



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 17, 2011

Attendance: B. Steinberg, P. Grasso, C. Karlson, T. Greenaway, D. Gutschenritter (joined at 7:40), S. Peper, R. Stack.
Also Attending: Mike DiPietro -- Finance Director, Petitioners for STM Articles 1 & 2; D. Bernstein

I. Call to Order

The meeting was called to order at 7:09 PM in the Senior Center at the Wayland town building.

II. Public Comment

George Harris inquired as to whether the Petitioners' Q&A session (agenda item) would be open to the public.

III. Minutes Approval

Motions were made and seconded to approve the minutes for the meetings held on September 26 and October 6. Both sets were approved 6-0.

IV. Discussion of STM Article 2 with Petitioners

Tom Greenaway (FinCom member responsible for Article 2 commentary) asked the petitioners to explain and clarify their intentions for Article 2. Specifically for Article 2, the petitioners were asked about which forms are to be reviewed per Article 2, and to define the schedule by which this meeting would occur. Questions asked included:

- Should the proposed meeting be narrowed only to the aspects of the tax recapitulation sheet for which the BoA is responsible (Overlay), or should it be broadened? If the latter, how should this happen? When should this be scheduled per the language of the article?
- In order to clarify the Article, would the Petitioners in their Motion at STM better define it?
- There is a recommendation in Part 2 of The Abrahams Group report that addressed the Tax Recapitulation Sheet reconciliation between the spring budget setting (TM) and the fall period when the tax rate is officially set. Paul Grasso asked if this recommendation would address Article 2? D. Bouchard indicated that the Article hearing is more formal but does not necessarily replace the TAG recommendation.

- Are there other means by which the outcome of this article can be addressed rather than a BoA public meeting/review? D. Bouchard responded that the discrepancies and process of the Tax Recapitulation sheet calculation and certification lacks sufficient controls and oversight that makes the Article necessary.
- What should the outcome of the proposed BoA Tax Recapitulation sheet meeting be? K. George and D. Bouchard indicated transparency as being paramount.
- G. Harris (public comment) clarified that documents to be reviewed in proposed meeting be the Tax Recapitulation Sheet and supporting documents. He also felt that all relevant committees and personnel should attend the proposed hearing.
- Richard Stack asked if the BoA had taken a position on Article 2. M. Upton and Tom Greenaway responded that the BoA would reserve comment until Article 2 is finalized.

V. Discussion of STM Article 1 with Petitioners

Cherry Karlson asked the petitioners to preface the reasons for and outcomes expected from Article 1. D. Bouchard offered an email from the Town Administrator to G. Harris that she felt assumed Article 1 as “moot” (per email language). There was concern on behalf of the petitioners that the BoS article “pre-empted” Article 1.

T. Boschetto indicated that the main reasons for Article 1 was the need for free cash being returned to taxpayers and the timing by which this should happen given what was known from FY 11 actuals. The actual figure to be included in Article 1 is not yet known but will be provided within a few days. The petitioners’ model for Article definition uses same assumptions as FinCom used for its FY12-14 models. It was agreed to that Article 1 (and the BoS article) will assume that free cash to be applied to FY 12 will come from “*available free cash.*” It is important to clarify between “unreserved fund balance” and “available free cash.”

FinCom asked the petitioners to assess future impacts of the amount of free cash returned to the taxpayers in FY 12. T. Boschetto stated that Operating Budget assumptions were consistent (as previously mentioned) but that there is due diligence that would be required to verify operating budget assumptions given budget turn backs, expense drivers, etc. There would be deviation on the amount, timing, and areas where free cash was to be applied. The petitioners did agree that the preferred range of available free cash is between 5-8%.

D. Bernstein (public comment) indicated that overrides are the responsibility of the taxpayers to decide on a yearly basis.

The Committee discussed the problems due to timing and the proper assessment of FinCom commentary for Article 1 given that there is no figure as yet defined in Article 1.

VI. Discussion of BoS Article

For commentary preparation, David Gutschenritter proposed that we choose up to three reasonable scenarios regarding free cash % (Scenario B – no STM; Scenario C (BoS Article); and a static 6.5% available free cash balance) scenarii.

Rich Stack proposed that the Committee should set a stated policy that defines stabilization fund amounts/% (in addition to available free cash), as well as a policy to identify what should be done with free cash in excess of budgeted amounts.

The Committee decided to decline voting on any articles until the specific Article 1 figure was presented and that there was appropriate commentary for Article 2.

VII. Chairman’s Update

D. Bernstein spoke to funding needs for electronic voting. Since the assumption at the end of FY 11 was that there would be no fall STM the ELVIS committee was not prepared to put forth a funding article until the April 2012 ATM. The STM in November of 2011 has accelerated the decision. Alan Reiss submitted an email with these concerns/requests:

1. *The FinCom will vote and agree by majority that they will recommend and fund a leased e-voting service as recommended by ELVIS2 and the moderator for the Annual Town Meeting of Wayland 2012.*

2. *The FinCom will vote and agree by majority that they also recommend that the first two nights of said ATM be consecutive.*
3. *The FinCom will vote and agree by majority that they will allocate up to \$25K which will cover sufficient check in stations and keypads for up to 800 people for two consecutive nights.*
4. *The FinCom will vote and agree by majority that they will support the Electronic Voting article at the ATM 2012 and said article is attached to this email.*

Tom Greenaway moved that to transfer \$30K from FinCom reserve account to the unclassified Town Meeting account. The motion was seconded by Sam Peper. After discussion, Tom Greenaway amended his motion to include the language to note that "FinCom fully supports electronic voting at Town Meeting." This was seconded by Bill Steinberg. Cherry Karlson amended the amendment to state that "FinCom is fully supportive of the concept of electronic voting at Town Meeting." Paul Grasso seconded the motion. All three amendments and motions were approved 7-0.

D. Bernstein raised questions regarding our presentation to the BoS on September 26. The questions regarding free cash and operating budget estimates and assumptions were discussed.

The letter from Don Bustin offering support on miscellaneous financial reporting was discussed by the Committee in terms of scope and appropriateness (i.e., staff work vs committee work/special projects).

G. Harris made three public records requests regarding BoS presentations, Finance Director data document review, and tax account definitions. These requests were discussed regarding context and response.

BoS requested that the FinCom discuss submitting an article for ATM to establish an enterprise fund for Water operations.

VIII. FinCom Members and Finance Director Concerns

Bill Steinberg reviewed his experience at a Finance Committee training session. Specifically he attended work sessions around the need for and establishment of stabilization funds for capital budgets, and listened to speakers discuss how towns and municipalities should plan for and assess free cash balances.

At 10:15 PM a motion was made and seconded to adjourn the meeting. The motion carried and the meeting adjourned.

Respectfully submitted,

Paul Grasso