



Town of Wayland Massachusetts

Finance Committee

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

Finance Committee Meeting Minutes January 23, 2014

Attendance: B. Steinberg, C. Karlson, C. Martin, G. Wolin (7:10), N. Funkhouser (Vice Chair), B. Keveny (Finance Director)
Absent: D. Gutschenritter, T. Greenaway

The meeting was called to order at 7:04pm in the Great Room of Traditions of Wayland when a quorum was present. N. Funkhouser chaired the meeting and announced that the meeting was being recorded.

1. **Public Comment:** Anette Lewis, Claypit Hill Road, asked the FinCom to look carefully at the operating budget to understand what departments do and to make certain residents are getting the services they deserve for the money we are spending.
2. **FinCom Members' Response to Public Comment:** None.
3. **FY15 Budget Discussion – operating and capital:** The FinCom agreed to start the discussion with the packet of information provided by B. Keveny, specifically the nine-page report with budget and trend analysis. (G. Wolin joined the meeting.) Topics discussed included:
 - Percentage increases of the Town (2.67%), School (6.18%) and overall budgets (4.84%). It was noted that some adjustments still need to be made and that FinCom will hear the SC budget on January 27th.
 - Difference in amount of taxation needed when comparing the Superintendent's recommended budget (\$60.2 million) to the SC recommended budget (\$60.9 million).
 - The FinCom discussed the categories still to be finalized – health care, reserve for salary, new personnel requests – and noted that this summary budget does not include OPEB or COLAs for those areas with expiring contracts.
 - The need for the budget to grow more than 2.5% to maintain current services. There is an approximately \$4.2 million shortfall if the increase is limited to 2.5%.
 - The FinCom reviewed the change in tax rate since FY12. With the current draft budget, the estimated increase is 11.58% from last year. B. Keveny explained that this is due to using less free cash than in recent years. FinCom members agreed that this type of swing was anticipated given the levels of free cash used in recent years.

- FinCom discussed the step down in levy capacity with the shift in funding from free cash to tax levy.
- FinCom reviewed the free cash forecast. B. Keveny reported on his conversation with Moody's bond rating service. The conversation was brief and seemed to go well. Moody's mentioned following our financial guidelines. B. Keveny recommended staying within our free cash guideline and projections.
- FinCom reviewed the proposed use of free cash in the budget. The chart shows that with the use of \$1 million/year balances drop to approximately 4.2% at the end of FY15. The FinCom expressed concern, recognized that this was not sustainable and outside our guideline, and discussed ways to use less free cash. Topics included increased revenues from Town Center and other new growth and looking for cost savings efficiencies.
- FinCom discussed creating the next generation of the 2006 Ad Hoc Budget Advisory Committee with a multi-pronged review for efficiencies.
- B. Keveny reviewed ytd revenues with the Committee. License and permit collections continue to lag.
- FinCom discussed the number of departments feeling budgetary pressures and that it seemed to be higher this year.

Members updated the committee on budget follow-up items from prior meetings:

- C. Karlson reported on the amount of the high school parking fee directed toward the DPW. It is approximately \$9,000 to Parks and \$20,000 to Snow.
- C. Martin reported on the ConCom request for funding of a new open space plan as a shared cost with Recreation. Recreation was not aware of the shared expense. C. Martin will continue to follow-up.
- N. Funkhouser reported on the explanation from the Chief of Police on the use of the 13 vehicles. A brief discussion followed on the replacement schedule and stretching this schedule to fund a new officer in future years.
- N. Funkhouser requested more information from Parks on the need for an employee vs. contract help to address workload issues. B. Keveny said the information is forthcoming.
- C. Martin received the list of work items/status for Recreations FY14 request.
- C. Karlson will bring the questions submitted to the SC to the next meeting. The SC sent the answers directly to all FinCom members and they will be discussed on Monday.

4. **FY15 Proposed Budget Presentation:** B. Keveny distributed the draft presentation for review and discussion. C. Karlson explained that the chart on slide 4 picked up the wrong data for 2008. It should be approximately \$3 billion in residential value.

Members suggested that slide 26 be adjusted to reflect current practices for capital requests – demonstrating needs, having sponsors advocate for their projects and reporting on status and estimated completion dates of previously approved projects.

Discussion of strategy slides was deferred to the next meeting.

5. **Committee Members' Reports and Concerns:** C. Karlson mentioned that the minutes of Oct 16, Jan 9 and 15 need to be reviewed and voted.
6. **Chair's Update:** N. Funkhouser reminded the FinCom of the 6:00pm start time on Monday.

At 9:09pm, there was a motion and second to adjourn. Vote: 5-0.

Respectfully Submitted,
Cherry Karlson

Documents:

Packet provided by B. Keveny

9 pages of draft budget and trend analysis

Updated MUNIS budget reports as of 1-21-14

WWMDC budget request

Email dated 1-17-14 from Brendan Decker explaining the GIS request

Memo dated 1-16-14 from Lois Toombs explaining the Election budget request

Draft presentation slides for FY15 budget proposal, scheduled for February 3, 2014