



# Town of Wayland Massachusetts

## Finance Committee

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

## Finance Committee Meeting Minutes, January 13, 2015

Attendance: T. Abdella (8:40 PM), T. Greenaway, N. Funkhouser (7:07 PM) C. Martin, B. Steinberg, D. Watkins and Finance Director Brian Keveny. Absent: G. Wolin

### I. 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.

### II. Public Comment

Resident Margo Melnicove discussed rising tax bills for lower priced homes because they are rising in value and falling tax bills for higher priced homes, which generally fell in value since the last valuation. In order to reduce taxes, she recommended several measures for the FinCom to take (a text of Ms Melnicove's comments with those suggestions was emailed to FinCom and is attached).

George Harris, Holiday Road, noted errors on a memo provided by the FinCom Chair regarding open meeting law complaints filed by Mr. Harris. A copy of his document is attached.

Several FinCom members discussed some of the recommendations made by Ms. Melnicove.

### III. Audit Committee Update

Audit Committee Member Gordon Cliff gave an update with regard to the work of that committee: a) the 2014 audit; b) the request for proposal for audit services for the coming year; and c) their agenda for 2015.

The auditors, Melanson & Heath, reported that the Town's annual financial statements were clean. Recommendations in the management letter are set forth on the handout from Mr. Cliff. For the coming fiscal year, the committee recommended that the Town should work once again with Melanson & Heath. As part of that process the committee also recommended that the Town produce a "CAFR" report (Comprehensive Annual Financial Review). The cost of this more complete report will be approximately \$6,000 more than the standard audit that the Town has requested in past years. The plan for the coming year is to follow through on the recommendations contained in the management letter.

There was a brief discussion of the future role of the audit committee and whether it should expand to include recommending auditors for the Town's revolving funds. Comments from the FinCom

Members included making certain that the audit committee sticks to its primary roles and remains apolitical and that it makes certain that the Board of Selectmen is addressing recommendations of the Audit Committee.

#### **IV. The Operating Budget**

The Committee met with Julia Junghans and representatives of the Health Department and with Ben Keefe, the Public Buildings Director.

Key issues for the Board of Health included: salaries, which are still in negotiation with their bargaining unit; the increased nursing cost due to the increased need for Loker elementary school; additional funds required for the substitute nursing salary; and costs associated with the mosquito control policy and how mandates from the Commonwealth create increased costs. There was a discussion of the potential need for \$15,000 to cover emergency situations, and the suggestion from FinCom was that this request be for something less than \$5,000, with the ability to ask FinCom for current year transfers when emergencies occur. The Finance Director indicated that in case of emergencies, a department can use monies from the General Fund to cover costs associated with such situations.

The Facilities Director provided a handout to Members showing changes from the budget presented in the draft operating budget. There was a discussion of utility costs, primarily electric costs. He indicated that electric costs are subject to a two-year contract that the Town has negotiated. Members questioned whether the new and larger DPW building was taken into account in the calculation of electric costs for FY '16. It was noted that the office space within the new building will not be significantly larger than in the old facility and that the new facility should be significantly more energy efficient. There is a \$14,000 increase in the building repairs budget to account for changes to the Health Department to account for security needs. One suggestion from the Director was that they analyze whether adding staff for building repairs might be more cost effective than contracting for such services.

The Chair requested a motion that the FinCom provide the following Articles for the Warrant for Annual Town Meeting: a) a budget article; b) a current year transfer article; and c) a fiscal year 2015 appropriations article. Mr. Greenaway's motion was seconded by Ms. Funkhouser and passed by a vote of 6 – 0.

Mr. Keveny discussed the Town Administrator Budget. The major change from the prior year is that salaries have decreased by \$30,000.

There was a brief discussion of the handout from the Personnel Board. will meet with FinCom on January 26<sup>th</sup> to discuss the vote of the Personnel Board on a number of requests for staffing when he meets with FinCom on that date to discuss the Unclassified Budget.

Other departments noted on the agenda will be meeting with FinCom on either January 20<sup>th</sup> or the 26<sup>th</sup>. The School Department will meet with FinCom on January 20<sup>th</sup>.

#### **V. Report of the Finance Director**

Mr. Keveny provided a handout with the results of revenues and expenses for the Town and the various revolving funds through the 2nd quarter of 2015. An important number noted by him is that the potential turn back from health insurance may be down to approximately \$283K compared

to \$571K in the prior fiscal year. For the budget, we anticipate receiving a final bill from West Suburban in late February, which should provide FinCom with that cost prior to finalization of the budget for the Warrant.

There was a discussion of the Town's revolving funds. There is a concern with the Recreation Department and the concern that their revenues and expenses may not be consistent with the levels allowed for a revolving fund by the Commonwealth. It was noted that the Board of Selectmen are working with the Recreation Department to try to resolve their issues.

Two additional handouts from Mr. Keveny included an update for the FY 2016 budget and a list of Articles that are anticipated to be included in the Warrant for Annual Town Meeting in April.

The analysis of outsourcing the Town's payroll continues and Mr. Keveny thinks that the Town may save up to \$10,000 per annum by doing this. They are also considering this for the School Department, as it is anticipated that similar savings might accrue to that budget (subject to personnel already employed by the School Department, which might offset savings that would otherwise accrue to the Department).

Mr. Keveny provided an update on the cash reconciliation update in the Treasurers Department. This has been reconciled through June 2014 and it is estimated that there are currently 6 months of work to be done for this reconciliation to be completed. The goal is to complete the work before the auditors are in to begin their work this April.

#### **VI. Members Reports and Concerns**

Mr. Watkins provided an updated worksheet regarding his work on the FinCom's analysis of updating its list of peer towns. The Committee agreed on the 12 towns on that worksheet that will make up the peer town list (North Andover was dropped, as the Committee agreed on 12 peer towns and 13 were listed, with North Andover as the 13<sup>th</sup>).

- Mr. Watkins also continue to analyze the Town's hardware and software to consider how long it remains functional; it's salvage value; and the ability to provide users or others with the option of purchasing the equipment at the end of their leases.

#### **VII. Chair's Update**

The Chair provided a handout with the status of open meeting law complaints filed by Mr. Harris (see above). He also discussed the request from Linda Segal for meeting minutes from November that were to be provided by Mr. Wolin, but which he has not yet provided to her.

Mr. Greenaway noted that he had lunch with former State Representative Tom Conroy and that Mr. Conroy recommended that someone in Wayland's Town Government work to develop a relationship with our new State Representative in order to lobby for increased state aid to the Town.

#### **VIII. Adjourn**

At 10:49 PM, the Committee voted unanimously to adjourn based upon a motion from Mr. Abdella and a second from Mr. Steinberg.

Respectfully submitted,

William Steinberg

Documents:

1. Text of document from resident Melnicove
2. Open meeting law complaint document from resident Harris
3. Handout from Mr. Cliff regarding the Audit Committee
4. Handout by the Finance Director (Mr. Keveny) showing revenues and expenses, including revolving funds, through the 2<sup>nd</sup> qtr of 2015
5. Handout from Mr. Keveny showing an update of the proposed budget for FY 2016
6. Handout from Mr. Keveny with a list of anticipated Articles for Annual Town Meeting in April 2015
7. Peer Town worksheet from Mr. Watkins
8. Handout from Mr. Greenaway with an update of open meeting law complaints that have been filed by Mr. Harris against the Finance Committee.