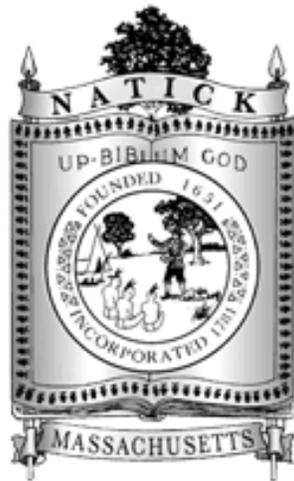


Town of Natick

2019 Special Town Meeting #1



Recommendations of the Natick Finance Committee

April 23, 2019 - Natick High School - Natick, MA

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Finance Committee

Supplement #1 Recommendation Book

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**Finance Committee
Town of Natick, Massachusetts**

April 8, 2019

Special Town Meeting #1

Greetings to all Town Meeting Members and Citizens of Natick,

The Finance Committee is providing this Recommendation Book of Special Town Meeting #1, for your reading pleasure. Included are Articles 1-4 and the recommendations for Town Meeting for those four articles.

In reaching its recommendations the Finance Committee has considered the information and comments presented from all of the warrant article sponsors.

Information relating to the Finance Committee may be found on the Town's public website, at the Finance Committee Web Page. Any questions or comments about the Finance Committee may also be submitted to us via an email at chair.fincom@natickma.org.

Natick Finance Committee

Patrick Hayes, Chair
Dan Sullivan
Dirk Coburn
David Coffey
Jim Scurlock

Linda Wollschlager, Vice Chair
Kristine Van Amsterdam
Bob McCauley
David Gallo
Bill Gome

Bruce Evans, Secretary
Mike Linehan
Jeff DeLuca
Phil Rooney

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**WARRANT
2019 SPECIAL TOWN MEETING #1
April 23, 2019**

THE COMMONWEALTH OF THE MASSACHUSETTS

Middlesex, ss

To Any Constable of the Town of Natick in said County:
Greeting:

In the name of the Commonwealth of Massachusetts you are required to notify the qualified Town Meeting Members of the said Town of Natick to meet in the Natick High School, Natick on **Tuesday Evening April 23, 2019 at 7:30 PM**, then and there to act on the following Articles:

- Article 1 Establish Special Revenue Account for PEG Access and Cable Related Funds
- Article 2 PEG Access and Cable Related Fund Appropriation or Transfer of Funds
- Article 3 Fiscal 2019 Morse Institute Library Budget
- Article 4 Fiscal 2019 Bacon Free Library Budget

Article 1
Establish Special Revenue Account for PEG Access and Cable Related Funds
(Town Administrator)

To see if the Town will vote to accept General Laws Chapter 44, Section 53F³/₄, which establishes a special revenue fund known as the PEG Access and Cable Related Fund, to reserve cable franchise fees and other cable-related revenues for appropriation to support PEG access services and oversight and renewal of the cable franchise agreement, the fund to begin operations for fiscal year 2020, which begins on July 1, 2019; or to otherwise act thereon.

Article 2
PEG Access and Cable Related Fund Appropriation or Transfer of Funds
(Town Administrator)

To see what sum of money the Town will vote to raise and appropriate, transfer from available funds or otherwise provide for, the PEG Access and Cable Related Fund established pursuant to the provisions of General Laws Chapter 44, Section 53F³/₄; or otherwise act thereon.

Article 3
Fiscal 2019 Morse Institute Library Budget
(Town Administrator)

To see what sum of money the Town will vote to raise and appropriate, or otherwise provide, for the maintenance and operation of the Morse Institute Library, for Fiscal Year 2019 (July 1, 2018 through June 30, 2019); or otherwise act thereon.

Article 4
Fiscal 2019 Bacon Free Library Budget
(Town Administrator)

To see what sum of money the Town will vote to raise and appropriate, or otherwise provide, for the maintenance and operation of the Morse Institute Library, for Fiscal Year 2019 (July 1, 2018 through June 30, 2019); or otherwise act thereon.

