



TOWN OF WAYLAND

41 COCHITUATE ROAD
WAYLAND, MASSACHUSETTS 01778

Finance Committee
John Bladon
Cherry C. Karlson
Paul Grasso
Dave Gutschenritter
Robert L. Lentz
Sam H. Peper
Richard M. Stack

Finance Committee Meeting Minutes September 29, 2009

The meeting was called at 7:00PM in the Wayland Town Building.

Attendance: C. Karlson, S Peper, R. Stack, D. Gutschenritter, J. Bladon, R. Lentz, P. Grasso,

Absent:

Also present: Finance Director/Town Accountant, M. DiPietro

Public Comment: Linda Segal spoke to the aggressive tree-trimming by NStar that could potentially directly cost homeowners through unplanned landscaping expenses or the devaluation of their homes. She also asked that the upcoming public forums be used to provide Wayland residents more transparency into the short and long-term financial situations of the town.

Previous Meeting Minutes: No motion was raised to approve minutes from September 14 meeting as they were not yet completed.

Review/Discussion of State of the Town presentation to be given by Sam Peper: There was an open discussion for comments and edits of the FinCom overview to be presented September 30. Sam asked the committee for input on his presentation and it was noted that the section indicating the drop in state aid from FY 2005 through FY 2010 should be made more specific to convey the significance of the decrease as a percentage of Wayland's operating budget.

Dave felt that the language regarding potential FY 2011 override requests was too unequivocal and left the committee with little margin for unforeseen events.

High School Debt Exclusion: Mike began the discussion by reviewing his assumptions and high level estimates for the bond amounts, rates, and timing. Based on a FY 10-12 time period, the amounts borrowed would be \$10M in FY 10, \$20M in FY 11, and \$15M in FY 12 to get to the HSBC/MSBA target of ~\$45M (total warrant article is to approve \$70.8M, offset by the anticipated state grant of \$25M). **ACTION ITEM: the 'official' debt schedule/borrowing calendar needs to be obtained from Lea Anderson and/or the HSBC.** Bob asked if the assumed interest rate was 5% and that was confirmed by Mike. Based on Mike's estimates and assumptions, FY 14 would represent the largest household tax increase compared to today (~9%); this percentage increase would then decline over time based on the current assumed roll-off of debt from the schedule.

Rich asked if we could model – based on the average Wayland house – the incremental tax effect of this debt over the course of the bond life. This and an model of the non-exempt/exempt debt service expense inclusive of the high school debt are being planned for discussion at the October 5 warrant article hearing. Sam mentioned that the School Committee has recognized the potential need to sell two parcels of land to partially offset the capital costs of the new high school. Cherry mentioned the need to recognize and estimate school operating cost exposure (e.g., lost parking revenue and additional busing) during the construction period.

The future of WayCam was discussed as the MSBA indicated that the \$70.8M warrant request did not include space for WayCam facilities. Rich asked if the modular structures could be used to house WayCam. Bob

indicated that perhaps web broadcasts (in light of rumored lack of future Comcast support of the public cable channel) should be pursued.

The assumed FY 11 inclusion of two other large capital projects -- the DPW garage, and library -- that had been delayed more than once in past years was discussed. Paul asked if the approval of the high school would thereby exclude the garage and library. Bob replied that we should not necessarily create a zero-sum capital budget and that we should explore more creative ways of financing this (potential) debt, and that the yearly expense of the debt service could be offset by increased commercial tax revenue. All members reviewed what the "typical" debt service expense was or would be in the future, and it was reiterated how important it was to reflect this schedule graphically.

Vote: Bob moved to approve the Debt Exclusion Recommendation of \$70.8M. John seconded, and the vote was unanimous at 7-0 to approve this to the BoS.

Assignment of STM Articles: There were 12 Special Town Meeting articles that were assigned to various committee members for commentary. The assignments are as follows:

- 1) Hear Report: Dave
- 2) Adopt Sex Offender By-Law: John
- 3) Accept Local Options Meals Excise: Dave
- 4) Increase Demand Charge for Delinquent Taxes: Cherry
- 5) Wayland High School Expansion and Modernization: Paul, Cherry
- 6) Route 30-27 Intersection Land Acquisition: Cherry
- 7) Amend Zoning By-Laws re: Sale of Beverages and Snacks at Auto Service Stations: Sam
- 8) Amend Zoning By-Laws re: Renewable or Alternative Energy Research and development Facilities: John
- 9) Amend Chapter 198 of the Zoning By-Law of the Town of Wayland: Bob
- 10) Establish Municipal Affordable Housing Trust Fund: Bob
- 11) Use of CPA Funds to Renovate a Portion of the Grout-Heard House: Rich
- 12) Use of CPA Funds for a General Preservation Planning Assessment of the Preservation and Conservation Needs of the Historical Collections held by the Town: Rich

ACTION ITEM: The warrant commentary must be completed for committee review in time for the October 19 meeting.

Adjourn: MOTION made and seconded. The meeting was adjourned at 8:47PM.

Respectfully Submitted,
Paul Grasso