



Town of Wayland Massachusetts

Finance Committee

Thomas Abdella
Gordon Cliff
Nancy Funkhouser (Chair)
Carol Martin

Bill Steinberg
Dave Watkins (Vice-Chair)
Gil Wolin
Brian Keveny (Finance Director)

Finance Committee Meeting Minutes August 31, 2015

In Attendance: N. Funkhouser (Chair); G. Cliff; C. Martin; W. Steinberg; D. Watkins (participating by phone due to geographic distance); G. Wolin; and Finance Director B. Keveny. Not In Attendance: T. Abdella.

Call to Order at 7:02PM. WayCam was taping the meeting.

- I. Public Comment – None
- II. Finance Director's Report Regarding Fall Special Town Meeting –

Mr. Keveny handed out a proposed article for Special Town Meeting with regard to the payment of bill from the previous Fiscal Year. The amount proposed is \$4,920 for a bill that was misplaced and should have been paid previously.

Mr. Keveny handed out a proposed article for current year transfers, which was a correction of a draft article he had handed out at the FinCom meeting of 8/17/15. Removed was a request for payment of \$24,000 within the Wastewater budget. That amount can be paid within the fund's current budget from savings on legal fees.

There is a request for funding certain technology needs of the Town (IT). These include rebuilding the firewall for IT security, security for email, updating the munis software, which is necessary to meet payroll needs in calendar 2016, and increasing/adding to the storage area network (SAN). The estimated cost for these items will be in the range of \$60,000 - \$120,000. Brian is particularly concerned with the munis software update, which was not done due to the decision in the spring of 2015 to not upgrade the SAN.

The final potential article for Special Town Meeting discussed by Mr. Keveny is a request for approximately \$29,000 that would fulfill the Town's matching payment for a grant of over \$290,000 (10% match required) for the solar project at the Wayland Middle School.

Mr. Cliff moved that FinCom approve the article for the payment of previous year's fiscal bill in the amount of \$4,920. Mr. Steinberg seconded. Due to Mr. Watkins' attendance via telephone, a roll call vote was taken, and the motion was approved 6-0: Steinberg (yes); Cliff (yes); Funkhouser (yes); Wolin (yes); Martin (yes); and Watkins (yes).

III. Recreational Revolving Fund Update –

Ms. Martin provided some background on discussions she and Mr. Keveny had with the Recreation Commission regarding the various options they were considering with regard to how the Recreation Department financial model might be structured. She reported that the members of that committee are considering requesting that Town Meeting approve a recreational revolving fund which would allow them to increase expenditures from 1% of the Town's budget to as much as 5% of the budget. In addition, the Recreation Committee wants approximately \$160,000 of recreation salaries to be paid from the General Fund. Finally, rather than reimbursing to the general fund legacy costs of approximately \$600,000 from retained earnings, the Recreation Commissioners prefer to use retained earnings towards future capital needs of their department. The Recreation Commissioners expect to submit an Article for Special Town Meeting which, if passed, would allow the Board of Selectmen to petition the State Legislature, thereby allowing them to increase the spending cap on the revolving fund.

There was a brief discussion with Mr. Keveny regarding the difference between an Enterprise Fund designation for Recreation and the 53E ½ designation, which most significantly is the use of retained earnings (Enterprise Fund would return most retained earnings to the general fund). At that point, Mr. Keveny and Ms. Martin left the meeting to attend a joint meeting between Recreation and the Board of Selectmen on this topic (7:30PM).

IV. Mr. Watkins (via phone) continued the discussion regarding the Town's IT needs as described above. He pointed out that the estimated equipment cost of \$60K - \$120K would also come with additional personnel costs (or third party costs) to maintain the system. A breakdown of some of these costs, as currently estimated are:

- Firewall (needs to be done now) – monies are already in the budget for FY '16;
- Munis Software Upgrade - \$35K - \$45K
- Email Server Upgrade - \$11K
- Storage Area Network - \$75K

Mr. Watkins stated that the current thinking is that the Munis upgrade and Email upgrade should be incorporated into an Article for Annual Town Meeting.

