

DATE: September 8, 2015

TO: Board of Selectmen, School Committee and Personnel Board

FROM: John Senchyshyn, Asst. Town Administrator/HR Director

RE: **Joint Meeting with the Personnel Board and the School Committee to Hear an Analysis and Discuss Potential Options with Cook and Company for Providing Health Insurance to Employees and Retirees through the Group Insurance Commission**

REQUESTED MOTION:

None

BACKGROUND:

At its meeting of August 3rd, the Board of Selectmen authorized the engagement of Cook & Co. to conduct a comparative analysis of premiums between the West Suburban Health Group (WSHG) and the Group Insurance Commission (GIC) and identify potential premium cost savings between the organizations. Sue Shillue, President of Cook & Co. will be presenting the findings to the boards. I anticipate a 15 minute presentation followed by a 30 minute Q&A. Included in the packet are a number of documents applicable to the presentation. The documents are as follows:

- An introductory letter regarding the analysis
- FY 16 GIC total premium rates and FY 16 WSHG total premium rates
- Comparisons of WSHG and GIC Medicare and Non-Medicare plan designs
- A Summary and supporting projections for potential employee/retiree migration with corresponding premium savings
- Projected annual effects on employees/retirees resulting from a combination of premium savings and increased out-of-pocket expenses

A number of the aforementioned scenarios and projections focus on the Tufts Navigator plan, the Harvard Pilgrim Independence plan and the Harvard Pilgrim Primary Choice plan. These three plans are the most popular plans with municipal employees enrolled in the GIC. They represent 26.8%, 21.3% and 10.7% of the total municipal enrollment respectively.

Should the Town opt to pursue the GIC option, the first step in the process would be the adoption of M.G.L. 32B, Sections 21-23 by the Board of Selectmen. Such a vote requires a minimum 2-day notification to the bargaining units and the state's retirees' association. There are then a number of steps spelled out in the law which includes the creation of a Public Employees Committee (PEC). 25% of the total first year's savings is provided to the employees and retirees in mitigation. Mitigation is limited to the first year. The Town and the PEC bargain over the distribution or application of the mitigation funds, but not over the decision to move to the GIC. The GIC requires notification by December 1st for a July 1st enrollment. The time frame to meet a December 1st notification is very tight.



COOK & COMPANY
Insurance Services, Inc.

August 25, 2015

Mr. John Senchyshyn
Assistant Town Administrator
Town of Wayland
41 Cochituate Road
Wayland, MA 01778

Dear John:

We have evaluated the Town of Wayland's health insurance program under the West Suburban Health Group (WSHG) versus the Group Insurance Commission (GIC) and are providing the following information:

1. A benefit comparison of the WSHG health plans versus the GIC health plans (both active and Medicare plans).
2. List of the networks for each limited network plan in the GIC.
3. A financial comparison of the premiums costs (total as well as employer/employee split) for the current WSHG plans and enrollments and the projected GIC costs based on different migration assumptions.
4. A copy of the GIC municipal regulations.

Currently the WSHG retiree plans offer prescription drug coverage through a Medicare Prescription Drug Plan. This is in lieu of the Retiree Drug Subsidy (RDS) that the group previously obtained. As of 1-1-16, the GIC's Medicare indemnity plan (Unicare OME) will also offer their prescription drug plan in the same manner. Therefore, the premiums for that plan (which is the plan that most closely resembles Medex), will be reduced. However, since we don't yet know the new rates, I have not built the reduction into the projection. One additional benefit to these types of plans is that they reduce the town's OPEB liability.

Some points regarding the GIC:

1. You will no longer negotiate benefit levels with the unions. The GIC decides what the carriers, plans, benefits, copayments, etc. will be.
2. The Town would negotiate with a Public Employee Committee (PEC) either through Section 19 or Sections 21-23 to enter the GIC. The Town's initial agreement must be for either 3 or 6 years. Subsequent agreements can be for no less than 2 years. If the Town opts out of the GIC after the expiration of an agreement, you can't enroll again for 3 years.

Mr. John Senchyshyn
August 25, 2015
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3. The Town is able to obtain their specific utilization one time prior to the expiration of the PEC agreement. The information that you can obtain is specified in the GIC regulations.
4. The WSHG currently provides a prescription drug program through CanaRx whereby members can obtain prescription drugs with no copayment. This program is not offered through the GIC. In addition, the WSHG offers wellness programs that would not be offered through the GIC.

Please let me know if you need have any questions regarding this information. I look forward to presenting it to the Board of Selectmen and School Committee.

Sincerely,

COOK & COMPANY INSURANCE SERVICES, INC.



Susan H. Shillue
President



Insurance products from the people you trust

GIC MONTHLY FULL COST RATES

Effective July 1, 2015

Full Cost Rates Including the 0.4% Administrative Fee

! For the rate you will pay as a municipal employee or retiree/survivor, see separate rate chart from your municipality or the GIC's website: www.mass.gov/gic/munirates.

Employee and Non-Medicare Retiree/Survivor Health Plans

HEALTH PLAN	PLAN TYPE	INDIVIDUAL	FAMILY
Fallon Health Direct Care	HMO	\$492.89	\$1,182.96
Fallon Health Select Care	HMO	654.98	1,571.91
Harvard Pilgrim Independence Plan	POS	749.39	1,828.49
Harvard Pilgrim Primary Choice Plan	HMO	599.51	1,462.80
Health New England	HMO	494.17	1,225.14
NHP Prime (<i>Neighborhood Health Plan</i>)	HMO	470.71	1,247.36
Tufts Health Plan Navigator	POS	659.25	1,609.60
Tufts Health Plan Spirit	HMO-type	501.40	1,207.85
UniCare State Indemnity Plan/Basic with CIC (Comprehensive)	Indemnity	974.65	2,281.72
UniCare State Indemnity Plan/Basic without CIC (Non-Comprehensive)	Indemnity	932.32	2,183.55
UniCare State Indemnity Plan/Community Choice	PPO-type	472.29	1,136.29
UniCare State Indemnity Plan/PLUS	PPO-type	655.64	1,566.91

Medicare Plans

Health Plan	Plan Type	Per Person
Fallon Senior Plan*	Medicare (<i>HMO</i>)	\$302.13
Harvard Pilgrim Medicare Enhance	Medicare (<i>Indemnity</i>)	392.24
Health New England MedPlus	Medicare (<i>HMO</i>)	360.95
Tufts Health Plan Medicare Complement	Medicare (<i>HMO</i>)	353.91
Tufts Health Plan Medicare Preferred*	Medicare (<i>HMO</i>)	275.60
UniCare State Indemnity Plan/Medicare Extension (OME) with CIC (<i>Comprehensive</i>)	Medicare (<i>Indemnity</i>)	403.98
UniCare State Indemnity Plan/Medicare Extension (OME) without CIC (<i>Non-Comprehensive</i>)	Medicare (<i>Indemnity</i>)	393.47

**Benefits and rates of Fallon Senior Plan and Tufts Health Plan Medicare Preferred are subject to federal approval and may change January 1, 2016.*

WEST SUBURBAN HEALTH GROUP

Non-Medicare Plan Rates effective July 1, 2015

Health Plans	Plan Type	FY 16	
		Monthly Rate	
		Individual	Family
HPHC PPO	PPO	\$ 2,268.00	\$ 5,036.00
HPHC Rate Saver	HMO	\$ 736.00	\$ 1,918.00
Blue Choice Rate Saver	HMO	\$ 843.00	\$ 2,261.00
Tufts Navigator Rate Saver	HMO	\$ 797.00	\$ 2,088.00
Fallon Select Rate Saver	HMO	\$ 611.00	\$ 1,647.00
Fallon Direct Rate Saver	HMO	\$ 570.00	\$ 1,531.00

Medicare Plan Rates effective January 1, 2015

Health Plans		CY15	
		Monthly Rate	
		Individual	
BCBS Medex	MEDICARE INDEMNITY	\$ 340.00	
HPHC Medicare Enhance	MEDICARE INDEMNITY	\$ 328.33	
Managed Blue for Seniors	MEDICARE HMO	\$ 295.63	
Fallon Senior Plan	MEDICARE HMO	\$ 299.00	
Tufts Medicare Prime Supplement	MEDICARE INDEMNITY	\$ 330.00	
Tufts Medicare Preferred HMO	MEDICARE HMO	\$ 262.00	

COMPARISON OF WSHG RATE SAVER PLANS VS WSHG CURRENT BENCHMARK PLANS FY '16

	WSHG RATE SAVER PLANS				WSHG BENCHMARK PLANS			
	WSHG HPHC RATE SAVER HMO	WSHG TUFTS RATE SAVER HMO	WSHG NETWORK BLUE RATE SAVER HMO	FALLON RATE SAVER HMO	WSHG HPHC BENCHMARK HMO	WSHG TUFTS BENCHMARK HMO	WSHG NETWORK BLUE BENCHMARK HMO	WSHG FALLON BENCHMARK HMO
Calendar Year Deductible	IND FAM	N/A	N/A	N/A	\$250 \$750	\$250 \$750	\$250 \$750	\$250 \$750
Primary Care Office Visit	Tier 1 Tier 2 Tier 3	\$20	\$15 \$25 \$45	\$20	\$20	\$20	\$20	\$20
Specialist Office Visit	Tier 1 Tier 2 Tier 3	\$35 N/A N/A	\$45 N/A N/A	\$35 N/A N/A	\$25 \$35 \$45	\$35 N/A N/A	\$35 N/A N/A	\$35 N/A N/A
Emergency Room		\$75	\$75	\$75	\$100	\$75	\$100	\$100
Hospital Admission	Tier 1 Tier 2 Tier 3	\$250 N/A N/A	\$250 \$500 \$500	\$250 N/A N/A	\$300 \$300 \$700	\$300 \$700 N/A	\$300 \$700 N/A	\$300 N/A N/A
Hospital Outpatient Surgery		\$125	\$150 \$250 \$250	\$125	\$150	\$150	\$150	\$150
High Tech Imaging (MRI, CT, PET)	Tier 1 Tier 2 Tier 3	Covered in Full	\$75 \$150 \$150	Covered in Full	\$100	\$100	\$100	\$100
Prescriptions								
Retail								
30-day supply	Tier 1 Tier 2 Tier 3	\$10 \$25 \$45	\$15 \$30 \$50	\$10 \$25 \$45	\$10 \$25 \$50	\$10 \$25 \$50	\$15 \$30 \$50	\$10 \$25 \$50
Mail Order								
90-day supply	Tier 1 Tier 2 Tier 3	\$20 \$50 \$90	\$30 \$60 \$100	\$20 \$50 \$90	\$20 \$50 \$110	\$20 \$50 \$110	\$20 \$50 \$110	\$20 \$50 \$110

