



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 27, 2012

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

The meeting was called to order at 7:00 P.M. in the Senior Center of Town Building.

1. Public Comment

- Tom Sciacca, Rolling Lane, and member of the Wayland Wells group, expressed his opinion that the homework was not fully done in reference to the DPW Cemetery issue and that permitting and DEP approvals are needed before requesting money.
- Jay Sherry, Pine Needle Road, commented on the CPA Reduction article. What level of funds should we hold? Now at \$7.4 million. Also, there should be a glossary of terms and acronyms that FinCom uses on the website.
- George Harris, Holiday Road, commented on his petitioners' article about how FinCom is selected. He made the following points:
 - If it is voted to be an elected board, then it would be elected over 3 years.
 - Most FinCom committees are appointed by the moderator.
 - All the facts should be put in front of the public. The information came from survey by Mass Assoc. of FinCom.
 - G. Harris still argues he is opposed to FinCom being appointed by the Selectman, FinCom is accountable to selectmen not town meeting.
 - Petitioners submitted 6 pro comments and the draft write-up only addressed 4; we want all six included.
- Kim Cook, Ellie Lane, stated that Article 18 will undo a lot of Wayland's assessment codes. The codes were approved by the Attorney General. Ms. Cook recommends this article be pulled.
- Molly Upton, Bayfield Road, spoke about her petitioners Article on teacher compensation. She is willing to have the results be confidential and hopes the consultant can give the SC help.
- Anette Lewis, Claypit Hill Road, asked what our per pupil expenditure was for FY2010 and questioned whether FinCom knows what it is spending

2. FY2013 budget discussion:

Capital Budget: The committee discussed items in the proposed capital budget.

- DPW Water: Fixed Network Meter system. Discussion with Don Ouellette, DPW Director, Mike Wegerbauer, and Chris Brown, BoPW members. D. Ouellette reviewed the elements of the system (sending encrypted signal four/day, containing only meter number and usage) and stated that Norwood converted to this system 12 years ago. The BOH decided there was no broad scientific concern based on input of experts and the DPW is awaiting the results of a financial analysis by The Abrahams Group. Preliminary straight line ROI shows a payback in 9 years. D. Gutschenritter asked if there would be a substantial budget change, and R. Stack asked if this is voted will we see a budget reduction. D. Ouellette stated that the DPW would cut 1 person and 1 truck for a FY2014 budget reduction of \$108,000. S. Peper stated that the voters should decide.
- DPW Cemetery Project: D. Ouellette, DPW Director, reported that by law over the last few years, burials require a concrete vault. The state requires a distance of 100 feet from a water supply; the proposed development is 1200 feet away. If funding for testing is approved, it will take 8 to 12 months. To complete a Zone 2 Analysis would require \$50,000 (Water Reserves) for testing water and \$20,000 (free cash) for an archeological study for the cemetery. D. Ouellette stated if the study funds are deferred, we could delay the full request for one year. He stated that the supply of plots should last about 3 years which gives time to study and expand before running out of approved burial space.
- At this time, the FinCom required information from the SC to finalize the capital budget. P. Grasso left to attend the SC meeting and determine the status of the capital request on relocating the modulars. Discussion will move to ATM articles until that time.

3. ATM 2012: discussion of warrant articles

- **Article 10, Sell or Trade Vehicles and Equipment** was presented by C. Karlson. This is a standard article allowing the town to dispose of assets. A motion was made and seconded to recommend approval. Vote: 6 – 0.
- **Article 3, Choose Town Officers** was presented by C. Karlson with an explanation of the alternate means of appointment if not done by ATM. A motion was made and seconded to recommend approval. (P. Grasso returned to the FinCom meeting.) Vote: 7 – 0.
- **Article CPA1, Set Aside Community Preservation Funds for Later Spending** was presented by R. Stack. This is a standard article required by law. A motion was made and seconded to recommend approval. Vote: 7 - 0.
- **Article D2, Appropriate Funds for Construction Documents and Bidding of New DPW Maintenance and Storage Facility:** B. Steinberg led the discussion of this article and the accompanying write-up. Suggestions were made to modify the write-up. After discussion, a motion was made and seconded to recommend approval of the request for \$750,000 under this article. Vote: 7 – 0.
- **Article F, Design Review bylaw:** B. Steinberg outlined the changes proposed by this article and the draft article write-up. The PB will vote tomorrow night so FinCom will hold their vote until a later meeting.
- **Article B, Create Stabilization Fund for Minuteman Regional Vocational-Technical High School** was presented by S. Peper. He reported that Wayland's rep to Minuteman was opposed to this article and members expressed concern with the lack of local control over spending decisions. Following discussion, a motion was made and seconded to recommend approval of this article. Vote: 0 – 7. (Note: during this discussion, SC member Beth Butler arrived to report that the SC had just received the space utilization study and as a result did not need the modulars at Happy Hollow. The SC voted 5-0 to pull the related capital request.)

