



# Town of Wayland Massachusetts

## **Finance Committee**

Thomas Greenaway (Chair)  
David J. Gutschenritter  
Cherry C. Karlson  
Nancy Funkhouser  
Carol Martin  
Bill Steinberg  
Gil Wolin

## **Finance Committee**

### **Meeting Minutes**

**October 7, 2013**

Attendance: T. Greenaway, Chair, B. Steinberg, N. Funkhouser, G. Wolin, C. Martin  
Absent: C. Karlson, D. Gutschenritter. Also present: Finance Director Brian Keveny

The meeting was called to order at 7:00pm in the School Committee Meeting Room in the Town Building. Chair Greenaway announced the meeting was being recorded by WayCam for future broadcast and may be recorded by others.

**1. Public Comment:** Betty Salzburg of Grove Street asked two follow up questions regarding a recent Finance Committee (FinCom) discussion that indicated the Department of Revenue (DOR) will most likely require the Town to set aside \$1.5M of its current Free Cash to temporarily fulfill obligations committed to by the High School Building Committee. She wanted to know where the money will come from to replenish Free Cash. And, if this a result of the High School project being under budget?

Anette Lewis of Claypit Hill Road addressed the budget process. She felt it would be helpful to those preparing their budgets to have the budget format. In addition, she asked for clarification of the header titles in the Capital Projects report that was distributed in a recent Board of Selectmen's package. She also suggested FinCom meetings not conflict with budget deliberations of other boards so FinCom liaisons could attend those meetings.

**2. Committee members' response to public comment:** Regarding Ms. Salzberg's questions, Chair Greenaway replied Town Meeting has already authorized the borrowing necessary to restore this account. Once the bonds have been issued, the approximately \$1.5M will be returned to the General Fund or "Free Cash". As for the overall project, Mr. Greenaway added this was purely a timing issue. Simply, more expense was expended than revenue available. Finance Director, B. Keveny added he is working with the Treasurer to issue the bond paperwork which should go out in February 2014.

Regarding the budget format, Chair Greenaway indicated the FinCom is waiting for confirmation from Munis that the system is able to incorporate the budget format changes made last year before moving

forward. He indicated budget format would be an agenda item at a future meeting. Chair Greenaway agreed all Finance Committee (FinCom) members should reach out to their liaison boards and encouraged them to attend budget discussions.

### **3. Discussion & vote on comments on Special Town Meeting articles:**

#### **Article 4: Appropriate Funds to Purchase Conservation Restriction on Lincoln Road Land:**

Nancy Funkhouser along with Jerry Heller, Chair of the Community Preservation Committee (CPC) and Gretchen Schuler, Vice-Chair of the CPC laid out the history and process taken by the CPC to propose the Town purchase a Conservation Restriction on Lincoln Road for \$2.4M. They stated the land while currently not developed had been analyzed by Land Vest and appraised by Avery & Associates based on possible development.

Mr. Heller indicated the parties have agreed in principal and that the Purchase and Sale agreement along with the Conservation Restriction will be executed once Town Meeting approves the use of CPC funds. Mr. Heller indicated copies of the Conservation Restriction will be available at the library, the Sr. Center and online. Mrs. Schuler stated \$2.M would come from the CPC's Open Space Fund while the \$300K balance would come from the CPC's uncommitted fund.

B. Salzburg of Grove Street, speaking as a member of the Conservation Commission added the ConCom wants to ensure official access to this property for residents, as currently there is limited if any parking. Chair Greenaway added that because the \$2.4M purchase price is greater than the current fair market value of \$969K, this transaction is a purchase not a charitable donation. The Committee deferred voting on this article until 10/16<sup>th</sup>.

**Article 2: Mixed Use Overlay District - Redistribution of Retail sq. ft. to office sq. ft.** Chair Greenaway stated the Planning Board has withdrawn this article.

**Article 3: Set Aside Community Preservation Funds for Administrative Expenses:** Sponsored by the CPC, Chair Greenway suggested it might be appropriate to use a 30-word or less response for this article. G. Wolin volunteered to draft the article for the next meeting.

**Article 5: Revise Sources of Funding the Fiscal Year 2014 Operating Budget:** Chair Greenaway indicated the impetus for this article is that since Town Meeting, the town's Free Cash balance has increased by approx \$1.1M more than anticipated. This addition is a result of the release of \$ 350K by the Board of Assessors and the efforts of the Finance Department to eliminate \$700-800K in outstanding encumbrances.

The FinCom proposes applying this additional Free Cash to the Fiscal Year 2014 Operating Budget, effectively lowering the FY14 tax rate. The Committee deferred voting on this article until the 10/16<sup>th</sup> meeting.

**Article 1: Department of Public Works Facility Construction Funding:** Bill Steinberg along with Facilities Director, John Moynihan explained this article is essentially the same article that was presented at Annual Town Meeting (ATM). The Board of Public Works along with the Board of Selectmen proposes to build a new DPW building on River Road. Access to the building will be via the landfill access road on Route 20.

