



Town of Wayland Massachusetts

Finance Committee

Thomas Greenaway (Chair)
Nancy Funkhouser (Vice Chair)
Tom Abdella
Carol Martin
Bill Steinberg
Dave Watkins
Gil Wolin

Finance Committee Meeting Minutes, October 15, 2014

Attendance: T. Greenaway (Chair), C. Martin, B. Steinberg, Tom Abdella, Nancy Funkhouser and Finance Director Brian Keveny. Absent: G. Wolin

1. Call to Order

The meeting was called to order at 7:00 PM in the Senior Center of the Wayland Town building. The meeting was [video taped](#).

The agenda was rearranged to accommodate planned agenda item 5, Presentation by Patricia Bowen, Vice-President, Eastern Bank, on 2014 Bond Premium and Related Topics.

2. Presentation by Patricia Bowen, Vice-President, Eastern Bank, on 2014 Bond Premium and Related Topics

- **Eastern Bank Participants:** Patricia Bowen (Vice President Municipal Finance), Marcia Burn (Chief Underwriter and Vice President Municipal Finance) and Jim Fox (Managing Director and Senior Vice President, Capital Markets and Government Planning).
- The purpose of this presentation was to better understand why the Bond that was issued in February 2014 netted a relatively large bond premium. The approximately \$900,000 dollar premium (extra cash) received would be spread over the 20 years of the loan.
- **M.Burn** distributed a [presentation](#) and noted that the goals of the Bank were to obtain the lowest interest costs possible, provide for a competitive process and “buy” the loan. She described how she arrived at bids for bonds in competitive sales.
- **T.Greenaway** asked if the underwriters spread, or the profit for Eastern bank was \$98,000. **M.Burn** indicated that it was not the profit for Eastern Bank, it was the underwriter (Fidelity) who purchased the bonds or less than 1% of the total deal size.
- **M.Burn** pointed out that the difference in the cost to Wayland from the bids received from the top 3 bidders were \$9,000 between the first and second bidders and \$270,000 between the first and third bidder over the life of the loan. Six of the seven bids had higher coupon expectations and she noted that Wayland was a high grade municipality and shared that company with towns such as Concord, Canton, Lexington, Weston and Westborough. She reported on similar results with those towns.
- **P.Bowen** commented on the dynamics of the market where higher coupon rates are offset by longer maturities.
- **B.Steinberg** requested that based on how much they need to sell in terms of bonds that Eastern Bank could indicated based on the market dynamics what type of premium could be anticipated. **M.Burn** commented that it would be a difficult task to do accurately. **J.Fox** expressed that if the offering was

structured differently, such as offering the bonds at par, other dynamics would affect the total interest costs of the bonds.

- **T.Greenaway** discussed that we typically issue debt in February and that the first interest payment does not come until the next fiscal year. He asked is there a better time to issue a bond than what Wayland has done historically.
- **M.Burn** indicated that December has a greater number of issuances being requested where January and February are typically light. She said that when there are less issuances, there is a higher demand for Wayland's debt and lower total interest costs.
- **B.Keveny** reiterated the question whether the premium could be better measured and minimized based on market timing. **M.Burn** indicated that it was not predictable. **J.Fox** concurred.
- **T.Greenaway** requested clarification s to how soon after the bond issuance would the Town become aware of a potential Premium? **M.Burn** indicated that they would know that immediately.

3. Public Comment / Members' Response to Public Comment (7:30p)

- There was no public comment.

