



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 September 12, 2011

The meeting was called to order at 7:05 pm in the Small Conference Room at the Wayland Town Building.

Attendance: C. Karlson (Chair), P. Grasso (joined at 7:12 PM), T. Greenaway (joined at 7:13 PM), D. Gutschenritter, S. Peper, R. Stack (joined at 7:11 PM), B. Steinberg, and M. DiPietro (joined at 7:11 PM).

Minuteman Update: Sam Peper shared a draft letter (attached) from six of the cities and towns that are part of the Minuteman School District (Belmont, Carlisle, Concord, Sudbury, Wayland and Weston). The letter sets forth concerns from these members regarding proposed changes to funding allocations among member cities and towns that would impact the funding of a new facility. In addition, the letter notes that the 16 cities and towns that are members send 60% (380) of the students to Minuteman, while 40 non-member cities and towns send 40%; however the non-member cities and towns do not have any obligations to fund capital improvements. The Wayland Board of Selectmen are to discuss the letter and vote to endorse it at a meeting this month.

Public Comment: Linda Segal had two questions. First, she wanted to know what the term TAG (on the agenda) means and was told that it means "The Abrahams Group". Second, she asked what items would be discussed as part of the "Chairman's Update" and was told that it would include one item: a change in the date of the State of the Town Meeting to October 19th.

Donna Bouchard had six items: 1) she requested that the Finance Committee support the payment of \$2,500 to TAG as she feels they were asked by the Operational Review Committee to provide analysis that was beyond the scope of the contract; 2) she believes that the Town's Finance Director set the amount of the Overlay Account for the fiscal 2012 budget without disclosing how that calculation was made and without having the amount discussed and voted upon in an open meeting. She would like more oversight by the pertinent boards on setting the Overlay Budget in the future. She also indicated that she thinks the amount of the Overlay is larger than it should have been; 3) she requested that the amount of free cash held by the Town be reduced significantly in the fiscal 2013 budget; 4) she requested that the Finance Committee should work to reduce the tax rate in future budgets; 5) she requested that the Town not apply any excess funds from the tax levy to fund any expenditures that were not approved at Town Meeting; and 6) she feels that the Finance Director should provide more detailed reporting than has been provided in the past.

Review/Vote of Minutes of August 22, 2011: The minutes of that meeting were reviewed, amended and approved by a vote of 7 - 0.

Capital Improvement Program: review/approve updated form: Sam Peper presented the Members with an updated form (attached) from the one reviewed at our meeting of 8/22/11. It was suggested that in the funding section, the lines under "Funding Sources" for Borrowing and Cash Capital should be combined into one line, as it is not for the various Town Boards to determine which of these funding method will be used for the capital spending requests. There was a discussion among Members of how the Town should track capital improvement projects and a system for accounting for Town assets (i.e. an inventory of trucks,

equipment, etc.). It was suggested that a fixed asset tracking system should be initiated and implemented over the next few years. The CIP form presented by Sam as amended (see note regarding Funding Sources) was approved by a vote of 7 – 0.

TAG Report: Phase I Response, Funding: TAG has requested that the Town increase their fee by \$2,500. Their initial request was for \$5,000 for work they did, that was beyond the scope of their contract. It is the responsibility of the Operating Review Committee (“ORC”) to make a formal request of the Finance Committee for payment of such amount. Paul Grasso, a member of the ORC, indicated that he anticipates that this will be done later this month. Cherry Karlson said that she will draft a Finance Committee response to the Phase I TAG Report for review by FinCom at our next meeting.

Chairman’s Update: Cherry Karlson reported the following public records requests (all from Donna Bouchard on 9/1/11): 1) a copy of the Finance Committee multi-year plan; 2) a copy of the Finance Committee’s multi-year plan for free cash showing why free cash in the range of 5 – 10% is recommended; and 3) a 3-year projection of free cash from a year ago (the Finance Director has provided this).

Rich Stack is planning to attend the School Committee trip to Yarmouth, ME in early October to learn about their school technology program.

FY ’13 Budget Projections – Preliminary Discussions, Information Gathering: Mike DiPietro provided Members with four handouts (attached) for review of the close-out of the 2011 fiscal year operations and which will lead into the budgeting process for fiscal year 2013. First, Mike presented a chart detailing Local Receipts for the fiscal years 2009 – 2011. The Members were able to see how these numbers are trending and the variances in these amounts from year to year. The two most significant changes in 2011 were increases in the motor vehicle excise taxes and the increase in building permits. The question is whether this trend will continue.

Mike next discussed turnbacks (funds not used by departments in 2011 from their fiscal year 2011 budgets). Significant items here were: a) personnel – there were several departments with open positions that either took several months to fill or were not filled at all (which raised the question of good savings or a loss of services?); b) the transfer station tipping fee, which will no longer be part of the budget; c) FEMA reimbursement for a late snowstorm, which was not anticipated; d) school savings from utilities and staffing exchanges; and e) Unclassified savings, which included savings on health costs and the reserve fund transfer. Members have asked Mike to provide a more detailed breakdown of this last category for our next meeting, especially given the size of those savings (\$811k). Total Turnbacks totaled \$2,527,596 and were 4% of the general budget.

Mike discussed the handout showing changes in the Town’s free cash position. Members have asked Mike to get more detail on the “Transfers”, which included insurance and dog licenses. The total free cash of \$10,304,702 has not yet been certified. It is approximately 14.9% of the General Fund Budget for fiscal year 2012.

The final sheet we reviewed was the draft FY ’13 Budget. There was a discussion of the impact of not incorporating a 2.5% tax increase. This would impact all future years by the amount of additional funds not raised, compounded by 2.5% in future years. Mike is going to analyze the impact on free cash if the 2.5% increase, or a portion thereof, is not raised in fiscal ’13. In addition to using free cash to fund shortfalls due to not increasing the tax levy, the Members will consider using free cash to prepay pensions and benefits and to pay for a more significant portion of capital improvements.

Follow-up and Future Agenda Items: Paul Grasso requested that the status of funding for new playing fields be placed on the agenda for 9/19/11. He also asked the status of a new fire truck due to the development of the multi-family project at the site of the former Kathryn Barton Nursing Home on Commonwealth Road. Paul will check on the status of the purchase of the Hamlin property.

The FinCom presentation for the State of the Town meeting on October 19th will be on the FinCom agenda for 9/19/11.

Adjourn: At 9:45 PM a motion was made and seconded to adjourn the meeting. The motion carried and the meeting was adjourned.

Respectfully submitted,

William Steinberg