



Town of Wayland Massachusetts

Finance Committee

Paul Grasso
Thomas Greenaway
David J. Gutschenritter
Cherry C. Karlson (Chair)
Sam H. Peper
Richard M. Stack
Bill Steinberg

Finance Committee
Meeting Minutes
March 21, 2011

The meeting was called to order at 7:10pm in the Wayland Town Building when a quorum was present.

Attendance: B. Steinberg, C. Karlson, M. DiPietro, D. Gutschenritter, R. Stack, P. Grasso

Absent: S. Peper, T. Greenaway

Other Business - Overlay Discussion: Ellen Brideau (Director of Assessing), Molly Upton and Susan Rufo (Board of Assessors) joined the meeting for this discussion. C. Karlson gave an overview of the purpose of the overlay account. The account is budgeted each year to fund anticipated property tax abatements, exemptions and uncollected taxes in that year. It is raised on the tax rate recapitulation sheet. Discussion points included:

- amount of overlay reflects experience with ATB cases
- account should not be in a deficit position; any overfunding will eventually be returned to free cash
- Wayland's history is that the overlay account is underfunded
 - in FY07, funded deficits for FYs 03, 04 and 05
 - in FY08, funded additional deficit for FY05
- history of abatement filings and overlay funding
- FY12 includes a \$400,000 reduction in the overlay account
- trend of recent experience should bring reduction again for FY13
- FY10 funding seems on target; too early to tell about FY11

Bruce Cummings and Zack Ventress (both from Board of Assessors) joined the meeting. M. Upton commented on the overlay amount.

C. Karlson suggested that the Assessors select a time of year to review outstanding overlay balances - perhaps in late May/early June as we prepare to close the books or in Sept/Oct as part of the review for the tax recap sheet and setting the tax rate. From a financial perspective, either timeframe works. The Assessors left to attend their own meeting.

Other Business - Operational Review Committee: P. Grasso gave an update on the ORC and the

process of reviewing the draft report. It was mentioned that some of the suggestions outlined do not fall within FinCom's charge as set by Town by-law. It was agreed that FinCom will wait to review the report until the ORC has completed its work.

Other Business - Unspent Capital: In response to a question raised at the budget hearing in February and subsequent email requests, C. Karlson, John Moynihan and Barb Fletcher created a document to list the School Department unspent capital by fiscal year. Similar information is being produced for the Town.

Minutes: Three sets of minutes were voted. A motion was made and seconded to approve the minutes of February 22, 2011 as amended. Vote: 5-0. A motion was made and seconded to approve the minutes of February 28, 2011. Vote: 5-0. A motion was made and seconded to approve the minutes of March 7, 2011. Vote: 5-0.

Public Comment: None.

Review FinCom article for Town Crier: The committee reviewed and edited the draft article. A motion was made and seconded to approve the article as amended. Vote: 5-0. C. Karlson will coordinate with T. Greenway to submit the article by tomorrow morning. A final copy is attached.

ATM Budget Article Comments: C. Karlson had not yet prepared the comments in support of the budget motion. The committee discussed clarifying the use of \$500,000 from water in the opening comments to avoid the "standard" question re: using water funds for Town operations. Discussion to be continued at the next meeting.

Other Business - Wayland Energy Initiatives Advisory Committee: C. Karlson reported on the work of this committee and distributed a one page background document they prepared. The committee is pursuing opportunities with NStar and National Grid for shared funding of energy retrofits of existing buildings. To start these projects, the Town may need to invest some capital upfront. The committee is aware of our funding opportunities and deadlines and will meet with FinCom as this project progresses. The handout is attached to the minutes.

Other Business - Candidates Night: R. Stack and P. Grasso will attend to discuss the debt exclusion.

P. Grasso left the meeting at 8:30pm.

Other Business - Debt Exclusion Question: The committee had an informal discussion of the question and how to present the capital budget if the question fails at the polls. It was the sense of the meeting that the debt exclusion items be withdrawn from the capital budget motion if the debt exclusion fails to pass at the polls. This would reflect the voters' will. The committee also supported the idea of investing in all types of infrastructure for the Town - as reflected in the written piece for the Crier.

Warrant Hearing: 7:30pm on March 28th. C. Karlson will post the meeting.

Adjourn: At 9:00pm a motion was made and seconded to adjourn.

Respectfully submitted,

Cherry Karlson

Article for Crier:

The Wayland Finance Committee strongly supports the Proposition 2 ½ debt exclusion for Town and school projects and urges Wayland voters to approve this question at the ballot. The single debt exclusion question is made up of three items: \$500,000 for two new playing fields next to the Middle School, \$30,000 for a supplemental recreation study, and \$350,000 for School technology investments.

FinCom included the playing fields in the Capital Budget with the support of the Recreation Commission and the Board of Public Works. This request was proposed as a priority in the Gale Report, a study commissioned by the 2010 Annual Town Meeting. We recognize that developing and maintaining playing fields is a responsibility of our town government. Likewise, the proposed recreation study will help the Town consider our options for recreation development (passive and active). Additionally, FinCom shares the School Committee's long-term commitment to invest in technology for our students. This proposed investment is part of a long-term plan to bring technology into our classrooms.

