



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 June 25, 2012

Attendance: C. Karlson (Chair), R. Stack, D. Gutschenritter, B. Steinberg, T. Greenaway.

Also Attending: M. DiPietro, Finance Director.

I. Call to Order

The meeting was called to order at 7:03 PM in the Senior Center at the Wayland Town Building.

II. Public Comment

Donna Bouchard recommended that future contributions to the OPEB trust require a Town Meeting vote. She also recommended that the Finance Committee allow the unspent funds in the Insurance 32B account to return to free cash rather than contribute unspent funds to the OPEB trust.

Ms. Bouchard also brought to the Committee's attention a \$500,000 variance between the \$1,545,901 Fund Balance Reserved for Encumbrances on the Undesignated Fund Balance Proof submitted to the Department of Revenue and the \$1,045,901 Fund Balance Reserved for Encumbrance on the Town's general ledger, using the workpapers and emails she had previously sent to Committee members.

III. Board of Assessors: Discussion/update with Bruce Cummings, chairman, and Ellen Brideau, Director

Bruce Cummings and Ellen Brideau explained the proposed changes to section 19-8 of the Town Code, in an attempt to update the Code to better communicate more information at an earlier point in the process with taxpayers, with reference to a handout. They also asked the Committee to support the next steps highlighted on the handout:

- Add full measure and list information to specified reports;
- Move forward with yearly Revaluation notices;
- Move forward our proposed added communications.

The sense of the meeting was that the Committee supported the proposed next steps.

IV. Minutes

V. FY2012 Reserve Fund Transfers: Discussion and vote on year end reserve fund transfers

M. DiPietro presented the following requests for transfers from the Finance Committee Reserve Fund, for the reasons explained in a workpaper he distributed, which requested the following transfers.

JCC	\$3,500
Fire	\$42,000
<u>Health</u>	<u>\$8,000</u>
	\$53,500

A short discussion period followed. The Fire request was made up of two components, \$30,000 for an unexpected defibrillator replacement, and \$12,000 for additional training. The Committee directed M. DiPietro to ask the Fire Chief to present an update on the ALS program expenses and revenues including a variance report in the fall. After a motion and second, the requested transfers were approved.

VI. FY2012: Discussion and vote, if necessary, of estimated year end givebacks, revenues, cash position.

The Committee discussed the estimated free cash position for June 30, 2012. T. Greenaway presented a draft workpaper showing the estimate. M. DiPietro and the Committee discussed the draft estimate and made several changes. The revised free cash workpaper showed an estimated free cash balance of 7.5% of the FY13 operating budget, excluding turnbacks from the Insurance 32B account.

Discussion then turned to the Finance Director's projected \$985,000 balance in the Insurance 32B account at the end of FY12. The balance is made up of two components, \$450,000 in current year health care insurance savings, and about \$435,000 in transfers from the employee healthcare wage withholding account, which represents a permanent savings that accrued over time. M. DiPietro explained that the balance in the employee wage withholding account is now about \$425,000, which represents about one month's worth of the employees' share of FY13 health insurance premiums.

The Committee discussed the options with respect to the \$985,000 expected Insurance 32B balance. If the Committee does not act, then the balance will fall to free cash. The Committee could also contribute the funds to the OPEB Trust. Discussion followed. The Chair noted an email from the Town Administrator urging the Committee to approve the contribution of the balance to the OPEB trust. B. Steinberg thought perhaps a compromise was in order. S. Peper, R. Stack, and T. Greenaway spoke against funding the OPEB trust. D. Gutshenritter spoke in favor of the transfer.

The Committee took further public comment at this point, which ran against further contributions to the OPEB trust. M Melnicove spoke against a contribution. A. Lewis also requested that the Committee breakout more line items in next year's budget. A. Boulter asked for a really clear explanation during the budget process of what the town proposed to spend money on and why. L. Segal noted that Natick refinanced its outstanding debt to save money on interest.

Short discussion followed public comment. A consensus emerged that the Committee was not in favor of directing the Finance Director to make an additional contribution to the OPEB Trust. The Committee took no action on the understanding that the unexpended balance in the Insurance 32B account would fall to free cash at the end of the fiscal year.

The Chair noted the upcoming joint meeting in July.

After a motion and a second, the Committee unanimously acknowledged Richard Stack's distinguished service to the Finance Committee, as this was his last meeting.

VII. Adjourn

At 9:05 PM a motion was made and seconded to adjourn the meeting. The motion carried and the meeting adjourned.

Respectfully submitted,

Thomas Greenaway

Documents:

- April 4, 2012 email from Donna Bouchard plus attachments
- Board of Assessors presentation handout
- Finance Director's reserve fund transfer request workpaper
- Free Cash projection draft workpaper
- June 22, 2012 email from Fred Turkington, Town Administrator