4. Long-Range Planning Public Forum

- **T.Greenaway** noted that the long range planning would continue and each of the various working groups was to finalize a 1-2 slide presentation in the beginning of December. He also commented that the initiatives for evaluating town owned property has efforts that have gone beyond the role Finance Committee. He requested that the evaluation of town owned property needed to coordinate the inclusion of the COA and Recreation Department.
- **Evaluation of Prior FinCom Goals**
 - Working group is the Finance Committee with assistance from Planning Board, Anette Lewis (**A.Lewis**) and Cliff Lewis. Status was Active with 12/1/2014 due date.
- **Peer Towns**
 - Working group is the Finance Committee with assistance from Kent George.
 - **N.Funkhouser** indicated that she had performed the analysis and was prepared to discuss.
- **Evaluating Town-Owned Property**
 - Working group is the Planning Board, Finance Committee and Library Trustees. Status was Active with 12/1/2014 due date.
 - **B.Steinberg** explained that members of the planning board had gone to the Board of Selectman to look at long term planning in town and town owned assets. There was agreement that that was a concern but no vote was taken. The thought was that the Planning Board was going to take on the responsibility.
 - **A.Lewis** indicated that the responsibility was not definitively assigned to the Planning Board by the Board of Selectman.
- **Aida Gennis (A.Gennis)** represented the board of trustees for the library.
- **Economic Development Committee (EDC)**
 - **B.Steinberg** indicated that there was nothing on their agenda in terms of long term projects.
 - **T.Greenaway** indicated that he would remove them from the list.
- **Schools**
 - Working Group is the school committee and Kent George. The status of the group is active.
 - **Jeanne Downs (J.Downs)** indicated that the school committee held a summit on September 21st where approximately 100 people participated. They discussed the topic about the future of the schools and split people up into 5 topics. The topics were employing technology, enhancing the curriculum, exploring early childhood education, promoting health and wellness and raising the

bar. The working groups ranked their results, evaluated effort required to realize the results and debriefed. The next step is for the School committee to take those ideas and rank them based on impact on student learning and the ease of implementation.

- **T.Greenaway** requested that by December would the School Committee be ready to report on their long term goals. **J.Downs** indicated the School Committee would be ready.
- **Health Care/Benefits for Employees**
 - Working Group is the Board of Selectman, School Committee with input from OPEB. Status is active with 12/1/2014 deliverable date.
 - **T.Greenaway** offered to the town that they should communicate with the various liaison relationships to communicate goals.
- **Community Center**
 - Working group is the Council on Aging (COA) Advisory Committee. The status of the group is active and they anticipate results by the 2015 Annual Town Meeting.
- **Efficiencies in Town Government**
 - The working group consists of the Board of selectman with input from Mike Lowery and Molly Upton (**M.Upton**).
- **Financial Policies (Including Sustainability)**
 - Working group is the Finance Committee. The project is currently active with an expected deliverable on 12/1/2014.
- **Library**
 - The working group consists of the Library Trustees, School Committee, Ann Heller, COA, and Recreation. The committee is active and anticipated their plan to be delivered at 2015 Annual Town Meeting.
 - **A.Gennis** working on obtaining a building grant. She requested that a member of the FinCom participate on a working group to meet once a month starting in November. The space use study will be done in November and the survey of the town in the New Year. B. Steinberg will be the FinCom member who will participate.
 - **T.Greenaway** indicated that he anticipated that the library would ask for design funds under a CIP with the 2015 ATM. **A.Gennis** indicated that they may not be ready.
- **Open Space Renovation and Management of Properties**
 - The working group is the conservation commission and their status is active.
 - **Sherre Greenbaum** indicated that the Conservation Committee is focused on field management, open space planning and land acquisition.
- **Zoning Board of Approvals**
 - **A.Gennis** indicated that there were sections of the current bylaws that the ZBA struggled with. She was requesting funding to address the issue. **T.Greenaway** indicated that it was not an active project which is why it was no longer on the list.
 - **T.Abdella** and **M.Upton** commented that the ZBA has not formally asked for the money (nor is that there charter) and the Planning Board has not asked for the money.

5. Report from Finance Director (8:30)

- **Report on Capital Improvement Plan submissions**
 - **B.Keveny** indicated that the CIP was consistent with last year in terms of the value overall requests.
 - **T.Greenaway** commented that the facilities director had retired in February and that has been a challenge. He commented that debt services needed to be reviewed and driven lower.
- **Free cash certification update**
 - **B.Keveny** indicated that the Town's free cash had been certified. The certification was \$6,384,312. The Enterprise Fund came in at \$2.3 Million and the Septage Enterprise fund was \$111,000 and the wastewater enterprise fund was \$299,000.

