



# 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 February 6, 2012**

Attendance: C. Karlson (Chair), B. Steinberg, T. Greenaway, S. Pepper, R. Stack, D. Gutschenritter (8:03), P. Grasso (8:20)

Also in attendance: M. DiPietro (Finance Director)

The meeting was called to order at 7:04 PM in the Senior Center, Town Building.

### **1. Public Comment:**

Kim Cook, Lincoln Rd, is concerned that the ATM article modifying Section 19.8 of the town code is moving too fast and not been enough research has been done. She has made the effort to work with assessors but she feels they are not looking at the whole picture. T. Greenaway will sit down & talk to her about it.

Linda Segal noted that she is voice recording the meeting.

Anette Lewis, Claypit Hill Rd. made the following statements:

- Asked if the document she provided at the previous meeting had been distributed to FinCom members. C. Karlson apologized that it had not been done yet.
- Requested more line item detail in the Warrant for the larger departments – say those above \$1 million - to give the residents a better idea of how the money is being spent on the bigger budgets.
- In the WayCam video showing the tour of the DPW garage, Don Ouellette says \$80,000 was spent on building repairs. What was the money spent on? And where did the money come from? The voters should have known where the money came from.
- The DPW building capital request was to include the amount for the feasibility study. Do we have the schematic designs for this money? CIP forms are not accurate. C. Karlson stated that FinCom will review CIP forms for accuracy; figures will include carry over monies.
- Past capital projects are carrying large unspent balances shown on the semi-annual report from the web page. They are carrying huge amounts of money; we should spend the money if we are being taxed for them.

2. **Minutes:** The following minutes were reviewed with lengthy discussion
  - January 23, 2012: motion made and seconded to approve as amended. Vote: 5-0.
  - January 26, 2012: motion made and seconded to approve as amended. Vote: 5-0.
  - January 30, 2012: motion made and seconded to approve as amended. Vote: 4-0-1 (Stack),
  
3. **FY2013 Budget discussion:**
  - The Committee reviewed and discussed in detail the email correspondence from F. Turkington dated Feb 1, 2012 suggesting the committee look carefully at how the changes they make will affect the total outcome. No changes were made to the budget as a result.
  - The FinCom again discussed the funding source for DPW road reconstruction (operating vs. capital) and kept the budget as previously discussed. C. Karlson stated that since we are funding out of cash now, in future years it might be an issue refunding with debt.
  - Loker field development: FinCom discussed the timing and funding of the Rec request for \$60,000 to create plans for development. Bob Verzi, Rec, attended the CPC meeting to present the project.
  - T. Greenaway reached out to resident Tony Boschetto re: potential concerns with the FY2013 budget based on his article in the Crier. Greenaway encouraged him to ask questions now before the budget process is completed.
  - After D. Gutschenritter's arrival, further discussion occurred on the Loker field request in the proposed capital budget. A motion was made and seconded to remove the Loker field request for \$60,000 from the capital budget. Vote: 6-0. Jerry Heller, chair of CPC, expressed his committee's support for learning more about the project and said that CPC has the ability to fund creation of new fields.
  - CIP forms need to be updated and online by Friday, February 10<sup>th</sup>. Each FinCom member will review the CIP for his liaison areas.
  - Budget discussion to be continued after next agenda item.
  
4. **ATM 2012 Warrant Article Discussion**
  - **Article CPA4: Revoke Acceptance of CPA:** Lead petitioner, Jay Sherry, explained that petitioners have rewritten the article to amend the tax rate to .1% and requires a town meeting vote and town election to amend. According to the DOR if it is voted, it can be implemented the following fiscal year (FY14). We have modified the text at the recommendation of town council. The petitioner has redrafted the article and got all the necessary signatures. Discussion followed concerning state reimbursement rates, purpose of CPA and other related topics.

Jerry Heller, Chair of CPC, requested time to speak on the article. He explained the positive aspects of CPA and upcoming potential opportunities for the Town. Specifically, he mentioned the Hamlen property, rail trail, parcels Conservation is looking at, and recreation area development. He mentioned pending legislation to change the CPA reimbursement rate and to allow funds to be spent on existing rec areas.
  