We carefully considered the items in this year's capital budget. We listened to Boards as they explained their capital needs and plans with us, and we listened to citizens who asked us to limit new capital spending. We recognize it is the Town's responsibility to make infrastructure investments in all areas. In the end, we pruned more than \$3 million from the initial capital requests, balancing the demand for services against the ability of Town residents to afford those services.

The projects covered by the debt exclusion—especially the fields and school technology—are some of the larger items in this year's Capital Budget, which is one reason why the Finance Committee chose to put them before the voters under the debt exclusion question. Also, the debt service on these two new projects most closely matches the old debt that will be retired this year (taking into account the amount and length of borrowing).

In fact, this year's debt exclusion will be better than tax-neutral. The debt service required to carry the debt exclusion projects will most likely cost less than what we pay now to service old, retiring debt. The per-household savings attributable to the debt exclusion will average about \$20 or about \$0.03/thousand. Of course, \$20 in average savings is small, but every bit helps, especially in a year when the largest piece of the previously approved debt service for the new high school hits the budget—and taxpayers' wallets. On the other hand, if the debt exclusion fails, the average tax benefit will be only about \$60 per household.

Proposition 2½ allows a community to raise funds for certain purposes in excess of the amount of its annual levy ceiling. The additional amount for the payment of debt service—the "debt exclusion"—is added to the levy limit for the life of the debt only, and it does not get added to the Proposition 2 ½ base. The Board of Selectmen approved FinCom's proposed debt exclusion by a 5 to 0 vote. If a majority of Wayland voters approve the debt exclusion question at the ballot, these items will be considered as part of the overall Capital Budget at Annual Town Meeting.

We could not make the hard choices that come with preparing and recommending budgets in tough times without the preparation of the staff, the advocacy of the volunteers who serve on our town boards, and the help of all those who offer us constructive suggestions on how best to plan for our Town. Thank you for all your work, and we urge all voters to join us in supporting the debt exclusion question on April 5th.

Wayland Finance Committee

Wayland Energy Initiatives Advisory Committee

Background

The Selectmen formed the Energy Initiatives Advisory Committee in February, 2009, to advise them on town energy issues. Current active members include: Anne Harris, William Huss, Harvey Michaels, Tom Sciacca, and Ellen Tohn. Ex-Officio Members include: Town Administrator, Fred Turkington and Public Buildings Director, John Moynihan.

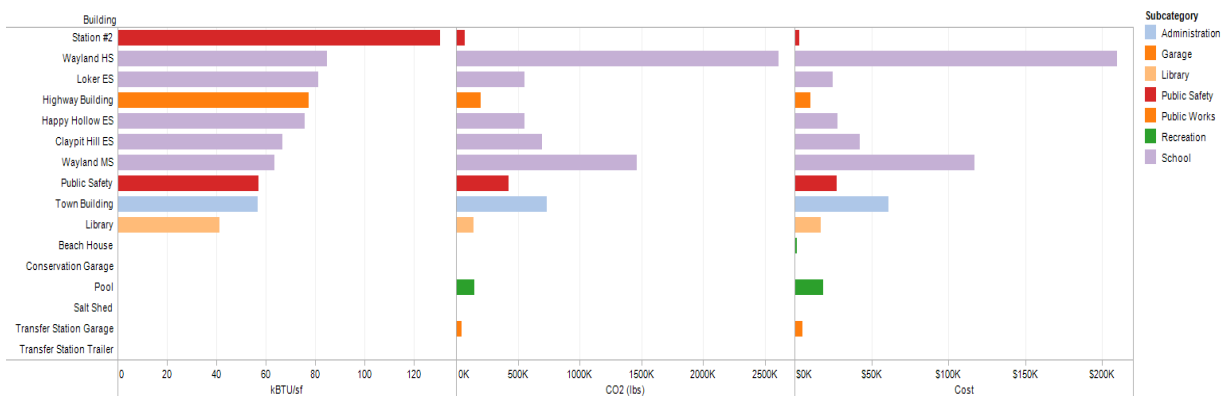
Accomplishments

The Committee has identified and pursued several energy initiatives for the Town of Wayland. Accomplishments include:

- Obtaining designation as a Green Community by the Massachusetts Department of Energy and Resources, enabling Wayland to immediately apply for \$131,775 in grant funds for 2011-12. Funds would support energy efficiency in schools and municipal buildings. The state is currently considering this application.
- Completing a town energy use baseline and plan to achieve a 20% energy reduction in 5 years. (See below for summary of municipal energy uses)
- Securing an agreement with NSTAR to replace Wayland's inefficient street lights with more efficient bulbs, saving the town an estimated \$39,000/year.
- Facilitating the passage of a more energy efficient building code.

Energy use by town buildings in FY 2010 is presented below in Btu/square foot (enabling comparisons across buildings of different sizes).

For Printing - Building Efficiency, Emissions and Cost



Note: Energy use for Library and Public Safety Building approximately 30% less than previous years due to flooding in the spring of 2010 leading to building shutdowns.

Looking Forward

Future Committee plans include pursuing:

- Opportunities with the utilities (NSTAR and National Grid) to support added energy retrofits to existing buildings for maximum cost-effective energy efficiency.
- Initiatives to encourage residential energy improvements.
- Opportunities for solar photovoltaic installations.

Further information on the Committee's activities can be found on the Town website at http://www.wayland.ma.us/Pages/WaylandMA_BComm/Energy/index.