



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 6, 2011

Attendance: B. Steinberg, P. Grasso, C. Karlson, T. Greenaway (joined at 8:30), D. Gutschenritter, S. Peper, R. Stack.
Also Attending: Mike DiPietro -- Finance Director, Betty Salzberg.

I. Call to Order

The meeting was called to order at 7:00 PM in the Small Committee Room at the Wayland town building.

II. Public Comment

None.

III. FY 13 Budget Discussion

The Committee discussed the potential effects of applying free cash to FY 12 budget expenditures. We also reviewed and agreed to assumptions used for planning purposes (operating budget turn backs assume 2%, or ~\$1.5M, and surplus revenue is based on 10% of local revenue estimates, or ~\$400K). We also reviewed the bases of other assumptions:

- New growth (to be further discussed with the Board of Assessors)
- FEMA Reimbursements expected
- Overlay reserve release

Mike DiPietro used these assumptions and others to quantify and model various FY 2012-2014 scenarios based upon the application of different levels of free cash to lower the FY 12 property tax rate. The committee discussed the scenarios – which were categorized based on what could be applied within the existing and approved FY 12 Operating Budget, to a more aggressive free cash usage which could occur in the case of a Special Town Meeting where the sources of funding the FY 12 Budget could be redefined.

All scenarios were reviewed under the FinCom goals expressed by Cherry Karlson and agreed-to by the committee: 1) reduce free cash as a way to provide tax relief to the citizens of Wayland for FY 12; 2) that we prefer a level stream of any tax increases across the FY 2012-14 timeframe rather than a “whipsaw” effect from one year to the next; and 3) that the town maintain level services across this and future time periods.

Whether or not the Board of Selectmen (through FinCom guidance) should write its own warrant article to open the Special town Meeting process was discussed. Arguments for were that it would provide a proactive option by which to have the discussion about free cash usage. Arguments against were that it sets a precedent to open future budgets in the same timeframe in following years.

Based on the scenarios reviewed, we identified them by category: no STM assumption (least impactful to free cash position in FY 12) through more aggressive options assuming a STM. The Committee recommended changes to amounts and timing in the various scenarios and it was agreed that Mike DiPietro would quantify the changes and that a formal recommendation of which scenario to be used would be presented to the Board of Selectmen.

IV. Chairman's Update

Cherry Karlson reiterated that any liaison meetings FinCom members would attend regarding the FY 13 budget should still be held under the assumption that the FY 13 Budget Guidelines are in place, noting that any potential impact from STM decisions are unknown.

V. Member Concerns

No concerns – outside of the discussion regarding the STM – were noted.

VI. Adjourn

At 10:05 PM a motion was made and seconded to adjourn the meeting. The motion carried and the meeting adjourned.

Respectfully submitted,

Paul Grasso