**COMPARISON OF WSHG MEDICARE PLANS VS GIC MEDICARE PLANS
FY '16**

WSHG MEDICARE PLANS										GIC MEDICARE PLANS														
MEDEX	HPHC ENHANCE	TUFTS MEDICARE SUPPLEMENT	TUFTS MEDICARE PREFERRED	MANAGED BLUE FOR SENIORS	FALLON SENIOR	GIC UNICARE ONE	GIC HPHC ENHANCE	GIC TUFTS COMPLEMENT	GIC TUFTS PREFERRED	GIC FALLON SENIOR	GIC HEALTH NEW ENGLAND	MEDEX	HPHC ENHANCE	TUFTS MEDICARE SUPPLEMENT	TUFTS MEDICARE PREFERRED	MANAGED BLUE FOR SENIORS	FALLON SENIOR	GIC UNICARE ONE	GIC HPHC ENHANCE	GIC TUFTS COMPLEMENT	GIC TUFTS PREFERRED	GIC FALLON SENIOR	GIC HEALTH NEW ENGLAND	
Calendar Year Deductible	N/A	N/A	N/A	N/A	N/A	\$35	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Office Visit	Covered in Full	\$5	\$10	\$10	\$15	Covered in Full	\$10	Covered in Full	\$10	\$15	Covered in Full	\$10	Covered in Full	\$10	\$10	\$10	\$15	Covered in Full	\$10	Covered in Full	\$10	\$10	\$10	
Specialist Office Visit	Covered in Full	\$5	\$10	\$10	\$25	Covered in Full	\$10	Covered in Full	\$15	\$25	Covered in Full	\$10	Covered in Full	\$10	\$15	\$25	\$25	Covered in Full	\$10	Covered in Full	\$10	\$10	\$10	
Emergency Room	Covered in Full	\$30	\$50	\$50	\$50	\$25	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	
Hospital Admission	Covered in Full	Covered in Full	\$300 deductible	Covered in Full	Covered in Full	\$50 (max of one per quarter)	Covered in Full	Covered in Full	Covered in Full	Covered in Full	Covered in Full	Covered in Full	Covered in Full	Covered in Full	Covered in Full	Covered in Full	Covered in Full	Covered in Full	Covered in Full	Covered in Full	Covered in Full	Covered in Full	Covered in Full	
Prescriptions Retail 30-day supply	Tier 1 \$5 Tier 2 \$15 Tier 3 \$30	\$5 \$10 \$25	\$10 \$20 \$35	\$10 \$25 \$50	\$5 \$15 \$30	\$10 \$30 \$95	\$10 \$30 \$95	\$10 \$30 \$95	\$10 \$25 \$50	\$10 \$25 \$50	\$10 \$25 \$50	\$10 \$30 \$95	\$10 \$30 \$95	\$10 \$20 \$35	\$10 \$25 \$50	\$5 \$15 \$30	\$10 \$25 \$50	\$10 \$30 \$95	\$10 \$30 \$95	\$10 \$30 \$95	\$10 \$25 \$50	\$10 \$25 \$50	\$10 \$30 \$95	\$10 \$30 \$95
Mail Order 90-day supply	Tier 1 \$10 Tier 2 \$30 Tier 3 \$60	\$10 \$20 \$75	\$20 \$40 \$70	\$20 \$50 \$100	\$20 \$50 \$100	\$25 \$75 \$165	\$25 \$75 \$165	\$25 \$75 \$165	\$25 \$50 \$100	\$25 \$50 \$100	\$25 \$50 \$100	\$25 \$75 \$165	\$25 \$75 \$165	\$20 \$40 \$70	\$20 \$50 \$100	\$20 \$50 \$100	\$20 \$50 \$100	\$25 \$75 \$165	\$25 \$75 \$165	\$25 \$75 \$165	\$25 \$50 \$100	\$25 \$50 \$100	\$25 \$75 \$165	\$25 \$75 \$165

GIC plans are converting to a Medicare PDP effective 1-1-16



WAYLAND - FISCAL YEAR 2016 HEALTH INSURANCE OPTIONS SUMMARY

ALL DATA REPORTED ON AN ANNUAL BASIS
DATA EXCLUDES INCREASED OUT-OF-POCKET EXPENSES

	Employer Cost	Emp/Retiree Cost	Total Cost
Option #1 - Current WSHG Plans			
Non-Medicare Plans	5,744,407	2,944,325	8,688,732
Medicare Plans	664,609	664,609	1,329,218
<u>Total</u>	<u>6,409,016</u>	<u>3,608,934</u>	<u>10,017,950</u>
Option #2 - Move to New WSHG Benchmark Plans			
Non-Medicare Plans	5,353,944	2,745,297	8,099,241
Medicare Plans	664,609	664,609	1,329,218
<u>Total</u>	<u>6,018,553</u>	<u>3,409,906</u>	<u>9,428,459</u>
Savings	390,463	199,028	589,491
Option #3 - Move to GIC Plans; All enroll in Same Carrier using HPHC Independence and Tufts Navigator; BC to Tufts Navigator			
Non-Medicare Plans	5,138,638	2,614,828	7,753,466
Medicare Plans	766,638	766,638	1,533,276
<u>Total</u>	<u>5,905,276</u>	<u>3,381,466</u>	<u>9,286,742</u>
Savings	503,740	227,468	731,208
25% Mitigation	-182,802	182,802	
<u>Net 1st Year Savings</u>	<u>320,938</u>	<u>410,270</u>	<u>731,208</u>
Option #4 - Move to GIC Plans; HP, Tufts, BCBS Enroll in Tufts Navigator; Fallon Enrolls in Fallon			
Non-Medicare Plans	4,779,350	2,428,683	7,208,033
Medicare Plans	766,638	766,638	1,533,276
<u>Total</u>	<u>5,545,988</u>	<u>3,195,321</u>	<u>8,741,309</u>
Savings	863,028	413,613	1,276,641
25% Mitigation	-319,160	319,160	
<u>Net 1st Year Savings</u>	<u>543,868</u>	<u>732,773</u>	<u>1,276,641</u>
Option #5 - Move to GIC Plans; Hybrid Model			
Non-Medicare Plans	4,765,943	2,429,607	7,195,550
Medicare Plans	766,638	766,638	1,533,276
<u>Total</u>	<u>5,532,581</u>	<u>3,196,245</u>	<u>8,728,826</u>
Savings	876,435	412,689	1,289,124
25% Mitigation	-322,281	322,281	
<u>Net 1st Year Savings</u>	<u>554,154</u>	<u>734,970</u>	<u>1,289,124</u>



WAYLAND - FISCAL YEAR 2016 Current WSHG Plans

Plan Name	Enrollment	I/F	# of Months	EMPLOYER			EMPLOYEE/RETIREE		TOTAL Cost	Employer %
				Rate	Share	Cost	Share	Cost		
HPHC PPO	1	I	12	2268.00	1134.00	13,608	1134.00	13,608	27,216	50.00
	1	F	12	5036.00	2518.00	30,216	2518.00	30,216	60,432	50.00
TOTALS:						43,824		43,824	87,648	
HPHC EPO	104	I	12	736.00	544.64	679,711	191.36	238,817	918,528	74.00
RATE SAVER	162	F	12	1918.00	1227.52	2,386,299	690.48	1,342,293	3,728,592	64.00
TOTALS:						3,066,010		1,581,110	4,647,120	
HPHC EPO	2	I	12	736.00	368.00	8,832	368.00	8,832	17,664	50.00
RATE SAVER	2	F	12	1918.00	959.00	23,016	959.00	23,016	46,032	50.00
TOTALS:						31,848		31,848	63,696	
TUFTS EPO	54	I	12	797.00	589.78	382,177	207.22	134,279	516,456	74.00
RATE SAVER	50	I	12	2088.00	1336.32	801,792	751.68	451,008	1,252,800	64.00
TOTALS:						1,183,969		585,287	1,769,256	
NETWORK BLUE	37	I	12	843.00	623.82	276,976	219.18	97,316	374,292	74.00
RATE SAVER	28	F	12	2261.00	1447.04	486,205	813.96	273,491	759,696	64.00
TOTALS:						763,182		370,806	1,133,988	
FALLON SELECT	32	I	12	611.00	452.14	173,622	158.86	61,002	234,624	74.00
RATE SAVER	24	F	12	1647.00	1054.08	303,575	592.92	170,761	474,336	64.00
TOTALS:						477,197		231,763	708,960	
FALLON SELECT	1	I	12	611.00	305.50	3,666	305.50	3,666	7,332	50.00
RATE SAVER	2	F	12	1647.00	823.50	19,764	823.50	19,764	39,528	50.00
TOTALS:						23,430		23,430	46,860	
FALLON DIRECT	13	I	12	570.00	421.80	65,801	148.20	23,119	88,920	74.00
RATE SAVER	7	F	12	1531.00	979.84	82,307	551.16	46,297	128,604	64.00
TOTALS:						148,107		69,417	217,524	
FALLON DIRECT	2	I	12	570.00	285.00	6,840	285.00	6,840	13,680	50.00
RATE SAVER	0	F	12	1531.00	765.50	-	765.50	-	-	50.00
TOTALS:						6,840		6,840	13,680	
SUBTOTAL NON-MEDICARE						5,744,407		2,944,325	8,688,732	
MEDEX	87	I	12	340.00	170.00	177,480	170.00	177,480	354,960	50.00
HPHC ENHANCE	93	I	12	328.33	164.17	183,208	164.17	183,208	366,416	50.00
TUFTS MED PLUS	72	I	12	330.00	165.00	142,560	165.00	142,560	285,120	50.00
TUFTS MED PREF	62	I	12	262.00	131.00	97,464	131.00	97,464	194,928	50.00
MGD BLUE FOR SRS	34	I	12	295.63	147.82	60,309	147.82	60,309	120,617	50.00
FALLON SENIOR	2	I	12	299.00	149.50	3,588	149.50	3,588	7,176	50.00
SUBTOTAL MEDICARE:						664,609		664,609	1,329,217	
Budget Totals All Plans:						6,409,015	-	3,608,934	10,017,949	