- **Article Y1, Residency Requirement for Appointed Government Bodies** was presented by D. Gutschenritter. Lynn Dowd, Youth and Family Services, joined the discussion and explained that it is hard to get a quorum due to the fact there is a requirement for a representative from Clergy, Police & School. These people often live outside Wayland. FinCom expressed concern with changing the bylaw for this reason and encouraged L. Dowd to work with Mark Lanza and the Town Administrator to better understand the quorum issue. A motion was made and seconded to recommend approval of the article. Vote: 0-5-2 (Gutschenritter, Grasso).

4. FY2013 Budget Discussion (continued):

Operating budget: The committee discussed the email received from Kim Cook with Arguments Opposed to the operating budget (attached). C. Karlson will review and incorporate as appropriate in the FinCom report or budget article comments. No other items were outstanding on the operating budget. Motion made and seconded to recommend approval of a FY2013 operating budget of

General Fund	\$69,285,522
Water	\$ 3,500,334
Septage	\$ 32,807
Wastewater	\$ 635,160

for a grand total Omnibus budget of \$75,453,823. Vote: 7-0.

Capital budget: The committee discussed the capital items that had been pending additional information (water meters, cemetery expansion, HS modular). After discussion, a motion was made and seconded to recommend approval of a FY2013 capital budget to be funded by

Borrowing	\$1,055,000
Cash Capital	\$ 535,000
Free Cash	\$1,720,000
Water Cash Capital	\$1,110,000
Water Revenue	\$ 500,000

for a grand total of \$4,920,000.

Further discussion followed about the water meters (water cash capital). Motion was made and seconded to remove \$700,000 in funding for the water meters from the FY2013 capital budget. Following discussion of the merits, the vote was 1-6.

The committee returned to the original motion on the table to fund the \$4,920,000 FY2013 capital budget. Vote: 7-0.

5. ATM 2012 article discussion (continued):

- **Article L, Resolution to Ratify School Committee Vote to Request Audit of Fee-Based Programs since FY2007:** T. Greenaway presented the proposed article, pro/con arguments and read excerpts from a letter received from the state auditor (attached). The state auditor opined that the work was unnecessary. Following discussion, a motion was made and seconded to recommend approval of the article. Vote: 0 – 7. FinCom members requested that the letter be included in the Warrant as backup to the Article.
- **Article H, Traffic Calming:** P. Grasso explained the proposed changes to the bylaw to improve the process of implementing traffic calming measures. The BoPW has a policy in place that seems to be working. A lengthy discussion ensued then a motion was made and seconded to recommend approval of the article. Vote: 1 – 4 – 2 (Gutschenritter, Karlson).
- **Article J, Appropriate Funds to Study Teacher Compensation:** Before discussion began, C. Karlson explained that while we can discuss the proposed study and the data it may collect, we cannot discuss how the SC should use the information as that is negotiation strategy and a topic for executive session. Petitioner Molly Upton, Bayfield Road, outlined

her article and P. Grasso explained the concerns. The article is incomplete in the information it asks for and the amount requested is not based on a quote. FinCom members were concerned that the resulting data would be made public and harm negotiations. A motion was made and seconded to recommend approval of Article J. Vote: 0 - 5 - 2 (Peper, Grasso).

- **Article K, Budget Preparation and Review:** R. Stack gave a history of the FinCom in Wayland (contained in the article) and discussed how other MA communities select their finance committees. Donna Bouchard, petitioner, was present and participated in the discussion. Members discussed various issues in a lengthy discussion. A motion was made and seconded to recommend approval of the article. Vote: 0-7.

6. Next meeting: March 1, 7:00pm to complete ATM article review.

The meeting was adjourned at 11:55 PM

Respectfully Submitted,
Marilyn Carr and Cherry Karlson

Documents:

A. Email from Kim Cook, February 27, 2012:

From: Kim Cook <kim@waxrat.com>
Subject: Arguments Opposed to FY13 Omnibus Budget Article
Date: February 27, 2012 6:24:10 PM EST
To: Cherry Karlson cckarlson@comcast.net

Hi Cherry, Here are the arguments for the Warrant that you asked me to send you by today. Thanks! Kim Cook

Some residents might consider the growth in spending proposed in the FY13 budget to be unrealistic given the economy, and unsustainable given Wayland's already high property tax rate.