The above articles are to be acted upon and determined exclusively by Town Meeting Members in accordance with Chapter 2 of the Acts of 1938 and Amendments thereto and the Town Charter and subject to the referendum provided thereby.

You are directed to serve this Warrant by causing an attested copy of said Warrant to be posted in the Post Office in said Natick, and at the following public places in said Natick, to wit: Precinct 1; Reliable Cleaners, 214 West Central Street; Precinct 2, Cole Recreation Center, 179 Boden Lane; Precinct 3, Kennedy Middle School, 165 Mill St.; Precinct 4, Lola's, 9 Main Street Precinct 5, Wilson Middle School, 22 Rutledge Road; Precinct 6, East Natick Fire Station, 2 Rhode Island Avenue; Precinct 7, Lilja Elementary School, 41 Bacon Street; Precinct 8, Natick High School, 15

West Street; Precinct 9: Community-Senior Center, 117 East Central Street and Precinct 10, Memorial Elementary School, 107 Eliot Street.

Above locations being at least one public place in each Precinct, in the Town of Natick, and also posted in the Natick U.S. Post Office, Town Hall, Bacon Free Library and Morse Institute Library seven days at least before April 23, 2019; also by causing the titles of the articles on the Warrant for the 2019 Special Town Meeting #1 to be published once in the Newspaper called "The Metrowest Daily News," with notice of availability of an attested copy of said Warrant, said Newspaper published in the Town of Natick and said publication to be March 22, 2019.

Hereof fail not and make due return of this Warrant with your doings thereon to the Town Clerk at or before the time appointed for holding said meeting.

Given under our hands this 18th day of March, 2019.

Board of Selectmen for the Town of Natick

Amy K. Mistrot
Chair

Susan G. Salamoff
Vice Chair

Michael J. Hickey, Jr.
Clerk

Jonathan Freedman
Member

Richard P. Jennett, Jr
Member

Certified copies of the Warrant are available at the Office of the Town Clerk, Natick Town Hall, 13 East Central St., Natick, MA between the hours of 8:00 a.m. – 5:00 p.m., Monday through Wednesday; 8:00 a.m.- 7:00 p.m. on Thursday and 8:00 a.m.-12:30 p.m. Friday; the Warrant may also be accessed from the Town web site www.natickma.gov.

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Article 1
Establish Special Revenue Account for PEG Access and Cable Related Funds
(Town Administrator)

Article Language

To see if the Town will vote to accept General Laws Chapter 44, Section 53F³/₄, which establishes a special revenue fund known as the PEG Access and Cable Related Fund, to reserve cable franchise fees and other cable-related revenues for appropriation to support PEG access services and oversight and renewal of the cable franchise agreement, the fund to begin operations for fiscal year 2020, which begins on July 1, 2019; or to otherwise act thereon.

Purpose of the Article

This article intends to enable the Town of Natick to establish a PEG Access and Cable Related Fund, to reserve cable franchise fees and other cable-related revenues for appropriation to support PEG access services.

Finance Committee Recommendation

**The Finance Committee
took the following action:**

DATE VOTED: **April 4, 2019**

RECOMMENDATION: **Favorable Action**

QUANTUM OF VOTE: **9-0-0**

MOTION

Requires a Majority Vote

Move that the town accept General Laws Chapter 44 Section 53F³/₄ which establishes a special revenue fund known as the PEG Access and Cable Related Fund, to reserve cable franchise fees and other cable-related revenues for appropriation to support PEG access services and oversight and renewal of the cable franchise agreement. The fund shall begin operation for fiscal year 2020 which begins on July 1, 2019.

Finance Committee Public Hearing Discussion

During the Public Hearing the *Town Administration provided the following information* related to the subject matter of Article 1:

Summary

The following information is supportive of both Article 1 and Article 2 of the Special Town Meeting #1.