Mr. Moynihan was unable to attach a firm dollar amount to the project but indicated the cost would be greater than the \$11.4M proposed in the Spring due to increased materials and borrowing costs and the need to add an Owner's Rep to the project. He further explained the DPW had completed the various studies requested by Spring Town Meeting and was waiting for the order of conditions, if any, from the Conservation Commission.

Chair Greenaway suggested the Arguments Opposed section of the warrant article write-up be expanded to reflect comments made at the Annual Town Meeting. The committee deferred voting on this article until the 10/16<sup>th</sup> meeting.

**4. Finance Director's Report: FY14 Q1 Financials:** Finance Director, Brian Keveny distributed the FY14 Q1 Financials. He noted General Fund appropriations are at 31%, tracking essentially the same as FY12 & FY13. Referring to the General Fund revenue schedule, Mr. Keveny noted real estate receipts are up \$1.2M and 25% of budgeted State Aid has been collected while Local Receipts are at 13%.

Reviewing the enterprise funds, Mr. Keveny stated as of 9/30/13, the Water Fund had collected less than \$6K of the Water Administration Fees against a \$300K revenue budget. He also reported the undesignated balance of the Wastewater Fund had dropped from \$263K to \$78K. Ms. Lewis reported the drop in the Wastewater's reserve fund had resulted because a Wastewater billing system has yet to be established. Chair Greenaway asked Mr. Keveny to meet with John Senchyshyn to determine what needs to happen to establish a Wastewater billing system.

Turning to the revolving funds, Mr. Keveny reported the Ambulance fund used \$460K for equipment purchases leaving a current balance of \$777K. The Transfer Station account has increased from \$318K to \$447K while the Recreation Department fund had \$446K at the end of the year which is significantly less than the end of Q1 because its first quarter expenses outpace its revenue. Chair Greenaway asked Mr. Keveny to include the School Activities and Revolving Funds in these reports. Mr. Keveny indicated he believed the School's Business Office was working on that and would follow up.

**FY13 undesignated fund balance certification process:** Mr. Keveny indicated he was waiting for the DOR to certify our undesignated fund balance or "Free Cash" but believed they would set aside the funds expended by the high school building project. That approximately \$1.5M will be returned to Free Cash at the June 30, 2014 certification.

**Capital project balances:** The review of the Capital Projects and balances was deferred to the 10/16<sup>th</sup> meeting.

**Financial statement audit:** Mr. Keveny indicated he will be meeting with the Audit Committee to review the draft audited financial statements and the board of selectmen to review the progress of the audit and the FY13 financials.

**5. Reports from FinCom liaisons to Boards & Committees on FY15 Operating & Capital Budget Requests;** Bill Steinberg reported he met with Don Ouellette of the DPW. Currently, road construction projects are funded via the operating budget. However, if a project is not completed in the current fiscal year, there is no mechanism to carry over the funds. Mr. Steinberg indicated Mr. Ouellette would like more flexibility and suggested moving the road construction money from the Operating

Budget to a Capital Budget might solve this issue. Carol Martin reported she had met with the COA and Recreation.

**6. Committee member's reports, concerns and topics for future meetings;** Chair Greenaway asked Mr. Keveny to track down and forward the Crystal reports with historical data to the department heads. On the subject of budget format, and capabilities of Munis, he added a reply was expected shortly.

**7. Chairman's Update:** Chair Greenaway explained the FinCom has been admonished by the Attorney General's office under the open meeting law (OML) for entering into executive session and not listing the union/s involved. He further indicated this issue is now closed and he is unaware of any other FinCom OML complaints.

Chair Greenaway stated he had contacted Doug Leard, Chair of the Board of Selectmen (BOS) concerning the date for 2014 Annual Town Meeting (ATM). He indicated he felt an April versus a May ATM date would better serve the town.

Chair Greenaway indicated the next meetings would be Wednesday, October 16<sup>th</sup>, prior to the Special Town Meeting on November 20<sup>th</sup> and possibly a regular meeting on Monday, November 4<sup>th</sup>.

**8. Review & Approve prior regular meeting minutes:** Review and approval of the September 23, 2013 minutes were deferred to a future meeting to allow members time to read them.

**9; Adjourn:** B. Steinberg moved and N. Funkhouser seconded a motion to adjourn. Vote was 5-0. The meeting adjourned at 9:51pm.

Respectfully Submitted,

Carol B. Martin

Documents:

Draft Warrant Article write-ups: 1, 2, 4, and 5

Finance Director Handouts:

General Fund FY14 Budget, through 9/30/2013

General Fund Revenue Quarterly Report through 9/30/2013

Water Enterprise Fund Quarterly Report through 9/30/2013

Wastewater Enterprise Fund Quarterly Report through 9/30/2013

Major Town Revolving Funds: Comparing Q1FY13 to Q1FY14

OML Letter