



Town of Wayland Massachusetts

Finance Committee

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

Finance Committee Meeting Minutes February 6, 2014

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

The meeting was called to order at 7:01 pm in the Senior Center. At approximately 7:05 pm Tom Greenaway indicated the meeting was being recorded.

1. Public Comment/Response to Comment:

Linda Segal, Aqueduct Road, asked what will Ameresco's status be at ATM. She also commented that on 1/8/14 meeting, she didn't see mention of a \$1,200,000 court judgment included in the budget for the WWMD and wants to understand the planning behind making that payment. T. Greenaway indicated that the WWMD budget is a draft set of work papers, which was prepared outside of MUNIS and is expected to change.

Anette Lewis, Claypit Hill Road, had these comments:

--mentioned that in the Town Clerk's budget it should be noted that there is a state or federal election expected in the Fall and that we may need to budget additional dollars for potential additional support because the new clerk will need assistance managing these elections.

--inquired as to what a fully loaded cost includes in the General Budget.

--inquired as to whether utility cost assumptions are forecasted consistently between departments.

--disagrees with a statement recently made at a FinComm meeting by B. Steinberg in which he indicated that we can't put all of the enterprise fund costs (such as WWMD) back on the users. She remarked that as an enterprise fund, that is the nature of the arrangement; that the user fees are intended to cover the operating costs. She stated that the problem has to do with the system being overbuilt and we have had the same issue going back to 2005.

C. Martin inquired if the FinCom needed to meet the February debt exclusion dates in the ATM schedule. T. Greenaway indicated that this is standard schedule (with dates specific to this year) that includes the debt exclusion dates if needed. Due to the current sentiment on the BoS not to have a debt exclusion, FinCom decided upon a policy that deviates from our past practice and did not suggest a debt exclusion.

2. **FY15 Operating Budget:** John Moynihan, Facilities, reported that this year's budget is mostly in line with forecasted operations. HVAC repair costs have been higher because the equipment is older and requires more repairs. Through December, they have spent roughly 92% of their budget but going forward, he expects that no additional increase from the initial request will be necessary. In the absence of spending significantly more money for equipment upgrades, we should see a continued need for ongoing modest repair funds but that there is no need to increase the allocation given the potential Ameresco arrangement.

Ameresco will help with efficiencies in the Schools, the Town building, some at the library and none at the DPW. Primarily, Ameresco will impact the electrical and HVAC activities. In 2013, there was \$22,000 budgeted for HVAC. With respect to building repairs, overall, this line item can be considered discretionary because these types of repairs can be deferred. Utilities cannot. YTD actual heating costs are similar to last year. Increases are expected in this fiscal year because it has been a colder winter. No adjustments to the budget previously presented are necessary. T. Greenaway asked John to pay attention to any potential turnbacks. J. Moynihan mentioned that he will be renegotiating upcoming electricity and gas contract renewals for the entire town. In the budget, the decrease from \$22,000 to \$8,000 in oil is due to the library being the only building using heating oil vs natural gas. John indicated that the large jump in utilities from 2012 to 2014 is mostly due to a greater number of colder-temperature-days. He also mentioned that transmission and distribution costs are way up and are higher than even the cost of the commodities themselves.

As FinCom had requested, John went back and asked Ameresco for updated quotes on certain items requested in the FY15 capital budget: the CHS doors and window replacement project, the MS A/C project, and the MS windows project.

CHS doors and windows: based on an assumed 3,500 sq ft of window but omitting 18 double windows and other single doors, was roughly \$153 per sq ft or \$544,806. John estimates that the actual project covers 4,800 sq ft of window and at an estimated \$170 per sq ft plus contingency plus the 18 double windows and other single doors, plus a 9% design fee the total cost is estimated at about \$1,025,000. The CIP form was submitted at \$1,100,000 and assumes a 36% reimbursement from MSBA. All in, the cost would be approximately \$734,000 based on Ameresco estimates, and \$816,000 based on J. Moynihan's calculation. FinCom decided to pursue MSBA funding.

MS A/C: Ameresco said they could squeeze the project in for roughly \$140,000. It was in the budget originally at \$70,000 to be done by a local contractor. John's preference would be to do this project on a standalone basis so as to maintain a say in the quality of the equipment used. FinCom agreed to leave it as a capital item.

MS Windows: Ameresco came back with a \$328,000 quote for 2,500 sq ft of window replacement. John calculated roughly 1,410 sq ft of window and a calculated cost of roughly \$239,000 before MSBA reimbursement. It is in the budget for \$250,000. Discussion ensued about how the excess roof project funds would be allocated. These funds should close out on 6/30/14. FinCom agreed to complete this project as originally presented.

HH – Nurse's Office/Art Room/café: John indicated that if the reconfiguration does not happen, there is \$85,000 in last year's budget for building out the nurse's office. The \$20,000 in the budget for the Art Room is for design work for the art room and cafeteria, regardless of whether there is a reconfiguration or not.

