



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 December 5, 2011

Attendance: C. Karlson (Chair), B. Steinberg, T. Greenaway, P. Grasso, R. Stack, S. Peper, D. Gutschenritter (7:05)
Also in Attendance: Mike DiPietro, Finance Director

- I. Call to Order:** The meeting was called to order at 7:00 PM in the Wayland Town building.
- II. Public Comment:** None.
- III. Minutes:** The minutes of October 3rd were reviewed. Motion and second to approve. Vote: 6-0. The minutes of November 17th were reviewed and corrected. Motion and second to approve the minutes as amended. Vote: 5-0-1 (Peper).
- IV. Independent Audit:** M. DiPietro, S. Peper and T. Greenaway gave an overview of the audit. A public records request was received which includes questions about the financial presentation. S. Peper suggested following up later as the details of the audit are not the focus of tonight's presentation.
- V. Tax Rate Discussion:** The BoS holds its Tax Classification Hearing on December 12th and asked for FinCom input. C. Karlson, B. Steinberg and T. Greenaway met with Ellen Brideau (Assessor) and Jayson Brodie (Chair, BoA) to discuss the possibility of a split tax rate for FY12. FinCom discussion covered that 95% of Wayland's tax base is residential; shifting to a split rate gives minimal residential relief and has more dramatic impact on the business side. It was the sense of the meeting that more research was needed. The discussion will be continued after the next agenda item.
- VI. Melanson Heath & Co.:** FinCom joined the Board of Selectmen for a presentation of the FY2011 audit (presentation was in progress). Topics covered included revenue and expense variances, enterprise funds, debt payout and the four comments. The Town Administrator reviewed the draft management response noting which comments have already been addressed. The auditor summarized that Wayland's finances are in good shape and that we should compare ourselves with other Aaa communities.
- VII. Tax Rate Discussion, continued:** It was the sense of the FinCom meeting not to move to a split rate at this time. Discussion points included:
 - More analysis is needed to thoroughly understand the impact of splitting the Residential/CIP rate as well as

the implications of possibly implementing the small commercial or residential exemptions.

- Understanding that all scenarios are a zero sum gain in terms of taxes collected and merely shift the tax burden, it is important to understand how that happens in each scenario.
- No outreach has occurred to our business community to discuss the potential for changing the rate.
- With the expected growth to our commercial base, the discussion was to take no action before the new components are up and running successfully.
- More information about the tax structures and rates for our surrounding communities is needed.

The assessors offered to provide the data we need for a more detailed analysis. FinCom thought there was opportunity for a working group to review this in more detail and suggested including members of the Economic Development Committee for their input on optimizing tax revenue. Discussion was that the work/analysis should be done earlier in the year to allow for communication and decisions earlier in the process.

VIII. Discussion of STM: FinCom had a brief discussion about November's STM. Members' comments included:

- Petitioners presented a concise, controlled, successful argument
- Budget goals were discussed publicly during the process which should help with explanations of the FY2013 budget
- Transparency continues to be the focus of our work and the public's requests
- FinCom needs to do a better job of communicating fiscal policy, and we will work on this for the FY2013 budget (e.g. use of stabilization funds, use of CPC funds, etc.)
- FinCom will strategize on how to avoid needing to revote the budget/funding decisions of future April annual town meetings (e.g. developing policies on how to use unanticipated/unbudgeted revenues or department give backs)

IX. Chairman's Update: C. Karlson reported on

- Remote attendance: The BoS voted to allow remote attendance at meetings. C. Karlson will attend the training on December 12th in case FinCom wants to utilize this option.
- Operational Review Committee: Brief reminder that FinCom's response to Phase II is still pending.
- Public Records inquiry: Follow-up to letter in the Crier about salary payout for FY2011. Research still ongoing.

X. Financial Reporting (update): R. Stack gave an update on purchasing a financial reporting package for use with the FY2013 budget analysis. Discussion was favorable and continued later in the meeting.

XI. Economic Development Committee: Becky Stanizzi and Sam Potter presented concept plans for 216 units of age restricted rental housing on the site of the former septage facility. Next steps are to continue discussions with Town boards, develop an article for ATM requesting funds for a market study and Phase 1 and develop firmer valuation studies. The FinCom was generally supportive of their work and applauded their communication and planning efforts. B. Steinberg will act as liaison on this project.

XII. Financial Reporting, continued: R. Stack suggested that instead of approving individual reports that FiCom authorize the Town Administrator and Finance Director to engage a consultant to create and furnish financial reports. C. Karlson will follow-up with the School Committee. A motion was made and seconded to engage a consultant. After discussion, the motion was withdrawn. Another motion was made and seconded to support the Town Administrator to hire a consultant to develop and implement at least eight new template financial reports to support the FY2013 budget process, including but not limited to, a new department expense budget report, an FTE history report, a revolving fund report, a reserve and fund balance report, a revenue/expense history report, an employee benefits key indicator report, a revenue recap report, and a capital project status report, and to allow the Town Administrator to spend up to \$5,000 for such reporting from the Finance Department budget purchase of services line item. Vote: 7-0.

XIII. Chairman's Update, continued: C. Karlson reported that an updated report on Unspent Capital as of November 30th should be ready for review (in draft) at the next meeting.

XIV. Members' Reports and Concerns: S. Peper asked that we look at obtaining a resource to take minutes at our meetings. Having members take minutes does not allow full participation in the meetings. C. Karlson mentioned that the School Committee has just implemented this on a trial basis.

XV. FY2013 Budget Discussion: M. DiPietro gave an overview of the capital items requested. FinCom reviewed each item requested for FY13 with questions being deferred to the liaison for follow-up information.

Members expressed interest in a discussion of the budget from a higher level at the next meeting. Also, the meeting schedule for budget work will be reviewed.

VI. Adjourn: At 10:25pm, a motion was made and seconded to adjourn the meeting. The motion carried and the meeting adjourned.

Respectfully submitted,

Cherry Karlson