OPTION #1



WAYLAND - FISCAL YEAR 2016 Projection on New WSHG Benchmark Benefit

Plan Name	Enrollment	I/F	# of Months	Rate	EMPLOYER		EMPLOYEE/RETIREE		TOTAL Cost	Employer %
					Share	Cost	Share	Cost		
HPHC PPO	1	I	12	2268.00	1134.00	13,608	1134.00	13,608	27,216	50.00
	1	F	12	5036.00	2518.00	30,216	2518.00	30,216	60,432	50.00
TOTALS:						43,824		43,824	87,648	
HPHC EPO	104	I	12	681.83	504.55	629,684	177.28	221,240	850,924	74.00
RATE SAVER	162	F	12	1776.84	1137.18	2,210,673	639.66	1,243,504	3,454,177	64.00
TOTALS:						2,840,357		1,464,744	4,305,101	
HPHC EPO	2	I	12	681.83	340.92	8,182	340.92	8,182	16,364	50.00
RATE SAVER	2	F	12	1776.84	888.42	21,322	888.42	21,322	42,644	50.00
TOTALS:						29,504		29,504	59,008	
TUFTS EPO	54	I	12	734.83	543.77	352,366	191.06	123,804	476,170	74.00
RATE SAVER	50	I	12	1925.14	1232.09	739,254	693.05	415,830	1,155,084	64.00
TOTALS:						1,091,619		539,634	1,631,254	
NETWORK BLUE	37	I	12	799.08	591.32	262,546	207.76	92,246	354,792	74.00
RATE SAVER	28	F	12	2143.20	1371.65	460,874	771.55	259,241	720,115	64.00
TOTALS:						723,419		351,487	1,074,907	
FALLON SELECT	32	I	12	582.71	431.21	165,583	151.50	58,178	223,761	74.00
RATE SAVER	24	F	12	1570.74	1005.27	289,519	565.47	162,854	452,373	64.00
TOTALS:						455,102		221,032	676,134	
FALLON SELECT	1	I	12	582.71	291.36	3,496	291.36	3,496	6,993	50.00
RATE SAVER	2	F	12	1570.74	785.37	18,849	785.37	18,849	37,698	50.00
TOTALS:						22,345		22,345	44,690	
FALLON DIRECT	13	I	12	543.61	402.27	62,754	141.34	22,049	84,803	74.00
RATE SAVER	7	F	12	1460.11	934.47	78,496	525.64	44,154	122,649	64.00
TOTALS:						141,250		66,203	207,452	
FALLON DIRECT	2	I	12	543.61	271.81	6,523	271.81	6,523	13,047	50.00
RATE SAVER	0	F	12	1460.11	730.06	-	730.06	-	-	50.00
TOTALS:						6,523		6,523	13,047	
SUBTOTAL NON-MEDICARE						5,353,944		2,745,297	8,099,241	
MEDEX	87	I	12	340.00	170.00	177,480	170.00	177,480	354,960	50.00
HPHC ENHANCE	93	I	12	328.33	164.17	183,208	164.17	183,208	366,416	50.00
TUFTS MED PLUS	72	I	12	330.00	165.00	142,560	165.00	142,560	285,120	50.00
TUFTS MED PREF	62	I	12	262.00	131.00	97,464	131.00	97,464	194,928	50.00
MGD BLUE FOR SRS	34	I	12	295.63	147.82	60,309	147.82	60,309	120,617	50.00
FALLON SENIOR	2	I	12	299.00	149.50	3,588	149.50	3,588	7,176	50.00
SUBTOTAL MEDICARE:						664,609		664,609	1,329,217	
Budget Totals All Plans:						6,018,553		3,409,906	9,428,458	
Total Savings from WSHG Current Plans:						390,463		199,028	589,491	

Note: Employee/retiree savings do not reflect increased out-of-pocket expenses



WAYLAND - FISCAL YEAR 2016

WSHG TO GIC PLANS - Enroll in Same Carrier, BC to Tufts

Plan Name	Enrollment	I/F	# of Months	Rate	EMPLOYER Share	EMPLOYER Cost	EMPLOYEE/RETIREE Share	EMPLOYEE/RETIREE Cost	TOTAL Cost	Employer %
HPHC PPO	1	I	12	932.32	466.16	5,594	466.16	5,594	11,188	50.00
to Unicare Basic	1	F	12	2183.55	1091.78	13,101	1091.78	13,101	26,203	50.00
TOTALS:						18,695		18,695	37,390	
HPHC EPO	104	I	12	749.39	554.55	692,077	194.84	243,162	935,239	74.00
RATE SAVER	162	F	12	1828.49	1170.23	2,274,934	658.26	1,279,650	3,554,585	64.00
to HPHC Independence	TOTALS:						2,967,011		1,522,813	4,489,823
HPHC EPO	2	I	12	749.39	374.70	8,993	374.70	8,993	17,985	50.00
RATE SAVER	2	F	12	1828.49	914.25	21,942	914.25	21,942	43,884	50.00
to HPHC Independence	TOTALS:						30,935		30,935	61,869
TUFTS EPO	54	I	12	659.25	487.85	316,124	171.41	111,070	427,194	74.00
RATE SAVER	50	F	12	1609.60	1030.14	618,086	579.46	347,674	965,760	64.00
to Tufts Navigator	TOTALS:						934,210		458,744	1,392,954
NETWORK BLUE	37	I	12	659.25	487.85	216,603	171.41	76,104	292,707	74.00
RATE SAVER	28	F	12	1609.60	1030.14	346,128	579.46	194,697	540,826	64.00
to Tufts Navigator	TOTALS:						562,732		270,801	833,533
FALLON SELECT	32	I	12	654.98	484.69	186,119	170.29	65,393	251,512	74.00
RATE SAVER	24	F	12	1571.91	1006.02	289,734	565.89	162,976	452,710	64.00
to Fallon Select	TOTALS:						475,854		228,369	704,222
FALLON SELECT	1	I	12	654.98	327.49	3,930	327.49	3,930	7,860	50.00
RATE SAVER	2	F	12	1571.91	785.96	18,863	785.96	18,863	37,726	50.00
to Fallon Select	TOTALS:						22,793		22,793	45,586
FALLON DIRECT	13	I	12	492.89	364.74	56,899	128.15	19,992	76,891	74.00
RATE SAVER	7	F	12	1182.96	757.09	63,596	425.87	35,773	99,369	64.00
to Fallon Direct	TOTALS:						120,495		55,764	176,259
FALLON DIRECT	2	I	12	492.89	246.45	5,915	246.45	5,915	11,829	50.00
RATE SAVER	0	F	12	1182.96	591.48	-	591.48	-	-	50.00
to Fallon Direct	TOTALS:						5,915		5,915	11,829
SUBTOTAL NON-MEDICARE						5,138,638		2,614,828	7,753,466	
MEDEX *	87	I	12	403.98	201.99	210,878	201.99	210,878	421,755	50.00
HPHC ENHANCE	93	I	12	392.24	196.12	218,870	196.12	218,870	437,740	50.00
TUFTS MED PLUS *	72	I	12	403.98	201.99	174,519	201.99	174,519	349,039	50.00
TUFTS MED PREF	62	I	12	275.60	137.80	102,523	137.80	102,523	205,046	50.00
MGD BLUE FOR SRS **	34	I	12	275.60	137.80	56,222	137.80	56,222	112,445	50.00
FALLON SENIOR	2	I	12	302.13	151.07	3,626	151.07	3,626	7,251	50.00
* to Unicare OME										
** to Tufts Med Pref	MEDICARE TOTAL:						766,638		766,638	1,533,276
Budget Totals All Plans:						5,905,276		3,381,466	9,286,742	
Total Savings from WSHG Current Plans:						503,739		227,468	731,207	
25% Mitigation*:						(182,802)		182,802		
Net 1st Year Savings:						320,937		410,270	731,207	

*If negotiating under Sections 21-23, the Town must provide a mitigation fund of up to 25% of the total first year savings.

Note: Employee/retiree savings do not reflect increased out-of-pocket expenses

OPTION #3



WAYLAND - FISCAL YEAR 2016

WSHG TO GIC PLANS - HPHC, Tufts and BC Enroll in Tufts

Plan Name	Enrollment	I/F	# of Months	Rate	EMPLOYER Share	EMPLOYER Cost	EMPLOYEE/RETIREE Share	EMPLOYEE/RETIREE Cost	TOTAL Cost	Employer %
HPHC PPO	1	I	12	932.32	466.16	5,594	466.16	5,594	11,188	50.00
to Unicare Basic	1	F	12	2183.55	1091.78	13,101	1091.78	13,101	26,203	50.00
TOTALS:						18,695		18,695	37,390	
HPHC EPO	104	I	12	659.25	487.85	608,831	171.41	213,913	822,744	74.00
RATE SAVER	162	F	12	1609.60	1030.14	2,002,600	579.46	1,126,462	3,129,062	64.00
to Tufts Navigator	TOTALS:						2,611,430		1,340,376	3,951,806
HPHC EPO	2	I	12	659.25	329.63	7,911	329.63	7,911	15,822	50.00
RATE SAVER	2	F	12	1609.60	804.80	19,315	804.80	19,315	38,630	50.00
to Tufts Navigator	TOTALS:						27,226		27,226	54,452
TUFTS EPO	54	I	12	659.25	487.85	316,124	171.41	111,070	427,194	74.00
RATE SAVER	50	F	12	1609.60	1030.14	618,086	579.46	347,674	965,760	64.00
to Tufts Navigator	TOTALS:						934,210		458,744	1,392,954
NETWORK BLUE	37	I	12	659.25	487.85	216,603	171.41	76,104	292,707	74.00
RATE SAVER	28	F	12	1609.60	1030.14	346,128	579.46	194,697	540,826	64.00
to Tufts Navigator	TOTALS:						562,732		270,801	833,533
FALLON SELECT	32	I	12	654.98	484.69	186,119	170.29	65,393	251,512	74.00
RATE SAVER	24	F	12	1571.91	1006.02	289,734	565.89	162,976	452,710	64.00
to Fallon Select	TOTALS:						475,854		228,369	704,222
FALLON SELECT	1	I	12	654.98	327.49	3,930	327.49	3,930	7,860	50.00
RATE SAVER	2	F	12	1571.91	785.96	18,863	785.96	18,863	37,726	50.00
to Fallon Select	TOTALS:						22,793		22,793	45,586
FALLON DIRECT	13	I	12	492.89	364.74	56,899	128.15	19,992	76,891	74.00
RATE SAVER	7	F	12	1182.96	757.09	63,596	425.87	35,773	99,369	64.00
to Fallon Direct	TOTALS:						120,495		55,764	176,259
FALLON DIRECT	2	I	12	492.89	246.45	5,915	246.45	5,915	11,829	50.00
RATE SAVER	0	F	12	1182.96	591.48	-	591.48	-	-	50.00
to Fallon Direct	TOTALS:						5,915		5,915	11,829
SUBTOTAL NON-MEDICARE						4,779,350		2,428,683	7,208,033	
MEDEX *	87	I	12	403.98	201.99	210,878	201.99	210,878	421,755	50.00
HPHC ENHANCE	93	I	12	392.24	196.12	218,870	196.12	218,870	437,740	50.00
TUFTS MED PLUS *	72	I	12	403.98	201.99	174,519	201.99	174,519	349,039	50.00
TUFTS MED PREF	62	I	12	275.60	137.80	102,523	137.80	102,523	205,046	50.00
MGD BLUE FOR SRS **	34	I	12	275.60	137.80	56,222	137.80	56,222	112,445	50.00
FALLON SENIOR	2	I	12	302.13	151.07	3,626	151.07	3,626	7,251	50.00
* to Unicare OME	TOTALS:						766,638		766,638	1,533,276
** to Tufts Med Pref	TOTALS:						766,638		766,638	1,533,276
Budget Totals All Plans:						5,545,988		3,195,321	8,741,309	
Total Savings from WSHG Current Plans:						863,028		413,813	1,276,641	
25% Mitigation*:						(319,160)		319,160		
Net 1st Year Savings:						543,868		732,773	1,276,641	

*If negotiating under Sections 21-23, the Town must provide a mitigation fund of up to 25% of the total first year savings.

