



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 13, 2012

Attendance: C. Karlson (Chair), B. Steinberg, T. Greenaway, D. Gutschenritter, P. Grasso, S. Pepper, R. Stack, M. DiPietro (Finance Director)

The meeting was called to order at 7:15 P.M in the Large Hearing Room of the Town Building following some technical difficulties with the slide projector.

1. **Presentation of FY2013 Proposed Budget:** B. Steinberg and C. Karlson presented the slides for the proposed FY13 budget. (The presentation is available online.) Following the presentation, the forum was opened for questions.
 - Tom Sciacca, Rolling Lane, commented that there was no mention of tax relief from the Town Center. C. Karlson said that the property is valued at about \$22 million and the new development needs to exceed that value before the Town will see increased tax revenues. Tax relief is not expected for approximately two years. T. Greenaway commented that there is a lag time in recognizing the increased assessed value since our assessments are in arrears. T. Sciacca commented on the DPW capital appropriation for the cemetery expansion and had concerns about the expansion and the possibility of chemicals seeping into and polluting the wells.
 - Donna Bouchard, Concord Road, was concerned about the cost and timing of the Middle School roof and the MSBA process. C. Karlson explained that while J. Moynihan did miss the MSBA deadline due to personal reasons, the MSBA did accept Wayland's application. D. Bouchard also asked how free cash was estimated. C. Karlson said that free cash estimate included items that could come from outside sources like FEMA.
 - Kim Cook, Ellie Lane, had the following questions/comments.
 - Asked for clarification on the 3% budget growth. T. Greenaway offered an explanation and. R. Stack noted that budget data is on the website.
 - Asked if we could opt not to pay the step and lane increases. T. Greenaway said that this was against the contractual agreement.
 - C. Karlson asked K. Cook to identify where she would cut the budget. K. Cook noted that police and teachers salaries are high and she would look there first. T. Greenaway commented that teacher's retirement comes into play and that the police have private details for which the town doesn't pay.
 - K Cook commented that beach improvements listed at \$130,000 are excessive and shouldn't be paid by those who don't use the beach. She asked if the revolving account

- would pay for it. C. Karlson explained that the capital request is a handicapped access dock and that the revolving fund does not have the capacity to pay for all capital costs
- Anette Lewis, Claypit Hill Road, had a number of comments/questions.
 - JCC: why do utilities show here instead of the Facilities budget? M. DiPietro stated that the cost listed is for the laptops in the police cruisers.
 - Schools: asked that the HVAC/electrician be pulled out for separate vote and questioned the level of benefits. C. Karlson commented that the electrician was a school position and that we have no jurisdiction to change how funds are used within the School budget. A. Lewis asked who would drive the school bus requested under capital. C. Karlson answered that a current employee would do so.
 - DPW Water budget - what does it include?
 - DPW budget - asked what is included in parks, highway and cemetery budgets and can they be shown as separate entities in the final budget? The snow removal budget should be lowered because we didn't use it this year. R. Stack stated that snow removal is an estimate based on 5 years of actuals.
 - Pension: questioned the \$1million prepayment, to retirement. D. Gutschenritter explained that given the level of contribution and market returns on investment, this is a prudent use of free cash.
 - Unclassified:
 - Why do we need \$115,000 in Reserve for Salary Settlement? C. Karlson commented that we are holding \$65,000 for the position of a financial analyst to work for the town and schools.
 - A. Lewis questioned the use of the Reserve Fund. C. Karlson noted that this is the FinCom's account for those items that come up between Town Meeting and are for unforeseen expenses. One example is the Reserve Fund was used to fund electronic voting for April's ATM.
 - Do we know what the FTE benefit is for employees? A. Lewis feels that the employees need to see how much they are actually making including benefits. C. Karlson noted that she met with J. Senchyshyn to discuss this topic and already sent A. Lewis an email with the information.
 - DPW Water: why did the water fund increase \$75,000? C. Karlson stated that the chemical costs have increased.
 - Septage: questioned the number of employees for whom we are paying retirement benefits.
 - Waste water management: A. Lewis asked to understand the components of supplies. C. Karlson said that the broad category is supplies, the underlying category is contingency.
 - Kent George, Indian Dawn, asked a number of questions.
 - Asked about the difference in costs for the high school, T. Greenaway commented that the difference is between the high school actual and actual FY'11 to estimated FY'13.
 - Commented on Facilities budget and said that it didn't appear until recently. C. Karlson stated it has been in existence for three years.
 - Reduction of DPW costs – why? C. Karlson explained that some of the road maintenance is being funded in the capital budget this year.
 - Asked about the growth in the School budget. R. Stack commented that if you look over the five-year span and take an average, that is why it is decreasing
 - George Harris, Holiday Road, had the following comments
 - School budget: per The Abrahams Group, a recommendation was made that the revolving fund money be returned to public. Has FinCom asked for a legal opinion? C. Karlson stated that the School Committee hired an attorney to opine on how to handle the

revolving funds. R. Stack commented that we should be asking the state to make the determination, not a private attorney.

