



Town of Wayland Massachusetts

Finance Committee

- Tom Abdella
- Carol Martin
- Nancy Funkhouser (Chair)
- Bill Steinberg
- Gil Wolin
- Gordon Cliff
- David Watkins

Meeting Minutes September 28, 2015 Draft

Attendance: Committee members B. Steinberg, C. Martin, D. Watkins (attended by phone) G. Cliff, N. Funkhouser. B. Keveny (Finance Director) also attended as well as members of the public and various presenters for specific topics as noted in the minutes below.

7:00 Call to Order

The meeting was called to order in the Board of Selectmen's meeting room at Town Building at 7 PM. N. Funkhouser announced that the meeting was being recorded by WayCam and D. Watkins indicated that he was participating by phone due to geographic distance. G. Cliff volunteered to prepare draft meeting minutes.

7:01 Budget Guideline and Memo Discussion with John Senchyshyn and possible re-vote

John Senchyshyn, Asst Town Administrator/HR Director, had expressed concerns to N. Funkhouser relative to the 2017 budget guideline memo that the Finance Committee had approved on September 16. N. Funkhouser explained some of John's concerns and distributed a revised draft prepared by B. Keveny (see attachments). John expressed concerns about the sentence relative to the 2.5% overall goal and whether that could be misinterpreted as being a cap or "window" for specific departments. FinCom members discussed what was meant by the language and how it relates to specific departments. B. Steinberg described it as being only an overall goal. N. Funkhouser mentioned that John had expressed a concern about equity between departments with settled contracts vs. those without. G. Cliff mentioned that he was concerned about reopening this item based on the lengthy discussions during several previous meetings and the FinCom vote taken on it. He also mentioned that there could be a concern about how we control settled contracts if we treat them differently and that there was no basis for doing so in bylaw 19-4. N. Funkhouser stated that it is appropriate to revisit the document as John and Brian are responsible for overseeing the process and have expressed concerns that the previously approved version may cause confusion and FinCom has a duty to make sure its

directions are clear. John mentioned a concern about the Personnel Committee's involvement in reviewing and approving proposed personnel increases before they are included in the budget. B. Keveny identified the sentences that had been added on the second page to address John's concerns. John needed to leave the meeting and it was agreed that we would come back to this agenda item later in the meeting.

7:14 Public Comment & Members' Response to Public Comment

NONE.

7:15 Review, Discussion and Vote STM 2015 article recommendations

C. Martin presented the "Acceptance of Chapter 71 Section 71E" article (see attachments). She was supported by Barbara Fletcher, member of the School Committee. There is a need to specifically adopt the statute for the Building Use and Pegasus Summer revolving funds as well as establish the legal basis for adding additional school revolving funds. G. Cliff asked for more information about the School Committee members that had voted against and abstained and whether their arguments had been included in the Arguments Opposed section. B. Fletcher stated that their arguments had not been included in the arguments opposed section. The member that abstained had concerns about whether the word "establish" should be included. The member that voted against expressed concerns that the Special Counsel had gone beyond its scope in seeking information from other entities in order to reach their opinion. FinCom discussed and concluded that the arguments seemed to be technical in nature, possibly outside of the scope of the article, and did not need be included. B. Steinberg, N. Funkhouser, and D. Watkins made suggestions to clarify the wording in certain sections. G. Cliff mentioned that he was feeling "behind" as not much discussion had happened on this matter during prior meetings since he had joined FinCom and he had not had a chance to review the special counsel's opinion or any of the other supporting materials. After some further discussion, C. Martin made a motion to approve the article as amended. B. Steinberg seconded. Roll call vote: Watkins-Yes, Cliff-Abstain, Martin-Yes, Funkhouser-Yes, Steinberg-Yes.

G. Cliff led a discussion of the "Amend Chapter 36 of Current Bylaws" article (see attachments). Alice Boelter participated as the spokesperson for the petitioners. Petitioners' comments have been included, feedback that FinCom had provided on a prior draft have been included, and some additional sentences have been added based on information in the petitioners' comments. Petitioners believe the fact that a similar article did not pass at 2015 Annual Town Meeting should not be included in the Finance Committee comments section, as this is also true of other articles and isn't always mentioned at all or in the same way. B. Steinberg asked for clarification as to whether a comment might be better positioned as an argument against. Alice suggested a change in the wording of the "In Favor" argument. C. Martin asked for clarification on the comment from the Finance Director about availability of information. B. Keveny clarified his views, particularly around free cash. C. Martin wondered whether we should include a comment on snow days but other FinCom members stated that they didn't think it was

necessary to do so. D. Watkins agreed with a number of the arguments made in the arguments opposed section. B. Steinberg made a motion to approve the article as amended. N. Funkhouser seconded. Roll call vote: Watkins-No, Cliff-No, Martin-Yes, Funkhouser-No, Steinberg-No.