V. Peer Town Review –

Mr. Watkins reviewed the process FinCom went through to examine the then current peer towns and to institute and vote on a new peer town process and a new set of peer towns, based upon that process. This was done in the winter of 2015.

Mr. Cliff is not in accord with the FinCom process. He recommends two criteria (premier schools rank and nearby location) and not the nine in the current criteria.

He believes Weston should be on the list. He believes that it would be better if the school list and the FinCom list were consistent.

After several minutes of discussion, the Committee concluded that it is comfortable with the process and the peer towns as voted last winter and that there is not any reason to make changes at this time.

VI. Members Reports, Concerns & Topics –

Mr. Wolin stated that Minuteman High School continues to look at developing a larger school. The cost of such a school continues to be a concern of Wayland, as expressed by the Board of Selectmen and Town Meeting.

Mr. Watkins added to the IT discussion from earlier, by informing members that the IT committee is looking at both the outsourcing IT and of bringing it in-house in order to determine the most cost effective way to manage our IT systems.

Mr. Cliff reported that the Board of Selectmen and the OPEB Committee have been meeting to consider new legislation that might provide more flexibility than our current OPEB agreement to deal with the governance of our program, and in particular our investment strategy.

Mr. Steinberg reported that the Library Trustees plan to submit an Article for Special Town Meeting for monies to study a new library. He also reported that the RFP for the River's Edge parcel will be available as of 9/2/15.

VII. Meeting Minutes –

The committee discussed the minutes from the meeting of 6/17/15; however because Mr. Cliff abstained and Mr. Watkins was present by phone, there was a concern that the remaining voting members did not constitute a quorum (Wolin, Funkhouser and Steinberg), and therefore a vote regarding these minutes was tabled until later in the meeting. Mr. Cliff handed out draft minutes from the meeting of 8/17/15 for discussion at a future meeting.

VIII. OML Update –

The Chair notified members that a Wayland resident (Mr. Harris) has requested all meeting minutes since 3/30/15.

IX. Future Meetings –

The Committee set dates for future meetings as follows:

- 9/8/15 Article Hearing and meeting to follow
- 9/16/15 Article Review and other topics
- 9/28/15 Budget Review, finalize operating budget guidelines, article write-ups and other topics
- 10/5/15 Finalize article write-ups and other topics

- 10/19/15 Discuss the capital budget and other topics
- X. Budget Guideline Letter –
Mr. Cliff handed out a draft letter to be sent to the various Town Departments with regard to the Finance Committee requests for budget submittals for Fiscal-Year 2017. There was discussion with regard to the verbiage in paragraph 3 regarding the consequences of a budget proposal with increases in excess of 2.5%. Ms. Funkhouser volunteered, with agreement from other Members, to redraft that paragraph at a future meeting. It was also agreed that Mr. Watkins will draft a paragraph that discusses innovation and efficiencies in the budgets to be submitted by the departments.
- XI. Recreation Revolving Fund Update (cont.) –
Ms. Martin and Mr. Keveny re-joined the meeting. They reported that the meeting between the Board of Selectmen and the Recreation Commission did not result in a consensus with regard to a preferred structure for the Recreation Department. Mr. Keveny informed Members that the Recreation Department might incur costs in excess of their approved operating budget and revolving fund cap on expenditures and that he has informed the director of that department that he will not fund expenditures that are in excess of that \$595,000 cap in Fiscal Year 2016.
- XII. Meeting Minutes –
The meeting minutes of 6/17/15 were approved by a roll call vote, with Mr. Cliff abstaining and Mr. Watkins voting remotely. It was a roll call vote with a 5-0-1 result in favor: Steinberg (yes); Cliff (abstain); Funkhouser (yes); Wolin (yes); Martin (yes); and Watkins (yes).

At 10:15PM, Ms. Funkhouser moved that the meeting be adjourned. Mr. Cliff seconded. By a roll call vote of 6-0, the meeting was adjourned: Steinberg (yes); Cliff (yes); Funkhouser (yes); Wolin (yes); Martin (yes); and Watkins (yes).

Handouts – Proposed Articles for Special Town Meeting From Mr. Keveny
Draft Budget Letter from Mr. Cliff