



Town of Wayland Massachusetts

Finance Committee

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

Finance Committee Meeting Minutes, February 17, 2015

Attendance: T. Greenaway (Chair), C. Martin, B. Steinberg (arrived late), G. Wolin, T. Abdella (arrived late), N. Funkhouser, Dave Watkins (remote participation), and Finance Director Brian Keveny.

1. Call to Order

The meeting was called to order at 7:06 pm by Chair Tom Greenaway in the Senior Center of the Wayland Town Building. The meeting was recorded by WayCam.

2. Public Comment and Committee's Response to Public Comment

Cliff Lewis, Claypit Hill Road, speaking as a member of the OPEB Advisory Committee stated that the recommended contributions have been determined, and the OPEB committee is ready to vote on final numbers. The Committee will be prepared to make a formal presentation at the February 23 meeting.

3. Capital and Operating Budgets Review and Discussion

Regarding capital budget, N. Funkhouser asked that members review and offer substantive comments by next meeting. Chair Greenaway asked that this discussion be postponed until more committee members arrive. One discussion point is to borrow more and use less free cash.

Discussion of Phone Installation at Loker School to comply with ALICE followed. Committee is going to hear back from Chief Irving.

Bill Steinberg arrived at approximately 7:10 PM

Operating budget discussion now shows 9.88% debt service. Discussion followed.

4. Vote to accept Dave Watkins' remote participation

At 7:17 pm, Chair Greenway moved that the Committee approve Dave Watkins' remote participation. Nancy Funkhouser seconded the motion. Vote: 5-0.

5. Discussion of Response to OML Violation Complaint

Chair Greenaway brought up the OML Complaint filed by George Harris on January 9. He reviewed the addition he made to the draft circulated earlier to the Committee. Chair Greenaway moves that the Committee support his response that the complaint was without merit. Motion was made and seconded by N Funkhouser. Vote: 5-0-1 0 in favor.

6. Return to discussion of Capital and Operating Budgets.

The funding question on the table from last week was whether to shift any more from free cash to borrowing, specifically \$300,000 from capital to operating for DPW.

Brian Keveny presented changes which include part-time personnel for Conservation and revised School budget, as well as his recommendations on free cash use.

(Tom Abdella arrived at 7:58 PM).

Current year transfers: \$250k. Snow alone already is \$250k. Need to add another \$150k for snow for the rest of the year.

There will be a \$12,000 transfer to cover past issues in River's Edge, closed out early.

There is a revenue surplus, free cash for bond premium of \$462,000. This is unbudgeted revenue. Local receipts are coming in on target.

Expense turn-back is now up from \$1 million to \$1.2 million from \$1.0 million, due to more departments reporting on purchase orders (POs). Unused appropriated POs will become free cash in the FY2016 budget.

B. Keveny recommended using \$3.11 million of free cash to reduce Operating and Capital Budgets. That will hold free cash at 7.11% of the budget, as projected in next year's budget. If we use \$2.5 million of free cash, the 1.5% levy will rise to 1.78%. Anything more is likely unsustainable. A larger capital budget would require borrowing.

This use of Free Cash will call taxation to spike in FY17 because:

- No major turn-backs are expected.
- Not much more will be coming from closed out capital projects (less than \$100k is expected)
- No more encumbrances

T. Abdella observed that tax rate oscillations disturb voters. B. Steinberg followed saying that those oscillations in 2011 caused Special Town Meeting residents voted to use free cash to smooth tax rates. B. Keveny indicated these were not material to bond ratings.

The town's five year projections are getting better, but accuracy is still difficult to achieve.

T. Greenaway moved to vote on Operating Budget. N. Funkhouser seconds. Vote: 7-0.

Capital Budget

T. Abdella indicated that Loker phones and wiring are in budget to comply with ALICE requirements. All schools need some, work though Happy Hollow and Claypit have basic wiring in place.

B. Keveny said a \$12,500 transfer was required to meet treasury needs, as cash is needed to pay for consultant needed to reconcile cash, for the use of QuickBooks, and to pay motor vehicle bills.

N. Balmer said that the IT servers are vulnerable to viruses and hackers, a services contractor is needed to scan and repair at a cost of \$10,000.

N. Funkhouser moved to accept the capital budget of \$4,028,100 for FY16. T. Greenaway seconds. Vote: 7-0

7. Discussion of OPEB

Cliff Lewis, Chairman of OPEB, with David Guttenricher discussed parity accounts contributions. Annual contribution is down from \$1,320 per year per person to \$384 per year per person. Food Service saved enough on annual budget to afford parity contribution. It made 7% per year last couple of years for fund contribution, putting the fund currently at \$12,305,040.

The warrant article should show a \$237,883 contribution. The re-worked schedule, will be 7% - 10% higher, will be \$250—260,000 higher. GASB 45 overstates liabilities. We have an RFQ in place to see if we need a real trust fund. Commonwealth questions are unanswered at this time.

Discussion followed.

B. Steinberg move to accept the article as presented. N. Funkhouser seconded. Voted was 7-0 to approve.

8. Review and Vote Warrant Articles for Annual Town Meeting

Article 27: Construct Rail Trail in Wayland. B. Steinberg said that the Rail Trail article has been under consideration for several years, currently estimated to cost \$445,000. The length of the right-of-way has been extended. Discussion followed, including the possibility that the State might provide some funding in the future, which would provide for trail improvement. Steinberg moves to vote in favor, N. Funkhouser seconds.. Vote: 7-0.