FinCom briefly discussed the “Amendment to Minuteman Regional Agreement” article. No write-up had been distributed. Given the lack of availability of information, FinCom discussed and agreed that the best option is to decline to submit a written report for the warrant on this article.

C. Martin provided an overview of the “Seek special legislation for Chapter 44 Section 53 E ½ municipal revolving fund” article (see attachments). The challenge continues to be the need for a financial model that all parties agree on. Despite a number of analyses and meetings by a joint working group there is currently no such agreement. The biggest issues are the current high surplus balance and whether the recreation fund should be responsible for the salaries of recreation department employees. There is also an issue about the spending cap. It is generally agreed that the current 1% spending cap is too low for the programs that are currently being offered and is a major impediment to adding new programs. The article proposes that the cap be raised to up to 5%. The Abrahams Group report sponsored by the Recreation Committee recommended a cap of at most 2.5%. Users are generally very happy with the programs the Recreation Commission helps oversee, but the core issue is gaining agreement on the full financial model and plan. B. Steinberg provided some suggestions on wording and wondered if some of the opposed arguments are outside of the scope of the article. G. Cliff and C. Martin argued that the need for a full financial plan is appropriately within the scope. D. Watkins made several additional arguments in opposition to the article. B. Keveny summarized the analysis he has done and his recommended financial model and 5 year plan (see attachments). The Recreation Commission has not accepted his recommendation. He added that he is uncomfortable with the Recreation’s Commission desire to retain surplus funds in order to fund future capital items. N. Funkhouser agreed that the absence of an agreed financial model and plan is a significant problem. After further discussion, C. Martin made a motion to approve the article as amended. B. Steinberg seconded. Roll call vote: Steinberg-No, Funkhouser-No, Watkins-No, Martin-No, Cliff-No.

B. Steinberg led a discussion on the “Acquire municipal parcel in Town Center” article (see attachments). He described the changes that he had made based on the prior discussion. C. Martin suggested several edits. D. Watkins wondered if we should add something about the rationale for needing to act soon as our rights to acquire/lease the land might be infringed upon, but it was agreed that adding such an argument was not necessary. N. Funkhouser provided an update on the Board of Selectmen discussion on the same article. The Board of Selectmen requested additional information before they would be ready to vote. After further discussion, B. Steinberg made a motion to vote to approve the article as amended. C. Martin seconded. Roll call vote Steinberg-Yes, Watkins-Yes, Funkhouser-Yes, Martin-Yes, Cliff-Yes.

B. Steinberg provided a brief update on the “Appropriate funds for library planning and design” article. He distributed the updated write-up (see attachments). He explained the changes he had made to reflect the discussion during a prior meeting, and FinCom members agreed that the changes were appropriate.

G. Cliff provided an update on the “OPEB Trust Fund Legislation and Governance” article. Town Counsel had provided input that he is uncomfortable with the OPEB Advisory Committee special counsel’s recommendation that we create a “true trust” after adopting the general act and suggested it would be much better to adopt a new special act instead that specifically provides for the creation of a true trust. Due to this information coming to light late in the process, it was determined that it was not possible to develop and document an agreed approach in time for Special Town Meeting. The article will be withdrawn and brought forward at 2016 Annual Town Meeting. N. Funkhouser suggested that our initial vote would stand but the article would be withdrawn. G. Cliff argued that he was not comfortable with the prior vote because a substantial amount of new information had come to light since that initial discussion, particularly around the reasons for the need to move from the current special act. FinCom discussed and agreed to delay deciding until we could get an update from the Board of Selectmen on what action they had taken on the OPEB article.

N. Funkhouser distributed an updated version of the “Current year transfers” article (see attachments). C. Martin made a motion to reopen the current year transfers article. N. Funkhouser seconded. Roll call vote: Watkins-Yes, Steinberg-Yes, Funkhouser-Yes, Martin-Yes, Cliff-Yes. N. Funkhouser explained that the proposed amount for IT has been reduced from \$150k to \$70k as it was determined that we can wait until Annual Town Meeting for the IT SAN storage component. FinCom members agreed to a change in the wording to make it clear that we are preceding with 3 of the projects identified by McGladrey. One of the 3 projects has zero costs in the first year. FinCom members discussed whether that project is in the scope of the current year transfers article since no additional expense is required in the current year. B. Steinberg suggested that the language be modified to make it clear as a “parenthetical” that the project doesn’t require a current year transfer but is a project included in the IT initiatives that are being undertaken. N. Funkhouser suggested a specific formulation to make it clear that the current year transfers relate to 2 IT projects but to mention the third project as additional information. After further discussion, B. Steinberg made a motion to approve the current year transfers article as amended. N. Funkhouser seconded. Roll call vote: Watkins-Yes, Steinberg-Yes, Funkhouser-Yes, Martin-Yes, Cliff-Yes.