Loker – Cafeteria: The budgeted \$211,400 will only be needed if there is a reconfiguration.

3. **FY15 Capital Budget:** A motion was made to reconsider the FY15 capital budget. Discussion on the motion ensued concerning the impact on the budget and on debt service as well as the MSBA funding and MS roof funds return. C. Karlson described possibly assigning costs from other School related one-time projects to match the amount of funds being returned by School capital projects. Discussion also covered recognition that the debt service that is generated off of the Ameresco project is only the net impact to taxpayers of debt service on \$500,000 (after factoring in efficiency savings over time).

A suggestion was made to use \$415,000 in one-time spending to be funded by the return of the MS roof funds.

\$415,000 is comprised of:

Loker playground equip:	\$55,000
Loker security improvements	\$45,000
MS security	\$65,000
MS windows	\$250,000

In FinCom's budget presentation, the money would be moved from the borrowing column and added to cash capital from a source that would otherwise replenish free cash. Cash capital items are typically for one-time and short-lived projects.

B. Steinberg suggested moving the source of funding from cash capital to borrowing on the three school furniture replacements items totaling \$95,000.

The motion to reconsider the capital budget was seconded and approved 5-0.

B. Keveny stated the revised total General Fund capital budget is \$6,725,226, and including the General Fund and Water funds it is \$7,800,226. It will be funded by \$415,000 MS roof closeout, \$160,000 cash capital, \$5,850,226 from non-exempt borrowing, CPA funds \$150,000, Enterprise funds \$1,075,000 and Ambulance receipts \$150,000. N. Funkhouser moved to accept the revised budget as presented and, after it was seconded, the motion was approved 5-0.

4. **Open FY15 Budget Items:** Items to follow for changes to the draft budget.
- Budgeted West Suburban increase (due next week)
 - WayCares petitioners article – A discussion ensued about how best to present this article. It was decided to treat it outside of the operating budget and not fold it in the Wayland Youth and Family Services' budget.
 - C. Karlson reviewed the Schools Q2 report, which the SC received on Feb 3. The cover memo asked for funding of six items of which four are due to settlements in the WTA contract to be funded under Reserve for Salaries. The remaining two items, the CHS PA system for \$25,000 and a forensic audit of roughly \$10,000, require further discussion. The audit item relates to a 2012 ATM article having to do with tracking funds related to school fee based accounts.
 - C. Martin mentioned that the Rec budget is the same as this year with no scheduled increase

A motion was made to accept the General Fund draft budget of \$74,523,177 and the motion was approved 6-0.

5. **Budget Presentation:** Draft slides were distributed for purposes of discussion. Comments and suggestions were made to the rough draft of the presentation for Monday's Budget Forum. C. Martin moved to accept the changes as suggested, N. Funkhouser seconded the motion and it was approved 5-1.

B. Steinberg then moved to reopen the debate on the operating budget, citing that the estimated use of free cash towards operations results in a troubling decline in free cash levels into future years and

requires us to focus on that and have a more thorough and timely discussion now. C. Karlson seconded the motion and then indicated that she preferred to have that discussion once more up-to-date and final information is received from W. Suburban on insurance rates, among other items. A vote was taken regarding reopening the discussion and was not approved in a vote 1-4.

6. **Warrant Articles:** Article assignees were instructed to inform their petitioners of the 2/12/14 deadline for petitioners comments.
7. **Minutes:** Motion was made and seconded to approve minutes of 11/4/13 by N. Funkhouser as amended and the vote was 5-0 in support.

Motion was made by C. Martin to approve minutes of 1/9/14 as amended; N. Funkhouser seconded the motion and the vote was 5-0 in support.

Motion was made by C. Martin to approve minutes of 1/15/13; B. Steinberg seconded the motion and the vote was 5-0 in support.

Motion was made and seconded to approve minutes of 1/23/14 and the vote was 5-0 in support.

Discussion of the 1/27/14 minutes was deferred to a later date.

8. **Adjournment:** C. Martin made a motion to adjourn and T. Greenaway seconded it; the vote was unanimous to adjourn at 10:30 pm.

Respectfully Submitted,

Nancy Funkhouser

Documents:

Draft presentation slides for the FY15 budget, source: B. Keveny

Draft minutes from November 4, 2013, source: N. Funkhouser

Draft minutes from January 9, 2014, source: N. Funkhouser

Draft minutes from January 15, 2014, source: C. Karlson

Draft minutes from January 23, 2014, source: C. Karlson

Draft Recap of FY15 budget requests, Revenue and Expenditures, source: B. Keveny

Fiscal 2015 Draft Budget 2/6/14, source: B. Keveny

FY14 Financial report, 2nd Quarter source: B. Fletcher