5. **FY2013 Budget Discussion, continued:**
  - **Financial Projections:** M. DiPietro handed out the standard worksheet for looking at multi-year financial projections. Linda Segal requested a copy and T. Greenaway provided one for copying. M. DiPietro summarized the worksheet focusing on the overlay amount (confirmed by the Assessors), state aid changes, pension prepayment and amount of cash to be used toward the budget. The projections assumed \$700,000 from the SC revolving accounts. As presented, the tax increase is about 4.75%.

P. Grasso reported on his attendance at the SC meeting for the discussion of the revolving funds. The SC obtained a legal opinion that states the money has to go to intended purposes. It can be applied to future programs (possibly a 5 year plan) but cannot go back to general fund. SC is asking for clarification and wants it resolved by TM.

Discussion of free cash levels (estimated) in June 2012 occurred. Members discussed revenue estimates (local receipts are running a little behind at this time), turnback amounts (town and school), school revolving accounts and the timing and potential of additions to free cash, It was the sense of the meeting that our free cash goal was 7.5% and funds should be used toward operating and capital to achieve that goal. It was also discussed that there are no known one-time funds occurring in FY13 to supplement the free cash balance.

Based on this information, FinCom removed the revolving funds from the estimated free cash balance and reduced the amount of free cash used to balance the operating budget. M. DiPietro will calculate the new percentage increase, but it will be between 5-6%.

Preliminary FY14 numbers show a larger percentage tax increase unless the budget is cut or more free cash is available.

- **FY2013 Budget Presentation:** C. Karlson passed out a copy of last year's slide presentation (available online at [http://www.wayland.ma.us/Pages/WaylandMA\\_Finance/FINCOM%20FY%202012%20DRAFT%20BUDGET%20PRESENTATION%20Feb%202011%20final.pdf](http://www.wayland.ma.us/Pages/WaylandMA_Finance/FINCOM%20FY%202012%20DRAFT%20BUDGET%20PRESENTATION%20Feb%202011%20final.pdf)) and a discussion took place about the presentation for the FY13's budget. Presentation will be February 13<sup>th</sup>. C. Karlson will present the budget and each member will answer questions about their specific liaison area.

#### 6. ATM 2012 Warrant Article Discussion:

- **Article 8: Compensation for the Town Clerk.** D. Gutschenritter explained this standard article. Motion was made and seconded to recommend approval. Vote: 7-0
- **Article 9: Approve the Personnel Bylaw and Wage & Classification Plan.** D Gutschenritter outlined the changes to this standard article and include information on number of FTE and dollar impact. Motion was made and seconded to recommend approval. Vote: 7-0
- **Article 11: Accept Gifts of Land.** S. Peper explained that there are no known gifts of land this year. Motion was made and seconded to recommend approval. Vote: 7-0.
- **Article 12: Accept Law Increasing Real Estate Tax Exemption Amounts.** S. Peper summarized the changes from last year. Motion was made and seconded to recommend approval. Vote: 7-0.

#### 7. FinCom Members' and Finance Director reports and concerns:

- Updated meeting schedule February 13, 22, 27, March 1 & 5<sup>th</sup>.
- R. Stack reported that the financial reports are online now. C. Karlson asked R. Stack and M. DiPietro to coordinate with the SC and BoS efforts to create financial reports so that all numbers tie and formats are user friendly and similar.

The meeting was adjourned at 11:00 PM

Respectfully submitted,

Marilyn Carr and Cherry Karlson

Documents:

- Email from Fred Turkington to FinCom, Feb 1, 2012
- Jay Sherry's CPA handout
- FY2012 Budget Presentation, February 2011 (Online at [http://www.wayland.ma.us/Pages/WaylandMA\\_Finance/FINCOM%20FY%202012%20DRAFT%20BUDGET%20PRESENTATION%20Feb%202011%20final.pdf](http://www.wayland.ma.us/Pages/WaylandMA_Finance/FINCOM%20FY%202012%20DRAFT%20BUDGET%20PRESENTATION%20Feb%202011%20final.pdf))