Committee's previous recommendation was out of order given the information provided by Town Administration tonight.

Ms. Collins apologized for not recognizing this error when the Finance Committee discussed it earlier.

Mr. Evans stated that this is a correctable error. We can correct it by taking action at 2019 Spring annual Town Meeting. This defers it, but the person or persons will get the appropriate compensation over time.

Article 32 - Amend Natick Zoning By-Laws: Inclusionary Affordable Housing Requirements

Mr. Ted Fields, Community and Economic Development Office (CED)

Ms. Terri Evans, Member, Planning Board

Mr. Hayes asked Ms. Collins to review revisions to the document, as she had worked with Ms. Evans from the Planning Board and Mr. Fields from CED.

Ms. Collins noted that the language had been tightened up, including in the section on waivers and modifications; established standards for off-site units; and added relevant definitions. She said she was comfortable with the language of the Article, though still had some policy questions, including whether the 35% limit for waivers and modifications for bonus units was appropriate. She noted that Mr. Fields had run the numbers using several examples and was comfortable with what they showed, but she indicated that this may need adjustment in the future. She said she was comfortable that this bylaw extends Article 52 (of the 2017 Fall Annual Town Meeting): that not only would multi-family projects have to provide for affordable housing, but single- and multi-family projects and 2-5 unit developments would as also. She noted the responsibility the bylaw places on the Affordable Housing Trust Fund (AHTF) and emphasized the importance of distributing affordable housing around Town. She said she

believed this proposed bylaw would achieve what the Planning Board wanted and protect the Town from unintended consequences.

Mr. Hayes asked whether there had been changes made to Motion A or Motion D, on which the Finance Committee had voted favorable action on October 9. Ms. Evans said that there had been a number of changes to both, adding in response to a question from Ms. Wollschlager that the document before the Finance Committee was identical to that voted by the Planning Board at its meeting of October 17.

To Ms. Wollschlager's question as to whether the Article had been reviewed by Town Counsel, Mr. Fields explained that, while this draft had not, Town Counsel had reviewed previous drafts. He said he was trying to get this version reviewed quickly. Ms. Collins added that in several places where language was added, it had been taken from bylaws of other communities, which would have received approval from the Attorney General. Mr. Fields noted that the structure was based on the state's Model Bylaw.

Ms. Evans explained that the Planning Board would move that Motions be taken in order of A, D, B, and C so that new language was added before existing language was modified or removed. Proposed Motions can be downloaded from NovusAgenda via the link in the agenda.

MOTION

Mr. Coburn **moved reconsideration of Article 32**, seconded by Ms. Collins.

Mr. Coburn expressed confidence in moving forward with these revisions in place on something of this importance. Ms. Collins added that the Motion as voted by the Planning Board differs significantly from the Motions previously voted by the Finance Committee, making reconsideration important.

Vote: 11-0-0

MOTION

Ms. Collins **moved a recommendation of favorable action on Article 32, Motion A**, as shown in handout dated 10/17/18, seconded by Mr. Evans.

Ms. Collins note that changes in this section were corrections, clarifications, and addition of definitions. Mr. Evans applauded the collaborative process in making revisions to this Article.

Vote 11-0-0

MOTION

Ms. Collins **moved a recommendation of favorable action on Article 32, Motion D**, as shown in handout dated 10/17/18, seconded by Mr. Evans.

Julian Munnich, Natick Planning Board, cited two elements as "placeholders for the future": one concerned Floor Area Ratio (FAR), which he said may need to be fine-tuned following a Town-wide analysis of the characteristics of different residential neighborhoods. The second dealt with development thresholds, noting that developers often do whatever is just below the threshold. He noted that the proposed bylaw has language regarding serial or phased development, but cautioned that if a phased project entered bankruptcy, such requirements could be vacated. He added his support for the Article, which he believed would put Natick in the forefront of Massachusetts communities.

Ms. Collins noted that the bylaw included a five-year review to determine if it is working as anticipated.

Vote 11-0-0

MOTION

Ms. Collins **moved a recommendation of favorable action on Article 32, Motion B**, as shown in handout dated 10/17/18, seconded by Mr. Evans.

Ms. Collins noted that changes to this Motion were modest, largely re-ordering the narrative preceding the Motion. Mr. Evans noted that the Use Schedule is a bottom line for developers, making it important.

Vote 11-0-0

To Mr. Hayes' question regarding further comments, Ms. Evans noted her long-standing interest in finding a fair way to secure affordable housing in Natick. She expressed appreciation for the seriousness with which the Finance Committee had taken its charge. Mr. Fields said he believed this bylaw would make Natick a pacesetter, and that this would be the most comprehensive affordable housing bylaw for any Town in the state.

MOTION

Ms. Collins **moved a recommendation of favorable action on Article 32, Motion C**, as shown in handout dated 10/17/18, seconded by Mr. Evans.

Ms. Collins noted that while this would remove language she had developed for Article 52, it would now cover single- and two-family development. She added that language in the Waivers & Modifications section was tightened up significantly.

Mr. Evans emphasized the importance of not putting the burden exclusively on multi-family units and of leveraging ALL development to make Natick affordable. Mr. Hayes acknowledged the work of Ms. Collins, Ms. Evans, and Mr. Fields.

Vote 11-0-0

Ms. Collins moved to close the 2018 Fall Annual Town Meeting public hearing, seconded by Mr. Evans.

Vote 11-0-0

Mr. Coffey moved to adjourn the meeting at 10:02 PM, seconded by Ms. Collins.

Vote 11-0-0