Note: Employee/retiree savings do not reflect increased out-of pocket expenses



WAYLAND - FISCAL YEAR 2016
WSHG HPHC TO GIC 3/4 HPHC INDEPENDENCE; 1/4 HPHC PRIMARY CHOICE
WSHG TUFTS TO GIC 3/4TUFTS NAVIGATOR; 1/4 TUFTS SPIRIT
WSHG BCBS TO GIC UNICARE COMMUNITY CHOICE
WSHG FALLON TO GIC FALLON

Plan Name	Enrollment	I/F	# of Months	Rate	EMPLOYER Share	EMPLOYER Cost	EMPLOYEE/RETIREE Share	EMPLOYEE/RETIREE Cost	TOTAL Cost	Employer %
HPHC PPO	1	I	12	932.32	468.16	5,594	468.16	5,594	11,188	50.00
to Unicare Basic	1	F	12	2183.55	1091.78	13,101	1091.78	13,101	26,203	50.00
			TOTALS:			18,695		18,695	37,390	
HPHC EPO	78	I	12	749.39	554.55	519,057	194.84	182,372	701,429	74.00
RATE SAVER	121	F	12	1828.49	1170.23	1,699,179	658.26	955,788	2,654,967	64.00
3/4 to HPHC Independence			TOTALS:			2,218,237		1,138,160	3,356,397	
HPHC EPO	26	I	12	599.51	443.64	138,415	155.87	48,632	187,047	74.00
RATE SAVER	41	F	12	1462.80	936.19	460,606	526.61	259,091	719,698	64.00
1/4 to HPHC Primary Choice			TOTALS:			599,021		307,723	906,745	
HPHC EPO	2	I	12	749.39	374.70	8,993	374.70	8,993	17,985	50.00
RATE SAVER	2	F	12	1828.49	914.25	21,942	914.25	21,942	43,884	50.00
to HPHC Independence			TOTALS:			30,935		30,935	61,869	
TUFTS EPO	40	I	12	659.25	487.85	234,166	171.41	82,274	316,440	74.00
RATE SAVER	37	F	12	1609.60	1030.14	457,384	579.46	257,278	714,662	64.00
3/4 to Tufts Navigator			TOTALS:			691,550		339,553	1,031,102	
TUFTS EPO	14	I	12	501.40	371.04	62,334	130.36	21,901	84,235	74.00
RATE SAVER	13	F	12	1207.85	773.02	120,592	434.83	67,833	188,425	64.00
1/4 to Tufts Spirit			TOTALS:			182,926		89,734	272,660	
NETWORK BLUE	37	I	12	472.29	349.49	155,176	122.80	54,521	209,697	74.00
RATE SAVER	28	F	12	1136.29	727.23	244,348	409.06	137,446	381,793	64.00
Unicare Community Choice			TOTALS:			399,523		191,967	591,490	
FALLON SELECT	32	I	12	654.98	484.69	186,119	170.29	65,393	251,512	74.00
RATE SAVER	24	F	12	1571.91	1006.02	289,734	565.89	182,976	452,710	64.00
to Fallon Select			TOTALS:			475,854		228,369	704,222	
FALLON SELECT	1	I	12	654.98	327.49	3,930	327.49	3,930	7,860	50.00
RATE SAVER	2	F	12	1571.91	785.96	18,863	785.96	18,863	37,726	50.00
to Fallon Select			TOTALS:			22,793		22,793	45,586	
FALLON DIRECT	13	I	12	492.89	364.74	56,899	128.15	19,992	76,891	74.00
RATE SAVER	7	F	12	1182.96	757.09	63,596	425.87	35,773	99,369	64.00
to Fallon Direct			TOTALS:			120,495		55,764	176,259	
FALLON DIRECT	2	I	12	492.89	246.45	5,915	246.45	5,915	11,829	50.00
RATE SAVER	0	F	12	1182.96	591.48	-	591.48	-	-	50.00
to Fallon Direct			TOTALS:			5,915		5,915	11,829	
			SUBTOTAL NON-MEDICARE			4,765,943		2,429,607	7,195,550	
MEDEX *	87	I	12	403.98	201.99	210,878	201.99	210,878	421,755	50.00
HPHC ENHANCE	93	I	12	392.24	196.12	218,870	196.12	218,870	437,740	50.00
TUFTS MED PLUS *	72	I	12	403.98	201.99	174,519	201.99	174,519	349,039	50.00
TUFTS MED PREF	62	I	12	275.60	137.80	102,523	137.80	102,523	205,046	50.00
MGD BLUE FOR SRS **	34	I	12	275.60	137.80	56,222	137.80	56,222	112,445	50.00
FALLON SENIOR	2	I	12	302.13	151.07	3,626	151.07	3,626	7,251	50.00
* to Unicare OME										
** to Tufts Med Pref										
			TOTALS:			766,638		766,638	1,533,276	
			Budget Totals All Plans:			5,532,581		3,196,245	8,728,826	
			Total Savings from WSHG Current Plans:			876,435		412,689	1,289,123	
			25% Mitigation*:			(322,281)		322,281		
			Net 1st Year Savings:			554,154		734,969	1,289,123	

*If negotiating under Sections 21-23, the Town must provide a mitigation fund of up to 25% of the total first year savings.

Note: Employee/retiree savings do not reflect increased out-of-pocket expenses

OPTION #5

Town of Wayland
 Non-Medicare Employee/Retiree Out-of-Pocket Comparison
 WSHG HPHC Rate Saver vs GIC HPHC Independence, Tufts Navigator & HPHC Primary Choice

	* Wide Network Plan *		Out-of-Pocket Difference		* Wide Network Plan		Out-of-Pocket Difference		* Limited Network Plan		Out-of-Pocket Difference	
	WSHG Rate Saver	HPHC Independence	WSHG RSP vs. GIC HP	Independence	WSHG Rate Saver	Tufts Navigator	WSHG RSP vs. GIC Tufts Navigator	Navigator	WSHG Rate Saver	HPHC Primary Choice	WSHG RSP vs. GIC HP Primary Choice	Choice
Example 1 - Family (Annual Costs)												
Premium Share	\$8,280	\$7,896	-\$384	\$900	\$8,280	\$6,948	-\$1,332	\$900	\$8,280	\$6,324	-\$1,956	\$900
Deductible*	\$0	\$900	\$900	\$0	\$0	\$900	\$0	\$0	\$0	\$900	\$900	\$0
4 Primary Care Visits	\$80	\$80	\$0	\$0	\$80	\$80	\$0	\$0	\$80	\$80	\$0	\$0
2 Specialist Visits-tier 2	\$70	\$120	\$50	\$50	\$70	\$120	\$50	\$50	\$70	\$120	\$50	\$50
1 MRI	\$0	\$100	\$100	\$100	\$0	\$100	\$100	\$0	\$0	\$100	\$100	\$100
1 outpatient surgery	\$125	\$250	\$125	\$125	\$125	\$250	\$125	\$125	\$125	\$250	\$125	\$125
3 retail RX-tier 2	\$75	\$90	\$15	\$15	\$75	\$90	\$15	\$15	\$75	\$90	\$15	\$15
2 mail-order RX- tier 1 (annual)	\$160	\$200	\$40	\$40	\$160	\$200	\$40	\$40	\$160	\$200	\$40	\$40
TOTAL	\$8,790	\$9,636	10% (Employee or Retiree Increase)		\$8,790	\$6,688	-1% (Employee or Retiree Decrease)		\$8,790	\$8,064	-9% (Employee or Retiree Decrease)	

*Member does not need to satisfy the deductible for office visits and RX Assumes 3+ family members satisfy deductible (Note: 2 Person Family Deductible is \$600)

	* Wide Network Plan *		Out-of-Pocket Difference		* Wide Network Plan		Out-of-Pocket Difference		* Limited Network Plan		Out-of-Pocket Difference	
	WSHG Rate Saver	HPHC Independence	WSHG RSP vs. GIC HP	Independence	WSHG Rate Saver	Tufts Navigator	WSHG RSP vs. GIC Tufts Navigator	Navigator	WSHG Rate Saver	HPHC Primary Choice	WSHG RSP vs. GIC HP Primary Choice	Choice
Example 2 - Individual (Annual Costs)												
Premium Share	\$2,296	\$2,340	\$44	\$300	\$2,296	\$2,052	-\$244	\$300	\$2,296	\$1,872	-\$424	\$300
Deductible	\$0	\$300	\$300	\$0	\$0	\$300	\$0	\$0	\$0	\$300	\$300	\$0
2 Primary Care Visits	\$40	\$40	\$0	\$0	\$40	\$40	\$0	\$0	\$40	\$40	\$0	\$0
1 Specialist Visits-tier 2	\$35	\$60	\$25	\$25	\$35	\$60	\$25	\$25	\$35	\$60	\$25	\$25
1 MRI	\$0	\$100	\$100	\$100	\$0	\$100	\$100	\$0	\$0	\$100	\$100	\$100
1 outpatient surgery	\$125	\$250	\$125	\$125	\$125	\$250	\$125	\$125	\$125	\$250	\$125	\$125
1 retail RX-tier 2	\$25	\$30	\$5	\$5	\$25	\$30	\$5	\$5	\$25	\$30	\$5	\$5
1 mail-order RX- tier 2 (annual)	\$200	\$300	\$100	\$100	\$200	\$300	\$100	\$100	\$200	\$300	\$100	\$100
TOTAL	\$2,721	\$3,420	26% (Employee or Retiree Increase)		\$2,721	\$3,132	15% (Employee or Retiree Increase)		\$2,721	\$2,952	8% (Employee or Retiree Increase)	

Note: The GIC plans identified above reflect the 3 highest municipal enrollments.