- How is free cash determined? How much does the Aaa bond rating save me? D. Gutschenritter explained the borrowing costs of a lower bond rating. R. Stack commented that the Department of Revenue expects us to have free cash.
- Molly Upton, Bayfield Road, commented that the Town needs to lower the tax rate to attract new residents and businesses to town.
- Donna Bouchard, Concord Road, asked to consider hiring a consultant for the first year instead of a fulltime financial analyst.

At 9:10 P. M. the budget forum concluded and the Finance Committee took a short break. The meeting resumed at 9:20 P. M.

2. **Public Comment**

- Anette Lewis, Claypit Hill Road, asked what does expenditures mean? What are town expenditures?
- Kim Cook, Ellie Lane, strongly urges a vote not to support Article A1. Amend Section 19-8 of Town Code on assessment because of lack of research.
- Bonnie Gossels, Hampshire Road, opposes Article I on amending the bylaw about service stations. She spoke at length of how it would infringe on the integrity of the Town, end up costing the taxpayers in the long run, and would serve the commuters more than the Town.

3. **ATM 2012: discussion of warrant articles,**

- **Article K. Amend Town Code 19: Budget Preparation and Review:** FinCom met with petitioners Donna Bouchard and George Harris. Petitioners revised their proposal to stagger when the new members are elected. Eventually this will be a fully elected board. G. Harris stated that FinCom as it is now is a conflict, because as an appointed board it is in favor of selectman. D, Gutschenritter, asked G. Harris to identify some of the Con arguments. R. Stack asked G. Harris to send an email stating the Pro arguments. R. Stack, DOR recommendation shows a clear trend to appointment, and we report to town meeting, not the Selectman. Other questions from FinCom:
 - Why bring this bylaw change forward now? D. Bouchard said the impetus was the November STM and because the existing FinCom did not back the petitioners' proposal.
 - When will elected officials take office?
 - What happens with terms that expire this June 30? How will anyone be appointed when the article doesn't take effect for 1 year? G. Harris could not answer this question.
 - Was consideration given to increasing the length of term to say 5 years? Answer from petitioners: No.

4. **Article L, Resolution to Ratify School Committee Vote to Request Audit of Fee Based Programs**

Since FY2007: FinCom met with the petitioners Donna Bouchard and Shawn Kinney. Petitioners expressed concern with the balances in the revolving accounts and what should be done with remaining funds. FinCom asked if petitioners had contacted the state about conducting an audit (Kinney answered no.) or identified the cost (Kinney answered no.) FinCom members expressed the following concerns/clarifications needed:

- Challenge is that the funds are charged off correctly
- We do not want to use money to retest the balances. The SC already paid for an opinion from Abrahams Group and asked for a separate legal opinion. How many opinions do we need?
- We have already confirmed the accuracy of the balances.
- State auditor looks at the books at their discretion.
- Are asking for an audit of the whole school system over the past 5 or 6 years? Petitioners said it depended on findings.

- If you audit the accounts and identify excess funds, where do the funds go? Petitioners: fee payers should receive a refund not the taxpayers.
- SC supports an audit.
- The Abrahams Group said to reclassify and the lawyer says not to. Now we have paid for both opinions.
- The administrative costs to review seven years will overwhelm the potential benefit of the restatement.

Petitioners will continue to work with T. Greenaway as he drafts the article comments.

5. Other articles

- **Article 1, Recognize Citizens and Employees for Particular Service to the Town:** C. Karlson presented the article. A motion was made and seconded to recommend approval. Vote: 7 – 0.
- **Article 2, Hear Reports:** C. Karlson presented the standard article. A motion was made and seconded to recommend approval. Vote: 6 – 0.
- **Article 6, Enterprise Fund for Water Department:** C. Karlson explained the enterprise fund and the difference in financial situation from votes on earlier requests to move to an enterprise operation. Following discussion, a motion was made and seconded to recommend approval of the article. Vote: 5 – 0 – 1 (Grasso)
- **Article CPA2, Due Diligence for Septage Site:** Due to the hour, discussion was tabled until the next meeting.
- **Article I, Definition of Service Stations:** Following up on public comment, members wondered whether an economic forecast had been completed on the potential impact of this article and decided to table discussion until after the Planning Board opines.
- It was noted that four articles will be before the Planning Board for an opinion.

6. **FY2013 Budget:** Members agreed to table further discussion of the budget until a later meeting.

7. **Minutes:** The draft minutes of February 6, 2012 were reviewed. Motion made and seconded to approve as amended. Vote: 7-0.

8. FinCom Members' and Finance Director reports and concerns

- Members expressed concern at George Harris' statement that due to a conflict of interest, FinCom should not make a recommendation on the petitioners' articles to change the budget process and FinCom selection. FinCom agreed that we had a bias, but that our Arguments For and Against would be factual.

The meeting was adjourned at 11:00 P. M.

Respectfully submitted,

Marilyn Carr and Cherry Karlson