1. According to information provided by the Finance Committee Feb. 13, 2012, the FY13 Grand Total Omnibus Budget represents an estimated spending increase of 7.1% over the Finance Committee's projected actual expenditures in FY12, and a 12.5% increase over the actual expenditures in FY 11. Less than a third of the 12.5% increase is from Total Debt Service, including the new high school debt (which starts "rolling off" in FY13).
2. The FY13 Grand Total Omnibus Budget represents a 46% increase in spending since FY07 when the global economic crisis began.
3. In order to fund the FY13 operating and capital budgets without having to seek voter approval of an operational override or debt exclusion, the Finance Committee proposes putting \$6million of Free Cash, i.e., money previously collected from taxpayers, into the FY13 budget. Even so, the Finance Committee estimates that property taxes will have to increase by 5.6% to fully fund the FY13 budget.
4. Some residents believe that this growth in Town spending and the resulting tax increases are unsustainable, and that there are numerous opportunities to trim the FY13 budget without reducing essential services.

B. Letter from State Auditor re: review of school accounts, February 21, 2012



The Commonwealth of Massachusetts

AUDITOR OF THE COMMONWEALTH

ONE ASHBURTON PLACE, ROOM 1819
BOSTON, MASSACHUSETTS 02108

RECEIVED

FEB 23 2012

**Board of Selectmen
Town of Wayland**
TEL: 617-727-6200
FAX: 617-727-5891

SUZANNE M. BUMP, ESQ.
AUDITOR

February 21, 2012

Dr. Shawn Kinney
Wayland School Committee
6 Dairy Farm Lane
Wayland, MA 01778

Dear Mr. Kinney:

This letter is in response to your written inquiry of January 25th, 2012 to the Office of the State Auditor (OSA) seeking assistance relative to a potential audit to be performed by this office pursuant to M.G.L. Chapter 11, section 12.

In order to understand the current circumstances, we have reviewed the detailed report prepared by the Abrahams Group and spoken at length with Mr. Gerard Perry of the Department of Revenue, Bureau of Accounts.

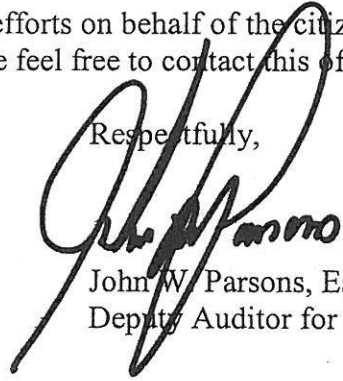
As a general matter, the issues raised in your correspondence and addressed in detail in the Abrahams Group report are municipal issues that clearly fall within the province of the Bureau of Accounts. As stated in our enabling statute at Ch.11, s.12, lines 35-36, "this section shall not apply to those accounts which the director of accounts of the department of revenue is required by law to examine". While subsequent language authorizes a community to petition this office to conduct an audit, you should be advised that this discretionary authority bestowed on the OSA has been used sparingly and almost always when significant allegations of wrongdoing and criminal activity have been raised.

In communications with Mr. Perry, he has stated that his office has carefully monitored the Wayland matter and does not believe that the practices revealed in the Abrahams report are of this nature. Furthermore, our review of the Abrahams report confirms the conclusions of Mr. Perry's office.

The Abrahams Group report reveals a significant number of improper, inefficient and inappropriate practices in the financial activities of the Wayland School Department. This comprehensive, well-written report provides the Town and the School Committee with a thorough blueprint for improving the financial processes and practices of the school department. It is the recommendation of this office that the community work with the Abrahams Group and the Bureau of Accounts to implement the clear recommendations of the report. Initiating additional audit work at a cost of \$15,000 - \$30,000 would appear to be unnecessary and duplicative of the professional work of the Abrahams Group.

This office commends you for your diligent efforts on behalf of the citizens of Wayland. If you would like to discuss this matter further, please feel free to contact this office.

Respectfully,

A large, stylized handwritten signature in black ink, appearing to read "John W. Parsons".

John W. Parsons, Esq.
Deputy Auditor for Audit Operations

cc: Gerry Perry, Bureau of Accounts
Mark D. Abrahams, Abrahams Group
Frederic Turkington, Wayland Town Administrator