HPHC Independence	21.3%
Tufts Navigator	26.8%
HPHC Primary Choice	10.7%

ARTICLE XXX: AMEND FY2016 BUDGET FUNDING SOURCES

Sponsored by: Finance Committee and Board of Selectmen

To determine whether the Town will vote to amend its vote under Article 5 of the Warrant for the 2016 Annual Town Meeting relative to the Fiscal Year 2016 Omnibus Operating Budget by decreasing the amount to be raised by taxation by \$2,000,000 and increasing the amount to be transferred from the unreserved fund balance of the General Fund by \$2,000,000, without making any changes to the amounts appropriated under said Article 5.

FINANCE COMMITTEE COMMENTS: This article intends to fund the Fiscal Year 2016 (FY16) budget with an additional \$2 million of free cash in addition to the \$2.35 million of free cash that was appropriated by voters at the April 2015 Annual Town Meeting (ATM). Preliminary close of cash balance at June 30, 2015 was approximately \$6.8 million or 9.37% of the budget which is \$1.7 million greater than estimated when the Finance Committee prepared the budget for ATM last winter/spring. The Finance Committee projected free cash to be approximately \$5.2 million, which would have represented 7.1% of the FY16 budget. This variance was primarily due to:

- 1) A net increase from the School Committee for food service repayment, \$210,000,
- 2) Greater than expected year end turnbacks (unspent funds), \$813,000, and
- 3) Better than expected tax collections, \$780,000, offset by other uses.

These favorable developments are one-time benefits to the Town and the Finance Committee recommends that these one time savings be passed on to taxpayers in the form of reduced property tax bills. If this article passes, the Town's certified unreserved fund balance (free cash) would be 6.5%, within the 5-10 percent policy range.

Allocating an additional \$2 million of free cash would increase the total use of free cash toward the FY16 budget to \$4.35 million.

A chart of Town accounts with balances and definitions is posted on the Town website and included in **Appendix ___**. This chart is provided so residents understand the accounts, their balances and their limitations on use.

To give some historic perspective, a chart of free cash balances since 1994 is shown in **Appendix ___**.

Each year, actions at Town meeting can impact the free cash balance. The chart below illustrates the free cash activity over the course of FY2016 resulting in the ending balance of \$XXX million:

Wayland Finance Committee
 FY 2016 Free Cash projection a/o ATM

Certified balance as of July 1, 2014		<u>6,384,000.00</u>	<u>8.92%</u>
<i>Less planned ATM uses</i>			
Special Articles	(270,000.00)		
Support FY 2016 Operating Budget	(2,350,000.00)		
Fund OPEB	(210,000.00)		
Fund Capital Projects	(565,000.00)		
Current year transfers	(525,000.00)	<u>(3,920,000.00)</u>	
<i>Plus increases to free cash</i>			
Estimated dept. turn backs	1,285,000.00		
Estimated budget revenue / misc surplus	879,000.00		
Revolving / Enterprises OPEB retro	594,000.00	<u>2,758,000.00</u>	
Projected free cash balance at end of ATM		<u>5,222,000.00</u>	<u>7.10%</u>
Free Cash Certification as of July 1, 2015		<u>6,894,000.00</u>	<u>9.37%</u>
Variance from end of ATM and FY 16 budget as voted		<u><u>1,672,000.00</u></u>	
<i>Detail of Free Cash changes</i>			
<i>Increases</i>			
Revenue variance	1,072,000.00		
Turn back variance	813,000.00		
Other increases	489,000.00		
<i>Decreases</i>			
Net increase in overlay balance	(442,000.00)		
Chapter 90 reimbursement	(110,000.00)		
Use of overlay for FY 2016 budget	(150,000.00)	<u>(150,000.00)</u>	
		<u>1,672,000.00</u>	

Based on this chart, free cash is \$1.67 million higher than the Finance Committee anticipated after ATM actions last April.

The Board of Selectmen voted x-x to support this article. [Will vote on Sept 21]

ARGUMENTS IN FAVOR: Surplus cash should be returned to taxpayers as soon as possible in the form of lower tax bills.

The level of free cash after using the additional \$2 million to fund the budget is acceptable. Cash is expected to be \$4.8 million at June 30, 2016. This represents 6.53% of the budget, which is in the range of the Finance Committee's guideline for free cash (5% - 10% of the budget), and is close to the Finance Committee's 6.5 – 7% target range for this budget year.

ARGUMENTS OPPOSED: We should wait until Annual Town Meeting to take up any articles that deal with the budget.

RECOMMENDATION: The Finance Committee recommends xxxxxxxx. Vote:

QUANTUM OF VOTE: Majority.

For more information about this article, contact Brian Keveny, Finance Director, at bkeveny@wayland.ma.us or 508-358-3611.

Field

DATE: SEPTEMBER 16 2015
TO: NAN BALMER, PAUL STEIN
FROM: LEISHA SIMON & ELIZABETH DOUCETTE
RE: INFORMATION TECHNOLOGY SHORT-TERM RECOMMENDATIONS

ACTION REQUESTED:

IT PROJECT FUNDING TO IMPLEMENT RECOMMENDED PROJECTS IN FY16

BACKGROUND:

The Town engaged McGladrey, LLP in June 2015 to develop an Information Technology Master Plan. In advance of the final Master Plan, McGladrey, LLP released their preliminary recommendations on projects to consider for implementation in FY16. A meeting took place, with staff and several community advisors, on August 26, 2015 to review these preliminary recommendations; agreement was reached to implement four projects in FY16. All other projects identified by McGladrey, LLP as preliminary recommendations will be reevaluated upon receipt of the final IT Master Plan.

RECOMMENDATION:

Four projects are recommended for implementation in FY16:

1. MUNIS Server Upgrade to vendor cloud (see attached memo)

Justification: Current Munis version is unsupported and must be upgraded by January 2016.

Physical production server does not meet requirements for upgrade.

Other alternatives considered:

- Upgrade current physical server: some risk to production services;
- Purchase new physical server: purchase of temporary hardware, may not be feasible in timeframe required;
- Virtualize server: there is not adequate processing capacity in the data center.

Fiscal Impact: FY16: No increase to operating expense

FY17: Increased operating expense \$23,096.00

FY18: Increased operating expense \$28,454.00

2. Email Server Upgrade to Office 365

Justification: Current server is unsupported and must be upgraded to mitigate security risks.

Other alternatives considered:

- Upgrade current virtual server: some risk to production services. While this is feasible the current trend for email support is with vendor cloud to mitigate security risk as well as reduce third party purchases and staff resources to support in-house.

Fiscal Impact: FY16: \$20,000.00

Recurring annual expense: \$20,000.00

3. Firewall replacement to a technology with enhanced protections to mitigate risk

Justification: Current firewalls have reached peak CPU load and use 2011 technology; advanced technology is available to mitigate risk to Town and School systems that includes:

- **Layer 7 Visibility** that can look inside application level data to determine if unsafe content is present, provide strong detection capabilities with low rates of false positive detections, and

inspect SSL traffic by decrypting the data, inspecting it and then re-encrypting it prior to delivery.

- **Nex-Gen Features** for intrusion detection that possess awareness of various application protocols and capability to detect anomalies which are often a sign of malware or an attack, as well as Improved inspection of packets that will fail the traffic and in essence block (and protect) the end user.
- **Improved logging and Alerting functionality.** The current firewall has reached peak load, resulting in the inability to continually produce logs. Further, the logging capability is limited to writing raw log information to a file, does not possess analysis tools and is incapable of alerting staff of problematic traffic or behavior. Third party software is required to provide insight into network traffic content and behavior.
- **Improved Ease of Use** to facilitate maintaining and analyzing logs to increase security, as well as cross-training of staff.

Fiscal Impact: FY16: \$50,000.00

Recurring annual expenses will vary depending on vendor selected (may or may not be higher than current firewall operating expenses)

4. **Storage Area Network (SAN) replacement to ensure Town and School business continuity and reliability**

Justification: A SAN is a dedicated high-speed network that interconnects and presents shared pools of storage devices to multiple servers and is measured, not only by disk capacity but, by input/output processing per second (IOPS) or the speed of reading and writing data off of the device. If storage capacity alone were the issue device reorganization could easily provide additional space. However, performance / IOPS is a key factor in maintaining the Town and School production environment. Another key factor is that the existing SAN has exceeded the leading best practice recommendation for replacement in a production environment (4-5 years).

The Town and School production environment consists of 43 virtual servers and a virtual desktop infrastructure (VDI) of 200 installed desktops. This expansion into VDI technology places greater demand upon the system to read and write data quickly. The IOPS available in the existing SAN are limited and thus end users experience delays in traffic servicing, and worse, system hangs and disconnects resulting in loss of productivity.

Further, the existing SAN will not support full deployment to 245 virtual desktops, resulting in the necessity of staff to support, maintain, upgrade and replace individual desktop systems until such time as the VDI can be fully deployed.

In summary, an increase in IOPS is required for:

- reliability and continuity of business for existing servers, VDI, and other usage;
- required server upgrades, additional VDI deployment and other anticipated increases in usage.

With school now back in session, detailed analysis during peak load testing is currently under analysis for verification of peak IOPS and will result in detailed data around the current usage and limitations.

Fiscal Impact: FY16: \$80,000.00



TOWN OF WAYLAND

41 COCHITUATE ROAD
WAYLAND, MASSACHUSETTS 01778

BRIAN KEVENY
FINANCE DIRECTOR
TEL. (508) 358-3610
www.wayland.ma.us

To: Nan Balmer, Town Administrator
From: Brian Keveny, Finance Director
Date: September 14, 2015
Subject: Tyler Technologies MUNIS Cloud

In Fiscal 2007 the Town of Wayland installed MUNIS Software as the town's operating information system. The town's Information Technology department houses the software on a Dell server located on the second floor of the Wayland Town Building. The MUNIS server is five years old and in need of replacement. The Information Technology staff maintains the server and provides nightly tape backups of the server. Additionally the town has purchased from MUNIS a nightly data backup system to support the tape system.

Tyler Technologies is offering the town the opportunity to move from the in house maintenance of the Dell server to a MUNIS Cloud System. The system involves having MUNIS maintain our current 9.3 version on their servers in Falmouth Maine. The town would need to perform minimal changes to make this transition. This option would provide the town the opportunity to upgrade to the 10.5 version in December 2015 which would enable the town to generate 2015 W-2 forms for employees.