Pursuant to M.G.L c.166A sec. 9, the Town receives an annual payment from a cable TV service provider representing a fee collected from each cable television subscriber. These funds are designated for the support of public, educational and government (PEG) television programming and pursuant to a contractual agreement, these funds are turned over to Pegasus that provides PEG services for the Town. These funds are kept in separate accounts and paid out pursuant to invoices submitted by Pegasus. In 2016, the legislature passed M.G.L. c.44, sections 53F1/2 and 53F3/4 that provides two options for accounting for PEG funds: through an enterprise fund or establishing a “PEG Access and Cable Related Fund.” Since the Town does not operate the PEG system, creating an enterprise fund is not necessary and therefore establishing a fund under M.G.L. c.44, section 53F3/4 is the selected option (“The Fund”).

Article 1

Article 1 creates the Fund. Per the requirements of DOR, the fund must be created, through the Town’s acceptance of M.G.L. c.44, section 53F3/4, for the Fund to be operational starting the beginning of the next fiscal year.

The following revenues received in connection with the municipality’s PEG franchise agreements may be credited to the Fund:

- a) Cable franchise fees collected by the cable operator for PEG access and received by the town;
- b) Annual license fees paid by the cable operator. G.L. c. 166A, § 9; and,
- c) Other revenues received in connection with the franchise agreement.

The treasurer is the custodian of the Fund.

Following the overview by Town Administration, of the substance of both Articles 1 & 2, the *Finance Committee asked questions, gathered information and deliberated* the merits of the proposed motion, including:

- The Department of Revenue (DOR) allowed Towns to defer the creation of this fund for two years and Natick is now at the end of its two-year moratorium
- Once the fund is set up by Town Meeting is a perpetual fund and requires no further administrative actions by Town Meeting

End of Article

Article 2
PEG Access and Cable Related Fund Appropriation or Transfer of Funds
(Town Administrator)

Article Language

To see what sum of money the Town will vote to raise and appropriate, transfer from available funds or otherwise provide for, the PEG Access and Cable Related Fund established pursuant to the provisions of General Laws Chapter 44, Section 53F³/₄; or otherwise act thereon.

Purpose of the Article

To transfer PEG related funds current held in various Town of Natick general accounts into specific accounts dedicated to the PEG services provided to the Town and residents.

Finance Committee Recommendation

**The Finance Committee
took the following action:**

DATE VOTED: **April 4, 2019**

RECOMMENDATION: **Favorable Action**

QUANTUM OF VOTE: **9-0-0**

MOTION

Requires a Majority Vote

Move that the Town vote to transfer: all cable franchise fees and other cable-related revenues for appropriation to support PEG access services and oversight and renewal of the cable franchise agreement; any and all funds from the following general fund accounts: “CMCAST 6.5 fund # 2407, CMCAST7.1 fund #2408, CMCAST7.2 fund #2385, RCN CB 6.4 fund #2383, RCN CB 7.1 fund #2386, Verizon PEG Grant fund #0626, Wireless Comm Study fund #8167, Verizon PEG fund #8173, Cable Renew Sec 7.3 fund #2382”; and, any other funds or portion thereof from any fund designated by the Comptroller as containing funds from

cable franchise fees and other cable-related revenues for appropriation to support PEG access services and oversight and renewal of the cable franchise agreement, to the PEG Access and Cable Related Fund established pursuant to the provisions of General Laws Chapter 44, Section 53F^{3/4}; authorized by a vote of the 2019 Special Town Meeting under Article 1, as authorized by the provisions of General Laws Chapter 44, Section 53F^{3/4}.

Finance Committee Public Hearing Discussion

During the Public Hearing the *Town Administration provided the following information* related to the subject matter of Article 1:

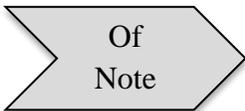
Summary

The treasurer is the custodian of the Fund. The treasurer may invest the monies of the Fund in the same manner as general funds under G.L. c. 44, §§ 55, 55A and 55B. The treasurer may pool the cash and does not have to establish a separate bank account for the Fund. Interest earned on Fund monies belongs to the general fund. An appropriation is required to spend any monies in the Fund. Appropriations are by majority vote of Town Meeting and are limited to the actual unencumbered balance of the Fund at the time of the appropriation. Anticipated receipts cannot be appropriated.