6. FY 2016-20 Capital Improvement Plan Requests

- **Conservation**

- **B.Monahan** indicated that the Land acquisition of open space is a carryover from last year. He indicated they received funds from the CPC for the appraisal. There was a difference between the appraisal and the value the owner was seeking. **B.Monahan** answered **N.Funkhouser** inquiry regarding the status of the offer and whether it could be developed. He indicated that the committee was going to offer the appraised value to the land owner. He also indicated that he was not comfortable with it being labeled as not buildable. **N.Funkhouser** additionally requested that ConCom state what the acquisition prices were based on (assessed or appraised) and the specified use.
- **B.Steinberg** said that he was not comfortable purchasing land that was unbuildable.
- **C.Martin** requested that the parcels be listed on two CIP forms versus one. She asked about the status of the CPA funds and suggested that ConCom follow up.
- **D.Watkins** asked what was the downside of not purchasing the parcels. **B.Monahan** indicated that there were costs associated with defending the Town's position of being unbuildable including legal, expert support, roadways and drainage.
- **T.Abdella** requested if there was a goal for ConCom for purchasing of town property. **B.Monahan** said that there was a 1995 open space plan. The parcels on the CIPs are on the existing Open Space Plan. **C.Martin** reiterated the need for quantifying the goals of ConCom's Opens Space plan.
- **N.Funkhouser** asked if the land owner and the town would be coming to agreement within the Budget cycle. **B.Monahan** indicated that it would be sooner than when the warrant closes.
- **B.Monahan** communicated why ConCom is requesting \$100,000 on field restoration. ConCom is looking for \$40,000 this year which is based on the size of the fields. Their intent is to take it down to dirt and seed the field. He indicated he would hire someone to assist them. **B.Monahan** had not asked the farmer what they would charge to do the work and would follow up with that information.
- **B.Steinberg** indicated that he wanted to be able to evaluate alternative means. **T.Abdella** requested how that ConCom indicate how long the money would last. **D.Watkins** requested the ongoing maintenance costs.
- **C.Martin** and **T.Greenaway** indicated that ConCom had not spent any of their damn repair money. **B.Monahan** indicated that he has not had the time to do the project. He further indicated that he would be getting an RFP complete by the next ATM. **B.Steinberg** commented that they do not have the resources to get it done and that effort needs to be spent on project execution. **B.Monahan** will be looking to have the \$30,000 parking lot complete by June.
- **D.Watkins** asked whether **B.Monahan** could move projects out to accommodate the limited amount of resource support.
- **T.Abdella** indicated that **B.Monahan** look to Tighe and Bond to help them.

- **Recreation Commission**

- Dr. Frank Krasin, Jessica Brodie (**J.Brodie**) and Thruston (Brud) Wright (**B.Wright**) discussed their CIP needs.
- **Capital Field Maintenance and Hannah Williams Park Improvements**
 - **B.Wright** indicated that the steady state had been \$75,000 for various reasons but was more realistic at \$125,000.
- **Dudley Woods Trail improvement**
 - **B.Wright** discussed the Dudley Woods Trail improvement project for \$129,760. The advisory group was to develop passive trails. He indicated that the quote was from one vendor. The budget was for design and development.
 - **C.Martin** requested the detailed budget. The quote is mainly for cleaning woods and mulching the area. She also suggested the use of CPC funds and was told that it was on

their agenda to review. She also requested that they fill out the evaluation criteria on the form.