The town uses MUNIS 9.3 as the current version. This version does not allow the town to function to generate the 2015 W-2 forms for town employees or address the requirements of the Affordable Care Act. The town needs to upgrade to 10.5 in order run both of these functions. The current server does not have the capacity to download MUNIS 10.5 version. The two options to resolve these issues would be to purchase new server or change to the MUNIS Cloud System. My recommendation is the change to the MUNIS Cloud System in early October 2015. This will allow the town to continue to use the 9.3 version as our live system and at the same time look at the new 10.5 version which would be in the MUNIS Training module.

The following are the benefits of the MUNIS Cloud system and an analysis of what the change will mean to the Fiscal 2016 to Fiscal 2018 budgets. As you will see the town will achieve savings in Fiscal 2016. Starting in Fiscal 2017 there will be an increase in cost related to the change

Self Hosted/As Is Fiscal Year '16 Costs		
<u>Date</u>	<u>Amount Due</u>	<u>Description</u>
1-Jan	\$2,700.00	GUI Maintenance
15-Jan	\$51,525.48	Munis Support and Maintenance
15-Jan	\$7,863.68	OSDBA Services
1-Jun	\$7,279.53	Disaster Recovery Services
	<u>\$69,368.69</u>	<u>Total FY '16</u>
	<u>\$72,836.00</u>	<u>Total FY '17</u>
	<u>\$76,478.00</u>	<u>Total FY '18</u>

Munis Hosted Fiscal Year '16 Costs		
<u>Date</u>	<u>Amount Due</u>	<u>Description</u>
1-Oct	\$4,000.00	VPN Device, Installation
	\$26,233.00	Hosting Fees
	<u>-\$23,485.20</u>	Credit
1-Oct	\$6,747.80	Total
1-Jan	\$26,233.00	Hosting Fees
1-Apr	\$26,233.00	Hosting Fees
	<u>\$59,213.80</u>	<u>Total FY '16</u>
	<u>\$104,932.00</u>	<u>Total FY '17</u>
	\$104,932.00	Total FY '18

Reasons for going with the MUNIS SaaS hosted system:

- 1) MUNIS has a built in Disaster Recovery service. All of the points of failure are double and triple backed up. If anything happened to make the Town offices inaccessible, we can still access and process within MUNIS remotely via internet.
- 2) MUNIS Data Center is housed in Yarmouth, Maine where all of the development and support technicians work. In the event that MUNIS needs to do any critical trouble shooting or ever run a critical process, such as payroll, for us, they have the experts to do so.
- 3) MUNIS will handle all technical aspects of the MUNIS system. This includes hardware, licensing and software upgrades and ongoing maintenance.
- 4) The VPN connection ensures data security. They offer unlimited client VPN's so users can access MUNIS remotely.

- 5) The town will no longer need to purchase and maintain a server for MUNIS as it currently does. In house back up procedures will no longer be needed.
- 6) The town will no longer need to purchase the SQL licensing on a continuous basis based on Microsoft upgrade plans.
- 7) MUNIS will bill the town quarterly and not yearly as it currently does.
- 8) MUNIS will hold the current rates steady for the three year term of contract. Rates typically increase less the 5% per year.

Respectfully submitted,

Brian Keveny
Finance Director

ARTICLE XX: OPEB TRUST FUND LEGISLATION

Proposed by: OPEB Advisory Committee

To determine whether the Town will vote to:

- a) authorize the Board of Selectmen to petition the General Court of the Commonwealth of Massachusetts to repeal Chapter 372 of the Acts of 2010, “An Act Establishing a Postemployment Benefits Trust Fund in the Town of Wayland”, and to concurrently
- b) adopt the provisions of Massachusetts General Law Chapter 32B Section 20 entitled “Other Post-Employment Benefits Liability Trust Fund” when the repeal becomes effective.

FINANCE COMMITTEE COMMENTS: The intent of this article is to provide the Town with more flexibility in the appointment of the Board of Trustees to its OPEB Trust Fund, with the aim of improving the investment expertise on the Board as well as improving Board governance and Trust Fund oversight. This expertise should hopefully improve investment returns achieved by the Trust, which should in turn help reduce the size of future OPEB contributions that Wayland taxpayers will need to make to the Trust.

OPEB Introduction

The Town of Wayland, like virtually all municipalities in Massachusetts, offers its retirees both pensions and health insurance benefits. The health insurance benefits fall into a category known as “Other Post-Employment Benefits” or OPEB. OPEB benefits accrue for Wayland’s current active employees and are then paid to them during their retirement many years in the future. Money for these benefits is appropriated each year and invested in Wayland’s OPEB Trust Fund which must grow over decades as the future benefit accrues.

As of June 30, 2015, the OPEB Trust Fund balance was \$12,486,717, but the Town’s estimated OPEB liability was \$26,900,000. Given anticipated healthcare inflation, this OPEB liability is expected to grow to \$80,300,000 by 2038. The Town aims to fully fund this amount by 2038 by skillfully investing its OPEB money, as well as by adding new annual contributions made by taxpayers to the OPEB Trust Fund. Achieving a 7% investment return on average by the Trust Fund is critical to holding down the size of these annual taxpayer contributions.

History of OPEB in Wayland

This timeline of OPEB in Wayland will provide some historical context:

- May 2008: Wayland makes its first \$750,000 OPEB contribution, but the Town has no established trust fund. The money goes into a Town savings account yielding approximately 0.3% per year.
- Nov 2008: Town Meeting votes to authorize the Board of Selectmen (BOS) to petition the Massachusetts Legislature for a Special Act to establish an OPEB trust in Wayland. The Town recommends language giving the Town Administrator and Finance Director supervisory and management responsibilities for the trust, while making the Town Treasurer the custodian of the trust funds.

- 2009 – 2012: Wayland continues to make annual OPEB contributions to the Town savings account.
- Nov 2010: After 24 months, the Massachusetts Legislature enacts the Special Act requested by Wayland called “An Act Establishing a Postemployment Benefits Trust Fund in the Town of Wayland”. See the full text in Appendix A of this Warrant. This Special Act is also known as Chapter 372 of the Acts of 2010.
- July 1, 2011: Effective date of Massachusetts General Law (MGL) Chapter 32B section 20, “Other Post-Employment Benefits Liability Trust Fund”. This general law governs OPEB trusts for any municipality that accepts the law, and most Massachusetts municipalities that have an OPEB trust are operating under this generally applicable statute. Significantly, this statute does NOT specifically mandate the makeup of the Board of Trustees. Acceptance of this law by Wayland requires an affirmative vote of Town Meeting. See the full text of this law in Appendix B of this Warrant.
- Apr 2012: Town Treasurer moves Wayland’s OPEB money from the savings account into dedicated OPEB investment accounts at Bartholomew & Company and Rockland Trust, two professional investment management firms. New OPEB contributions for fiscal 2013 through fiscal 2016 are split evenly between these two accounts.
- June 2013: BOS creates OPEB Advisory Committee
- May 2015: OPEB Advisory Committee recommends appointment of the law firm Murphy Hesse Toomey & Lehane as OPEB Special Counsel to provide specialized legal advice on Wayland’s OPEB trust agreement and trust governance. BOS approves appointment.
- Oct 2015: Wayland formalizes the legal structure of the OPEB Trust Fund with a written Trust Agreement adopted by the Trustees. *[October completion is expected as of this writing]*

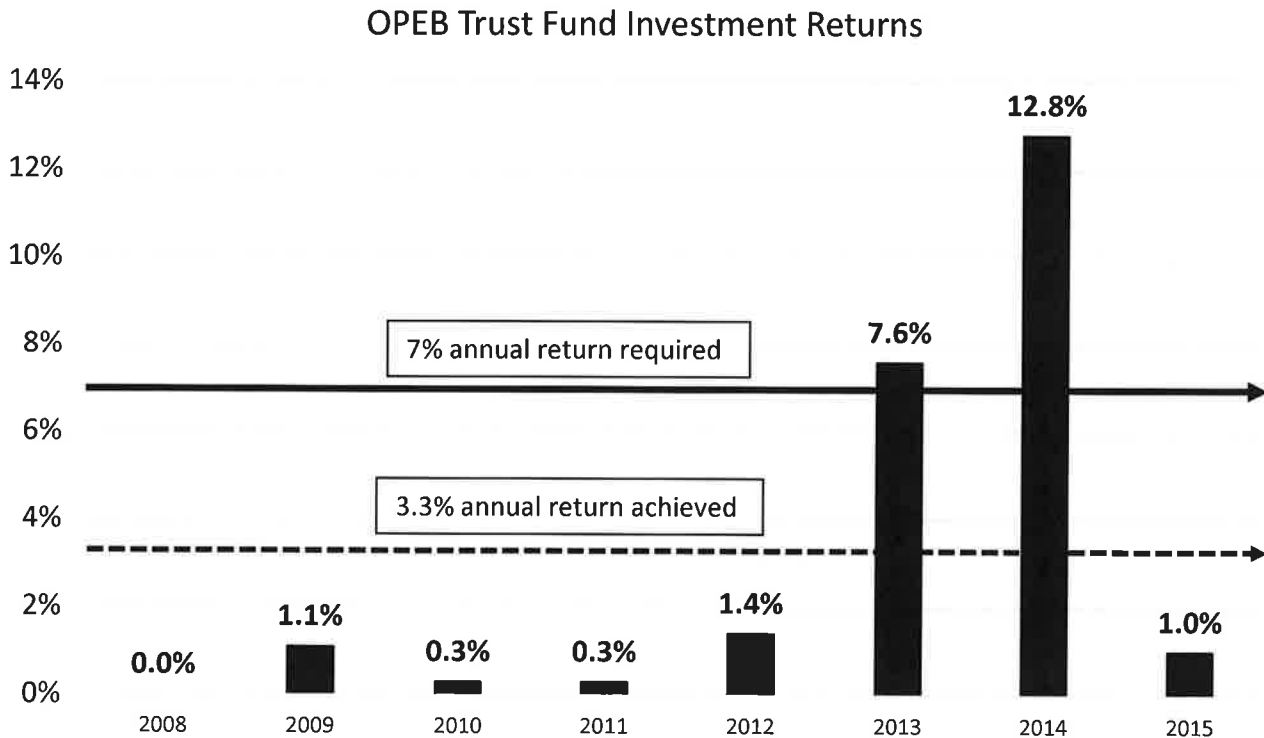
History of OPEB Trust Contributions and Investment Returns

Fiscal Year	New Contribution to OPEB Trust*	OPEB Trust Balance at Fiscal Year End*	Annualized Investment Return %**
2008	\$750,000	\$750,000	0.0%
2009	\$1,110,319	\$1,880,791	1.1%
2010	\$1,860,319	\$3,753,630	0.3%
2011	\$3,150,000	\$6,921,160	0.3%
2012	\$2,800,000	\$9,859,540	1.4%
2013	\$0	\$10,606,911	7.6%
2014	\$98,534	\$12,078,313	12.8%
2015	\$285,425	\$12,486,717	1.0%
Total	\$10,150,182	Average 5/1/08-6/30/15:	3.3%

The average investment return for the last three years of 7/1/12 to 6/30/15 is 7.0% per year.