The Recreation Committee budget came up at this time. It has requested more money, including a larger capital budget. B. Keveny indicated that it should be an Enterprise Fund for 2016, which would force budget discipline, and more appropriate budgeting. N. Balmer said the money is needed now, to avoid vendor issues, and that the town could move to enterprise funding in FY17. She asked for the Finance Committee's support, which Chair Greenaway stated was appropriate. B. Steinberg moves to adjust budget up to \$594,000. Abdella seconded. Vote 7-0.

Article 12: Set Aside Community Preservation Funds for for Later Spending – B. Steinberg moved to accept, N. Funkhouser seconded. Roll call vote was 7-0.

Article 37: Appropriate Funds to Stabilize Two Arches of Stone's Bridge. This article will be held until the next meeting as per T. Abdella. It is uncertain whether the Town actually owns the Stonebridge property. N. Funkhouser moved to pass over until Town Attorney Mark Lanza confirms that Wayland owns the bridge.

Article 14: Transfer Community Housing Funds to Wayland Municipal. This is an annual event to fund the trust that was approved during the 2014 Annual Town Meeting. G. Schuler indicated this was part of the Town's Affordable Housing Plan, and this is Community Conservations contribution to this consolidated fund. The amount contributed will be \$419,202.

Article 36: Acquire Land and House at 246 Stonebridge Road. N. Funkhouser stated this was a request to appropriate \$342,000 to acquire an empty house adjacent CPC community land. G. Schuler indicated that the town cannot pay more than the appraised value, and the town is waiting the Assessor's official appraisal. This is near Stone's Bridge. N. Funkhouser moved to recommend to approve,. T. Greenaway seconded. Approve as amended. 6-0-1, with Abdella abstained.

Article 24: Transfer Dudley Woods Parcels for Passive Recreation. C. Martin stated that the Conservation and Recreation Committees have voted to approve this article. Dudley Area Advisory Committee (DAAC) endorses this. C. Martin moved to approve, B. Steinberg seconded. Vote 7-0.

Article 25: Design and Construct Trails and Signage at Dudley Woods. C. Martin stated that the CPC said it could come in at a lower cost than the original CIP, down from \$129,000 to \$85,000 which will come from uncommitted Conservation Commission funds. Wastewater condition must be met to complete this project. Chair Greenaway indicated a technical correction is required in the article. Discussion followed. C. Martin moved to approve allocating the \$85,000 requested.. B. Steinberg seconded. Vote: 6-1.

Vote 6-1.

Selectman C. Karlson joined the meeting. She said that the Selectmen withdrew some articles during their meeting, including Article 19, Minuteman Agreement amendment, Article 23, Wastewater Fund Payment.

Article 28: Acquire Municipal Parcel in Town Center and Convey Access Easement in Town Center. C. Karlson said that conveying the easement is non-binding; it simply gives the Town greater planning flexibility regarding wastewater. 4.8 acres are under negotiation, some will become a retention basin. B. Steinberg moves to approve. T. Abdella seconds. Vote 7-0

Article 10; Resolution Regarding ESCO Project Changes. B. Steinberg stated that this was to redirect funds previously approved to improve energy efficiency in the Town Building: boilers, HVAC controllers, etc. The vendor's performance guarantees in reduced energy costs would pay for the work. As there is some question if the Town Building would continue in its present capacity, the Selectmen want to redirect \$2,250,878 of the approved \$2,813,920 to accomplish the energy improvements in various school buildings, leaving \$63,042. This is estimated to save more than \$80,000 in future annual energy costs. Discussion and text edits followed. Vote 7-0 to approve.

Article 29: Appropriate Funds for Due Diligence and Feasibility Design for a Proposed Council on Aging/Community Center at Wayland Town Center. T. Greenaway described the order of magnitude of the proposed project. Discussion followed. Discussion followed regarding what the total cost might be for this project, and were all options for the building being reviewed COA has moved to support. C. Martin moved to approve. B. Steinberg seconded. Vote 7-0.

Article 23: Fund Payment in Lieu of Sewer Betterment Assessment for Town Owned Buildings. This was deleted as a budget review is required.

Article 26: Acquire Open Space Parcel in Sage Hill Subdivision., 2, and 30.

Article 7: Compensation for Town Clerk. A standard annual article – Chair Greenaway moved to approve, N. Funkhauser seconded. Vote 6-0-1.

A review of the status of all remaining articles followed. All remaining articles will be completed in the February 24 meeting.

9. Members Reports and Concerns

The Committed held a brief discussion of George Harris and the OML Violation Complaint. Chair Tom Greenaway stated that it was OK to email documents, providing no opinion is expressed or exchanged. Subjects like administrative tasks are OK. This will help guard against irrational complaints.

Discussion of schedule for future Finance Committee meetings followed.

10. Chair's Report

Next planned FinCom meetings: February 23 and February 26.

11. Adjournment: At 11:15 pm Chair Greenaway moved to adjourn the meeting and B. Steinberg seconded the motion. The motion was approved unanimously (7-0).

Respectfully submitted,

Gil Wolin

Documents: