



Town of Wayland Massachusetts

Finance Committee

Tom Abdella
Nancy E. Funkhouser
Tom Greenaway (Chair)
Carol Martin
Bill Steinberg
David Watkins
Gil Wolin

MINUTES

Tuesday, February 10, 2015, 7:00 P.M.

Mr. Greenaway called meeting to order at 7:00 PM in the Senior Center at the Wayland Town Building. The meeting was recorded by WayCam. All members of the Committee were present.

Public Comment:

Dave Bernstein, speaking on his own behalf, urged the Finance Committee to ensure that a multi-year technology plan is in place before the Finance Committee or Town Meeting vote to go forward with the various IT items in the Capital Improvement Plan. He promised to move to amend the capital budget on Town Meeting floor if his recommendation was not followed. Discussion followed.

Anette Lewis reported to the Committee that the School Committee represents five different FTE totals on its website, from 383 to 392, a wide range. These numbers are not consistent with the DESE numbers, either. She urged the Finance Committee to get more involved in the preparation of the School budget in order to find efficiencies.

Nancy Funkhouser reported that the Finance Committee received between 5-10 emails since the last meeting, all in support of a level services School budget.

Joint Meeting with Recreation Commission

Brud Wright spoke on behalf of the Recreation Committee and in favor of an interim operating model that carries direct and indirect personnel expense in the General Fund, and all other operating expenses in the Recreation Revolving Fund. He explained that the Recreation Revolving Fund had already expended \$350,000 through January (78% of its \$450,000 spending cap), and that last fiscal year, the Recreation Revolving Fund expended about \$216,000 from February to June. On that basis, the Recreation Commission thinks that the Recreation Revolving Fund does not have enough capacity to support both its operating expenses and the indirect expense allocation. Discussion followed. Mr. Greenaway told the Recreation Commission that once FY15 expenses from the Recreation

Revolving Fund hit \$450,000, the cap imposed by the 2014 Annual Town Meeting, the Finance Director will stop paying bills unless the Recreation Commission requests, and the Selectmen and Finance Committee agree, to raise the spending cap.

A consensus emerged on the Finance Committee that materially correct annual expense budgeting for Recreation Revolving Fund was required in order to properly evaluate any request from the Recreation Committee to lift the spending cap for FY15, to make a budget recommendation for FY16, and to evaluate long-term financial operating models for the Recreation Commission. Discussion continued. Brud Wright, Jessica Brodie, Recreation Director, and Anna Meliones, Recreation Commissioner, all explained how difficult it was to recreate actual expense data for prior years. Mr. Abdella and Ms. Funkhouser offered suggestions on the level of detail required to satisfy the Finance Committee. Mr. Greenaway suggested that the expense history should be worked out at the staff level: if the Finance Director and the Recreation Director could come to an agreement as to the historical recurring expenses of the Recreation Revolving Fund, the Finance Committee would probably use that information as the baseline to evaluate any requests. Mr. Wolin suggested that the Recreation Commission needs a P&L (a profit and loss statement). Mr. Steinberg noted that all other departments in town government use the discipline of the budgeting process.

Mr. Greenaway set out the four financial items the Recreation Commission should address, in order:

1. Prepare support for current fiscal year expenses and request that the Selectmen and the Finance Committee raise the FY15 spending cap to match expected expenses (excluding the indirect expense allocation) before expenses hit the \$450,000 cap.
2. Prepare an FY16 expense budget for the Recreation Revolving Fund before 2015 Annual Town Meeting.
3. Work with representatives of the Selectmen and FinCom to reach a consensus, if possible, on the permanent operating model for Recreation (i.e., revolving fund, enterprise fund, etc.) by September 2015.
4. Consider how the Recreation Commission plans to reimburse the General Fund over time for the roughly \$662,000 in personnel expense from 2012-2015. The \$662,000 is net of \$355,000 in prior Recreation reimbursements and Sudbury reimbursements.

FY16 Capital Budget

The Committee discussed the items on the FY16 capital budget, and assigned funding sources to each of the items. The Committee noted that several items had either dropped off the capital budget altogether or had moved to stand-alone articles in the Warrant (such as the CPC articles). Mr. Watkins led an extended discussion on the IT items. Mr. Steinberg spoke in favor of moving the funding source for several of the items from free cash to borrowing, using more free cash to support the operating budget. Ms. Martin and Mr. Wolin expressed concern about the debt service levels being too close to the 10% policy threshold. No action was taken. Mr. Greenaway asked Mr. Keveny, the Finance Director, to amend the capital budget to reflect the discussion, and the Committee would vote the clean capital budget at a later meeting.

Other Warrant Articles

Committee members circulated draft write-ups for several of the articles in the Warrant. The Committee and Mr. Reiss, lead petitioner, discussed the Electronic Voting resolution Article. After a motion and a second, the Committee voted to recommend approval of the article (5-1-1). The Committee and Mr. Lewis, Chair of the OPEB Committee, discussed the OPEB article. No action was taken. Mr. Greenaway presented the following standard articles: Recognize Citizens, Pay Previous Year Unpaid Bills, Current Year Transfers, Personnel Bylaw, Choose Town Officers, and Hear Reports. After a motion and a second, the Committee unanimously voted to recommend approval of all these standard articles (7-0). The Committee discussed several other articles, but no action was taken with respect to those articles. Mr. Greenaway encouraged members to read the draft Report of the Finance Committee and offer review notes and suggestions.

FY16 Operating Budget

Ellen Grieco, chair of the School Committee, reported that the School Committee had voted to recommend to the Finance Committee an FY16 Budget in the amount of \$36,719,239 and to continue to work on additional savings to bring the budget closer to a compromise between a level service and a level funded budget without cutting services. Mr. Greenaway thanked Ms. Grieco and the School Committee for their hard work. Mr. Greenaway noted that the Committee planned to vote an operating budget at its next meeting.

The Committee discussed the upcoming schedule. After a motion and a second, the Committee voted to adjourn at 10:35 PM.

Respectfully submitted,

Tom Greenaway

Documents:

1. A. Lewis handout
2. Emails in support of School Budget
3. Email plus attachments from Jessica Brodie to Nan Balmer dated February 6, 2015, 12:38 PM.
4. Capital Budget Workpaper
5. ATM Article Summary
6. Draft Article write-ups (Articles A, B, C, D, E, F, K, N, X, OO, PP, SS)
7. Draft Report of the Finance Committee Report