*Sources: Town of Wayland 2014 Financial Statements, page 53 for FY 2008 to FY2014; Minutes of Annual Town Meeting April 4, 2014 for FY 2015 new contribution; June 30, 2015 accounts statements from Bartholomew and Rockland Trust for FY 2015 trust fund balance.

** Investment returns assume new contributions are made July 1 of each fiscal year, except FY 2008 which assumes a May 1, 2008 contribution. Average returns for multiple years are time-weighted returns, i.e. geometric averages of the returns for the number of years in the period.



Summary of Legal Advice from OPEB Special Counsel

OPEB Special Counsel advises that Wayland’s OPEB Trust was effectively established by the November 2010 Special Act, despite the lack of a formal trust agreement. The Town Administrator and Finance Director effectively form a two person “Board of Trustees” which has a fiduciary duty to invest the funds prudently for the benefit of the Trust’s beneficiaries. These beneficiaries are the Town of Wayland’s retirees (current and future), along with their qualifying spouses and dependents. No other trustees beside these two *ex officio* members may be appointed to the Board as it would violate the special statute. If these two individuals don’t have the requisite investment expertise they must document how they sought out advice and counsel from qualified investment professionals. The Town Treasurer is custodian of the fund’s money, but is not a trustee.

OPEB Advisory Committee’s Analysis and Recommendation

Achieving the 7% average annual investment return objective in Wayland’s OPEB Trust Fund over the long term is the single most important factor that will help limit the increase in future OPEB contributions by Wayland taxpayers. The Board of Trustees must have the requisite investment expertise to make prudent and timely investment decisions to achieve the 7% objective.

Wayland's current OPEB statute restricts the Board membership to only the Town Administrator and Finance Director, neither of whom were hired for their investment expertise. The Town cannot afford subpar investment returns due to a Board that has limited investing skill.

Purely from a good governance perspective, Wayland's OPEB trust fund should not:

- Have a board restricted to two town officials not selected for their investment expertise.
- Have a board where one trustee (Finance Director) reports to the other (Town Administrator).
- Have a board where all trustees are themselves beneficiaries of the trust.
- Have a board with no citizen taxpayer representation.

The OPEB Advisory Committee concludes that Wayland needs an OPEB Board where a majority of the Trustees are citizen taxpayers with qualified investment expertise, and where all the Trustees are appointed to staggered terms by the Board of Selectmen. . Repealing Wayland's special OPEB statute and adopting Chapter 32B Section 20 will provide the Town with the flexibility to make changes in trust governance of this kind in the future.

The Town did not have the option of accepting MGL Chapter 32B Section 20 in November 2008, since the statute was yet to be enacted and thus was not available as a choice until July 1, 2011. The OPEB Advisory Committee recommends its acceptance now. Once the Massachusetts Legislation repeals Wayland's Special Act, the two Trustees can amend the trust agreement governing the OPEB Trust allowing the appointment of a new Board of Trustees.

The OPEB Committee voted 4-0 to support this article.

The Personnel Board voted x-x to support this article.

The Board of Selectmen voted x-x to support this article.

ARGUMENTS IN FAVOR: Arguments for this article include

1. A board of trustees composed of more than the two individuals required under the current Special Act would increase the diversity of views on the board.
2. A board of trustees where one individual (Finance Director) reports to another (Town Administrator) may not ensure free and unfettered discussion of all investment options.
3. A board of trustees composed exclusively of potential beneficiaries of the OPEB Trust is not an appropriate governance model. Citizens with investment expertise representing Town taxpayers who make the OPEB contributions should be represented on the board.
4. The individuals in the Town Administrator and Finance Director roles in the coming decades may not have the investment expertise required to grow the trust from today's \$12 million to the \$80 million required by 2038 in order for Wayland's OPEB Trust to be fully funded. Since these individuals are likely to not be investment professionals, they will be required to hire investment advisors to establish a "paper trail" demonstrating they acted prudently by seeking out professional advice to fulfill their fiduciary duty.
5. Investment choices by a skilled board of trustees need to be both prudent and timely. Delays in making choices can have a very real opportunity cost. Establishing a paper trail adds cost and can reduce investment returns.

ARGUMENTS OPPOSED: Some may argue that the benefits of changing the composition of the Board of Trustees are not worth the time and effort required and will make little long term difference in the investment returns achieved.

Some may argue that finding qualified citizens with investment expertise who are also willing to volunteer to serve on this municipal Trust Fund Board will be difficult. Making this change may only add to the list of vacancies on the Town's boards, committees and commissions.

RECOMMENDATION: The Finance Committee recommends Vote: x-x.

QUANTUM OF VOTE: Majority – see Massachusetts General Laws Chapter 40, Section 5 and Chapter 44. Section 33B

For more information about this article, contact Jay Sherry, OPEB Advisory Committee at (508) 308-3422, email sherry.jay@gmail.com, or Gordon Cliff, Finance Committee at gordoncliff59@gmail.com.

APPENDIX A: Article XX, Wayland's Special OPEB Statute

Session Laws: Chapter 372 of the Acts of 2010, AN ACT ESTABLISHING A POSTEMPLOYMENT BENEFITS TRUST FUND IN THE TOWN OF WAYLAND.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same as follows:

SECTION 1. There shall be in the town of Wayland a fund called the Other PostEmployment Benefits Trust Fund or OPEB Trust Fund, which shall be used to provide postemployment benefits other than pensions, as defined in Governmental Accounting Standards Board, Statements 43 and 45. The fund shall be under the supervision and management of the town administrator and finance director. The town treasurer shall be the custodian of the OPEB Trust Fund.

SECTION 2. The OPEB Trust Fund shall be credited with all amounts appropriated or otherwise made available by the town, including any earnings or interest accruing from the investment of these funds, to offset the anticipated cost of health and life insurance contributions or other benefits for retired employees, their spouses and eligible dependents and the surviving spouses and eligible dependents of deceased retirees.

SECTION 3. Amounts in the OPEB Trust Fund shall be expended only for the payment of the costs payable by the town for other postemployment benefits.

SECTION 4. The town treasurer shall invest and reinvest the funds prudently, and may, with the approval of the Health Care Security Trust board of trustees created by section 4 of chapter 29D of the General Laws and using criteria and procedures to be adopted by said board of trustees, invest such amounts in the State Retiree Benefits Trust Fund established by section 24 of chapter 32A of the General Laws. The town treasurer may employ any qualified bank, trust company, corporation, firm or person to advise it on the investment of the fund and pay such expense from the fund. The OPEB Trust Fund shall be subject to the public employee retirement administration commission's triennial audit.

SECTION 5. This act shall take effect upon its passage.

Approved, November 17, 2010.

APPENDIX B: Article XX, MGL Chapter 32B Section 20

Massachusetts General Laws: Chapter 32B, Section 20

(a) A city, town, district, county or municipal lighting plant that accepts this section may establish an Other PostEmployment Benefits Liability Trust Fund, and may appropriate amounts to be credited to the fund. Any interest or other income generated by the fund shall be added to and become part of the fund. Amounts that a governmental unit receives as a sponsor of a qualified retiree prescription drug plan under 42 U.S.C. section 1395w132 may be added to and become part of the fund. All monies held in the fund shall be segregated from other funds and shall not be subject to the claims of any general creditor of the city, town, district, county or municipal lighting plant.

(b) The custodian of the fund shall be (i) a designee appointed by the board of a municipal lighting plant; (ii) the treasurer of any other governmental unit; or (iii) if designated by the city, town, district, county or municipal lighting plant in the same manner as acceptance prescribed in this section, the Health Care Security Trust board of trustees established in section 4 of chapter 29D, provided that the board of trustees accepts the designation. The custodian may employ an outside custodial service to hold the monies in the fund. Monies in the fund shall be invested and reinvested by the custodian consistent with the prudent investor rule established in chapter 203C and may, with the approval of the Health Care Security Trust board of trustees, be invested in the State Retiree Benefits Trust Fund established in section 24 of chapter 32A.

(c) This section may be accepted in a city having a Plan D or Plan E charter, by vote of the city council; in any other city, by vote of the city council and approval of the mayor; in a town, by vote of the town at a town meeting; in a district, by vote of the governing board; in a municipal lighting plant, by vote of the board; and in a county, by vote of the county commissioners.

(d) Every city, town, district, county and municipal lighting plant shall annually submit to the public employee retirement administration commission, on or before December 31, a summary of its other postemployment benefits cost and obligations and all related information required under Government Accounting Standards Board standard 45, in this subsection called "GASB 45", covering the last fiscal or calendar year for which this information is available. On or before June 30 of the following year, the public employee retirement administration commission shall notify any entity submitting this summary of any concerns that the commission may have or any areas in which the summary does not conform to the requirements of GASB 45 or other standards that the commission may establish. The public employee retirement administration commission shall file a summary report of the information received under this subsection with the chairs of the house and senate committees on ways and means, the secretary of administration and finance and the board of trustees of the Health Care Security Trust.

This section 20 made law by Chapter 68 of the Acts of 2011, section 57, and became effective July 1, 2011.

Article xx: RESOLUTION REGARDING SURFACE OF RAILE-TRAIL IN WAYLAND

Sponsored by: Community Preservation Committee

Est. Cost: \$0.00

RESOLVED: that the use of funds appropriated in Article 24 at 2015 Annual Town Meeting is clarified such that:

- a) appropriated sum of money not to exceed \$445,000 can be used to construct a hard surface of asphalt or a stabilized surface on the rail-trail along the old Massachusetts Central Railroad line in Wayland.

FINANCE COMMITTEE COMMENTS:

Wayland residents have worked on this project to create outdoor recreation (walking, biking, and jogging) and to improve the community with a vital link of the center of Wayland to nearby neighborhoods and neighboring towns.

Article 24 of 2015 Annual Town Meeting was adopted, appropriating up to \$445,000 of Community Preservation Funds (from uncommitted balance to be spent on this recreational project) for the construction of a rail-trail that will run through the Town, along the Massachusetts Central Railroad line in Wayland. This project will result in the conversion of an industrial use property into a three-mile long recreational path that will cross Wayland from Weston to Sudbury, in a line that runs somewhat parallel to Route 20. The Massachusetts Department of Conservation and Recreation ("DCR") has leased from the Metropolitan Boston Transit Authority ("MBTA") a twenty-three mile rail corridor to be developed as a hard-surface multi-use-trail referred to as the "Wayside Trail".