- **T.Greenaway** suggested that Recreation look to volunteers to gauge community support for the project. Specifically he mentioned the Boy Scouts and the Friends of Dudley Pond.
- **DPW Turf Design**
 - **B.Wright** indicated that the budget is a placeholder. They requested input from the School Committee, met with the library and discussed it with the DPW.
 - **T.Greenaway** asked why it was not on previous plans. **B.Wright** indicated that he had to flush out any issues with the Gale report.
 - **C.Martin** articulated that in order for Recreation to obtain the land, the building would need to be demolished as well as the BOS would need to award the land. She requested information regarding the rental agreement and the ongoing costs for the field.
 - **N.Funkhouser** said that the majority of needs were for baseball fields. She asked if the revised Gale report had materially changed and was told by **B.Wright** that the conclusions had not changed.
- **DPW**
 - Stephen Kadlik (**S.Kadlik**) and Mike Lowery reviewed the CIPs.
 - **Town-wide Road Reconstruction**
 - **T. Greenaway** was looking for clarification of how much capital is required to maintain the roads throughout Wayland. He indicated that FinCom is looking for a 5 year plan. **S.Kadlik** indicated that based on the current level funding objectives, DPW supports 3.1 to 3.2 miles of road per year. He indicated that the expected lifespan of a road is 15 years. There are 93 miles of road to be maintained on a regular basis. To effectively maintain the current inventory of roads requires approximately double the current budgeted effort of 3.1 miles per year or approximately \$800,000.
 - **T.Greenaway** requested a steady state plan (prioritized list of roads) and budget. **D.Watkins** indicated it was at least double the current budget and **T.Abdella** said that the scope was to maintain existing roads.
 - **Tree Removal by Contracting a Vendor**
 - **S.Kadlik** indicated the \$50,000 was earmarked for tree work. He said it would take approximately 10 years to prune the town for that amount of money. He is requesting \$50,000 to perform ad-hoc work as well as \$50,000 to perform steady state maintenance of the town.
 - **Cemetery Expansion**
 - **S.Kadlik** is requesting \$50,000. He indicated that the money was earmarked on Lakeview cemetery. It is anticipated that they are going to create 1000 plots and charge \$800 per plot.
 - **C.Martin** requested what the life expectancy of 1000 lots was and asked if the work was contingent upon the \$200,000 dollars of unspent budget.
 - **Culvert Repairs Transfer Station Road**
 - **M.Lowery** indicated that they are at the end of the appeals process blocking construction of the road into the Transfer Station. He discussed that in 1978 the town gave use of the road to the DPW with an order of conditions and related appeals by 10 citizens of the conservation commissions order.
 - **N.Funkhouser** clarified that they were requesting \$100,000 for access to the transfer station. Repairing the salt shed and the dumping area. **M.Lowery** indicated that the case would be decided in the next 3-4 months. As a result FinCom instructed him to include the additional \$700,000 as part of the five year plan.

- **Light Trucks Replacement Schedule**
 - **S.Kadlik** indicated that the 450 was in tough shape and required replacement for \$90,000. He was taking a 10 wheeler out of the replacement rotation at a cost of \$200,000.
 - **Small Equipment P-34 Chipper**
 - **S.Kadlik** indicated that none of the chippers worked during the last storm.
 - **C.Martin** wanted to know if a lease versus buy decision was better for the more specialized equipment.
 - **Small Equipment Schedule, Heavy Equipment, John Deere Gator**
 - **S.Kadlik** indicated that the Gators are an all-terrain vehicle to access areas that are unable to be reached by conventional vehicles.
 - **C.Martin** requested as to why they are for two Gators. He indicated that he was directed by John Moynihan to ask for two because one was under the \$25,000 threshold.
 - **T.Greenaway** asked if there is a possibility of sharing the vehicles. **S.Kadlik** indicated that it was not possible due the equipment that the Fire Department required.
 - **Review of Unspent Funds**
 - **C.Martin** reviewed the various unspent funds and it was agreed that the funds were able to be released.
7. **Reports from Liaisons – Guidelines & Operating Budgets**
- Not covered due to time constraints.
8. **Minutes:**
- Not covered due to time constraints.
9. **FinCom members’ reports, concerns, and topics for future meetings**
- Not covered due to time constraints.
10. **Chair’s Report**
- Not covered due to time constraints.
11. **Adjournment:** At 11:38 pm **T.Abdella** moved to adjourn the meeting and **N.Funkhouser** seconded the motion. The motion was approved unanimously (6-0-0).

Respectfully submitted,
/s/Dave Watkins

Documents:

1. FinCom Agenda
2. OML Response
3. DOR Free Cash Certificate
4. Eastern Bank Presentation and Supplementary docs
5. Minutes 10 06 14
6. Mu28007001 ACCOUNT DETAIL HISTORY FOR 2006 01 TO 2015 13
7. Mu28030001 ACCOUNT DETAIL HISTORY FOR 2006 01 TO 2015 1340 -1-1553-00-00-03-0000-58500 CAPITAL EQUIPMENT
8. Open DPW Capital Accounts
9. Open Water Capital Accounts
10. Zba long range planning letter