



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 October 3, 2011

Attendance: C. Karlson (Chair), B. Steinberg, T. Greenaway, P. Grasso, R. Stack, D. Gutschenritter, S. Peper
Also in Attendance: Mike DiPietro, Finance Director

- I. Call to Order:** The meeting was called to order at 7:10 PM in the Wayland Town building.
- II. Public Comment:** None.
- III. Free Cash Discussion:** Two Finance Committee representatives (B. Steinberg and T. Greenaway) met with Donna Bouchard and Tony Boschetto on September 29th at the request of the Board of Selectman to discuss the use of free cash. No decision or action was taken. Donna Bouchard stated that she is looking for \$2 - \$2.5 million in free cash be applied to the FY12 budget after a revenue adjustment of \$1 million is made.

M. DiPietro recommended a FY12 revenue adjustment of \$850,000. Discussion followed and it was the sense of the meeting that the revenue adjustment should be between \$850,000 and \$1 million.
- IV. Joint Session with Board of Selectmen to Discuss Cash Reserves and Potential:** FinCom joined the BoS in the large hearing room. C. Karlson gave an overview of how free cash built over the years due to conservative budgeting, one-time unanticipated revenues, larger than expected expense give backs, focus on maintaining the Aaa bond rating and avoiding overrides. FY13 budget guidelines already tighten revenue forecasts. A chart showing the history of free cash as a percent of budget was distributed and will be posted on the Town's website. Using free cash for unfunded liabilities and capital projects was discussed. T. Greenaway said the committee agrees that free cash is too high, and they are making an effort to bring it down. Public comment followed and the FinCom returned to their meeting.
- V. Free Cash Discussion, continued:** The committee discussed how to evaluate the varying dollar proposals for a potential STM. Public comment has included free cash amounts from \$1 million to \$5 million. FinCom outlined the format of a summary chart to show the changes in free cash balance, tax rate and percentage tax increase for various proposals. After discussion, three scenarios were identified for discussion with the BoS: no STM (\$1 million revenue adjustment and FY13 budget guidelines as issued); STM with \$1 million free cash applied to FY12 plus \$1 million revenue adjustment; and STM with \$2.5 million free cash applied to FY12 plus \$1 million revenue adjustment. M. DiPietro will run the numbers for discussion at next meeting on Thursday, October 6th.

VI. Adjourn: At 10:35pm, a motion was made and seconded to adjourn the meeting. The motion carried and the meeting adjourned.

Respectfully submitted,

Richard Stack