Recently there have been negotiations between DCR and Eversource (electricity provider) to construct the rail-trail in Wayland. Eversource has funds for the construction available this calendar year and is committed to seeking the necessary permits for the project; removing the rails; and constructing the base/foundation of the trail. DCR has expressed a strong preference for an asphalt surface with a second preference for stabilized surface rather than the stone-dust surface that was part of the discussion during 2015 STM Article. The Wayland Conservation Commission anticipates that two separate Notice of Intent (NOI) applications and hearings will be required for this proposed project- the first will be Eversource's responsibility for the base layer and the second will be DCR's for the final asphalt layer.

Surface material was discussed when the funding was appropriated. At the time the Town considered a crushed packed stone dust for two reasons: 1) a less expensive cost per mile to construct; and 2) less invasive way to accommodate nearby wetlands and other resource areas such as riverfront and flood plains. Now that Eversource proposes to construct the trail to a standard suitable for carrying service trucks, the town's construction costs can be limited to a discrete part of the overall project. The town will only be responsible for road crossings and the trail surface or final layer. Thus this resolution is to accept a change in surface materials from stone dust to a hard surface.

ARGUMENTS IN FAVOR:

- A hard surface will be easier and less expensive to maintain, which is an important consideration. DCR will be responsible for on-going maintenance of the asphalt surface.

- Eversource will do permitting and will install and provide on-going maintenance of the base layer at no expense to the town. Wayland will only pay for final top surface of trail.

ARGUMENTS OPPOSED:

- Wayland residents may not want a hard surface on the rail trail and permitting may be more complicated and possibly less environmentally sensitive with stabilized or asphalt surface than stone dust.
- There is a question on potential annual and long term operations and maintenance costs that may be borne by the Town for mowing and similar activities, and whether these costs will increase or decrease with a change in surface materials.

FINANCE COMMITTEE RECOMMENDATION: The Finance Committee recommends approval.
Vote x-x-x.

QUANTUM OF VOTE: Majority [*M.Lanza to provide citation*].

For more information about this article, contact Gretchen Schuler at ggschuler@verizon.net

Article L: APPROPRIATE FUNDS TO UPDATE THE OPEN SPACE AND RECREATION PLAN

Sponsored by: Community Preservation Committee

Est. Cost: \$30,000.00

To determine whether the Town will vote to:

- a) Appropriate a sum of money not to exceed \$30,000 to update the 1995 Open Space and Recreation Plan
- b) Determine whether said appropriation shall be provided by taxation, transfer from unappropriated available funds, transfer from available funds appropriated for other purposes, by borrowing, or otherwise, provided not more than \$30,000 of the funds so appropriated shall be transferred from the Community Preservation Fund's Open Space Fund.

FINANCE COMMITTEE COMMENTS:

Passage of this article is intended to update the Open Space & Recreation Plan, which will provide an up-to-date inventory of open space and recreation resources, identify the community's current needs and priorities and develop future open space and recreation goals, objectives and action plans.

An updated Open Space and Recreation Plan will provide direction to the Conservation and Recreation Commissions for management and enhancement of open space and recreation areas, programs and services. The Conservation Commission currently manages over 1,200 acres of land. This land consists of woodland, and meadows most of which serves as necessary wildlife habitats. The Recreation Commission provides programs, facilities and services for active and passive recreation in the town.

This update is essential in order for the town to apply for certain State grant programs such as land acquisition assistance. Funding for this appropriation will come from the Open Space Fund of the Community Preservation funds.

ARGUMENTS IN FAVOR:

- The State requires that OSRPs are updated every five years. The Town must have an up-to-date plan in order to be eligible for award of state grant monies.
- There is no impact to the tax base as funds are provided from an existing CPA account.

ARGUMENTS OPPOSED:

- Traditionally such budget requests are handled at Annual Town Meeting.

FINANCE COMMITTEE RECOMMENDATION: The Finance Committee recommends approval.
Vote x-x-x.

QUANTUM OF VOTE: Majority [*M.Lanza to provide citation*].

For more information about this article, contact Gretchen Schuler, CPC, at ggschuler@verizon.net

ARTICLE: TIMING OF ANNUAL TOWN MEETING

To determine whether the Town will vote to amend ~~§36-1~~ of the Code of the Town of Wayland titled “Town meeting and election” by changing the allowable range of the start date of annual Town meeting as shown below:

[key to changes: underlining denotes additions; ~~strikethrough~~ denotes deletion]

“§36-1. Town meeting and election.

The annual Town meeting shall commence on ~~a day between April 1 and May 15 inclusive~~ or after the fourth Thursday in April as ordered by the Selectmen. The election of Town officers and the determination of all matters placed on the official ballot at such election shall take place within seven days, but no fewer than two days, before the annual Town meeting. In addition to the warrant required by MGL c.39, § 9A, the Selectmen shall cause notice of the time and place(s) of each annual and special Town meeting and each annual and special election (1) to be published in a newspaper of general circulation in Wayland no later than the date fixed by them for the closing of the warrant pursuant to §36-3 below and (2) to be posted on the Town sign boards. Such notice shall be posted on the Town sign boards commencing at least two weeks prior to the election and Town meeting and shall remain posted until the election is held and Town meeting is concluded.”

PETITIONERS COMMENTS: (forthcoming)

FINANCE COMMITTEE COMMENTS:

Setting the date for the first day of annual Town meeting is a responsibility of the Board of Selectmen. The current wording of the Code states that the Board of Selectmen sets a date between April 1 and May 15. The wording proposed by Petitioners would shift to a later earliest allowable start date. While the Petitioners' proposed wording does not place any restriction on how late a start date the Board of Selectmen can set, the Code states the meeting must occur before June 30. A similar article submitted by Petitioners for the Warrant for the 2015 annual Town meeting did not pass.

The Board of Selectmen considers many factors when it decides to set the first day of annual Town Meeting. Since 2002 the first day of annual Town meeting has ranged from as early as April 3 in 2003 and 2014, to as late as May 13 in 2010.

ARGUMENTS IN FAVOR:

Thorough warrant preparation and maximum resident participation are critical to making annual Town meeting successful, effective and efficient. To the extent it leads to the Board of Selectmen choosing a later date than it might under the current wording, passage of this article would provide more time to prepare budgets and warrant articles and for more residents to participate in the process leading up to ATM. There is a sizable, vocal group of citizens which feels strongly that making this change would be a big improvement.

ARGUMENTS OPPOSED:

The proposed wording may force the Board of Selectmen to set a start date that is later than it believes advisable given the many considerations involved. Allowing extra time doesn't necessarily mean that a better result will occur. By eliminating the May 15 end date for the start of Annual Town meeting, the Petitioners' wording would allow the Board of Selectmen the freedom to set a first day that is beyond the last day stipulated by the current wording. Concerns have been expressed that starting annual Town Meeting after April school vacation week will lead to conflicts with demands for school and sports commitments, particularly relative to the use of the High School Field House.

RECOMMENDATION: The Finance Committee recommends.....

QUANTUM OF VOTE: Majority – see Massachusetts General Laws Chapter 40, Section 21.

CONSISTENCY WITH LAW: It is the opinion of Town Counsel that the foregoing bylaw amendment is consistent with federal and Massachusetts law.

For more information about this article, contact petitioner Alice Boelter at (508) 650-3592.



MEMORANDUM

TO: _____ All Department Heads, Town Boards, Officers and Committees charged with the expenditure of Town money

FROM: Brian Keveny
Finance Director
Nancy Funkhouser
Finance Committee Chair

DATE: September xx, 2015

SUBJECT: FY 2017 Operating Budget Process

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Per Town Bylaw 19-4, all Town boards, officers and committees charged with the expenditure of Town money must provide the Finance Committee with detailed estimates of the amounts you deem necessary for the administration of your respective board, office or committee for FY 2017, with explanatory statements of the reasons for any changes from the amounts appropriated for the same purpose in FY 2016. You must also file estimates of all probable items of income which may be received during FY 2017 in connection with the administration of your board, office or committee.

As always in preparing your proposed FY17 budget please strive to be as accurate as possible and identify and present efficiencies.

Proposed FY 2017 expense and revenue amounts must be entered into MUNIS. The "explanatory statement of the reasons for any changes" in expense should be sent to me. Attached is a template for the explanatory statement of changes in expense, which you may find helpful as a starting point. For most entities the Finance Committee expects to see enough 3-10 significant explanatory items (both increases and decreases if applicable) covering at least so that 80% of which explain the overall change. is addressed; any remaining differential can be summarized in one line labeled "All Other-Net".

As always, we hope that your department will continue to explore creative ways to gain efficiencies and cost savings, as well as explore innovations and take on new initiatives as appropriate. In general, we are aware that the bulk of most departmental expense consists of salary which in some cases may be contractually agreed upon and therefore, difficult to reduce. As a consequence, it may be difficult to achieve large tremendous reductions in your budget size and spending. Our overall goal is for a lesser than 2.5% budget increase, in any year but we do realize that on a departmental level that may be difficult. We request that you keep in mind the desire for innovation with the goal that we control costs and seek efficiencies this year and the future. Any proposed expense budgets for FY 2017 expense that result in an increase more than 2.5% over FY 2016 are likely to receive particularly careful scrutiny, and possibly challenge, by the Finance Committee before they could be included in the Finance Committee's recommended omnibus operating budget. We ask that you please keep this in mind.

There will be a meeting with the Finance Director for all department heads on **Wednesday, October 1st at 9:15 a.m.** in the Selectmen's meeting room. I will discuss the Town's financial outlook for FY17 and the process of submitting your operating budget requests and revenue estimates and answer questions regarding the Town's finances. Operating budget deadlines are summarized at the end of this memo.

The Finance Committee and the Finance Director are available to assist with explaining the operating budget process. Please contact ~~your~~ the Finance Director, or your Finance Committee liaison (list attached) with questions.

Syndication

Any proposed changes in personnel should be discussed with the Personnel Board prior to inclusion in your FY17 budget.

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Please make sure you circulate and review your draft operating budget and explanatory statement of changes in expense with your oversight board, Town Administrator (if applicable), Finance Committee liaison, and Board of Selectmen liaison before you submit it.

Operating budgets are due on Friday, October 31st at noon and must be submitted through the MUNIS financial system. The explanatory statement of any changes in expense is also due on the same day and time and should be sent to Brian Keveny.

As in past years, budget meetings with the Finance Committee will be scheduled during evenings in January. The dates and specific times for these budget meetings will be distributed later.

We thank you in advance for your assistance in the FY 2017 operating budget process.

Attachments

1. Explanatory Statement of Changes in Expense Template
2. Finance Committee Liaison Assignments
3. Board of Selectmen Liaison Assignments