Article 2

The primary purpose of Article 2 is to transfer the existing funds currently held in the existing funds into the new special fund. A list of the existing funds with the current balances is included shown below:

PEG Fund Balances - 03-28-19		
Fund #	Description	Balance 03-27-19
2407	Comcast Cable Sec 6.5	\$4,474.22
2408	Comcast Cable Sec 7.1	\$79,784.60
2385	Comcast Fees Sec 7.2	\$261,339.35
2383	RCN CB 6.4	\$0.00
2386	RCN Fees Sect 7.1	\$82,572.21
0626	VerizonPEG	\$139,793.00
8167	Wireless Comm Study	\$20,132.00
8173	Verizon PEG	\$459,489.32
2382	Cable Renew sec 7.3	\$3,953.45
		\$1,051,538.15



The Town Administration made a point of advising the Finance Committee that it anticipates receiving several invoices prior to June 30th so it's expected that the fund balances will be significantly lower when the transfer occurs.

Language is included in the motion to provide for the transfer of any funds not identified in the motion, though the Town administration doesn't anticipate that this will be likely. No specific amount is provided for in this motion since the Town won't know the balance in the current funds listed until the end of the Fiscal Year and the motion has been reviewed by Town Counsel.

Following the overview by Town Administration, of the substance of both Articles 1 & 2, the *Finance Committee asked questions, gathered information specific to Article 2 and deliberated the merits of the proposed motion*, including:

- This article intends to transfer the existing funds currently held in other segregated accounts, as shown in the table above, into the new special fund
- The monies transferred into the fund on an annual basis are earmarked only for the use of paying the invoices received directly from Pegasus, pursuant to their contract
- It is known in advance of any administrative period what Pegasus will be invoicing based on existing contracts
- Town Meeting can appropriate other funds to Pegasus, drawn from other accounts, if it so chooses, but the funds moved into this special fund can only be appropriated by Town Meeting, to Pegasus
- Up to this point in time, Town Meeting has not ever appropriated monies from the General or other Special Funds to Pegasus; nor has any revenues received from the Communications and Cable Franchise Fees. The motion contemplated under this article only gives Town Meeting to appropriate from the fund specifically for the purpose of supporting the Town's PEG system.

End of Article

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Article 3
Fiscal 2019 Morse Institute Library Budget
(Town Administrator)

Article Language

To see what sum of money the Town will vote to raise and appropriate, or otherwise provide, for the maintenance and operation of the Morse Institute Library, for Fiscal Year 2019 (July 1, 2018 through June 30, 2019); or otherwise act thereon.

Purpose of the Article

The intent of this article is to seek additional funding for the Bacon Free Library for the current fiscal year.

Finance Committee Recommendation

**The Finance Committee
took the following action:**

DATE VOTED: **April 4, 2019**

RECOMMENDATION: **No Action**

QUANTUM OF VOTE: **9-0-0**

MOTION
Requires a Majority Vote

Move the Town take No Action on the subject matter of Article 3.

Finance Committee Public Hearing Discussion

Town Administration requested No Action on the subject matter of this article. *The Finance Committee recommends this article to be placed on the Consent Agenda.*

End of Article

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Article 4
Fiscal 2019 Bacon Free Library Budget
(Town Administrator)

Article Language

To see what sum of money the Town will vote to raise and appropriate, or otherwise provide, for the maintenance and operation of the Morse Institute Library, for Fiscal Year 2019 (July 1, 2018 through June 30, 2019); or otherwise act thereon.

Purpose of the Article

The intent of this article is to seek additional funding for the Bacon Free Library for the current fiscal year.

Finance Committee Recommendation

**The Finance Committee
took the following action:**

DATE VOTED: **April 4, 2019**

RECOMMENDATION: **No Action**

QUANTUM OF VOTE: **9-0-0**

MOTION
Requires a Majority Vote

Move the Town take No Action on the subject matter of Article 4.

Finance Committee Public Hearing Discussion

The text of the article language was incorrect and failed to provide proper notice to Town Meeting. Therefore the Town Administration requested No Action on this article. *The Finance Committee recommends this article to be placed on the Consent Agenda.*

End of Article

**End of the Special Town Meeting #1 Finance Committee
Recommendation Book**

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