G. Cliff provided an update on the “Permanent Municipal Building Committee involvement in Stone’s Bridge restoration” article. It is expected that the Board of Selectmen will vote to ask the PMBC to get involved in the project as the petitioners’ article requests and if so the petitioner has agreed to withdraw the article. A member of the Board of Selectmen suggested that the FinCom use the following statement as our report on this article.

The Board of Selectmen voted on September 28, 2015 to refer the Stone's Bridge restoration project to the Permanent Municipal Building Committee. The Petitioners plan to pass over this article at STM.

FinCom was unsure how to act on the article. B. Keveny agreed to step out and check what action the Board of Selectmen had taken. FinCom discussed options and agreed the best course would be to make no written report to be included in the warrant on this article. B. Steinberg made that motion. N. Funkhouser seconded. Watkins-Yes, Cliff-Yes, Martin-Yes, Funkhouser-Yes, Steinberg-Yes.

FinCom briefly discussed the "Authorized procurement and appropriate funds for energy resiliency project at the middle school" article (see attachments) and agreed the revised write-up was appropriate.

9:19 Liaison & Members' Reports, Concerns and Topics

N. Funkhouser provided an update on the overlay (see attachments). Board of Assessors determined that \$300k of the overlay account was surplus and should be transferred in the Town's accounts accordingly. G. Cliff added some additional details based on a discussion with Susan Rufo and Ellen Brideau. C. Martin asked for the overlay account year by year. B. Keveny agreed to provide the information.

9:22 Budget Guideline and Memo – further discussion

N. Funkhouser suggested that we should finish our discussion and any action on the provided revision version that B. Keveny provided based on concerns John Senchyshyn had raised relative to the budget guidelines memo. G. Cliff stated a concern that he was uncertain when the Finance Committee could and should get involved in reviewing and approving proposed personnel changes in the timeframe suggested in the memo. B. Keveny indicated that he and John believe it would be better if submitted budgets not include the impact of any personnel changes until they have been approved by the Personnel Board and then by the Finance Committee. B. Steinberg asked for further clarification of the process and timing, which B. Keveny provided. G. Cliff stated that the process Brian and John were recommending was different than what he had typically seen and raised concerns that the new proposed approach would be contrary to bylaw 19-4. B. Steinberg stated that he was less worried about the bylaw than about the process. B. Keveny explained that his preference is that personnel expense impact of personnel changes only be included after Personnel Committee and Finance Committee approval. G. Cliff reiterated his concerns that that approach was not consistent with the bylaw. N. Funkhouser indicated that G. Cliff's interpretation of the bylaw might be overly literal and asked what the practical concern was outside of "bylaw compliance". G. Cliff stated that the process outlined in the bylaw was a good one and is consistent

with the budgeting he has been a part of. N. Funkhouser stated that she thinks it is very important that we have a process that B. Keveny is confident can be executed accurately and efficiently. D. Watkins indicated that he supports some of G. Cliff's views but there is some uncertainty about the best way to proceed given practical considerations. C. Martin agreed that based on past experience it is easier to run the process by adding people in when they are approved rather than ensuring that they are taken out of budgets when they are not approved. B. Keveny pointed out that additions are rare and the impact is generally not material from an overall standpoint and that it is much easier to add them in only after they are approved. D. Watkins stated that the language around the requirements for the explanatory statement of changes is quite clear. B. Keveny suggested that perhaps the bylaw should be changed to focus on approved changes rather than any change. B. Steinberg stated that he believes that the process that we've used in past years is sensible and is consistent with the bylaw. G. Cliff asked for clarification on when the Finance Committee would be involved. B. Steinberg stated that it was at some point during the process and FinCom members discussed and agreed to change the words to clarify that. G. Cliff stated that he was concerned about telling managers without agreed contracts to use current year wage rates. B. Keveny mentioned that we include a lump sum amount in the unclassified section and that we need to make sure departments don't include it so we don't end up with double-counting. B. Steinberg stated that he is comfortable with the sentence added as being consistent with the process we have followed. After further discussion, C. Martin moved that we reopen the budget process memo. N. Funkhouser seconded. Roll-call vote: Cliff-No, Martin-Yes, Funkhouser-Yes, Steinberg-Yes, Watkins-Yes. C. Martin moved that we approve the revised memo as amended. B. Steinberg seconded. N. Funkhouser reread the portions added to make sure the proposed amendments were understood prior to the vote. B. Keveny added that we should move the deadline to Nov 6, which was agreed and amended. Roll call vote: Watkins-Yes, Cliff-No, Martin-Yes, Funkhouser-Yes, Steinberg-Yes.

9:54 Chair's Update

FinCom reviewed draft minutes from September 8 meeting (see attachments). B. Steinberg suggested a number of edits and G. Cliff was added as attending. G. Cliff made a motion to accept the meeting minutes as amended. N. Funkhouser seconded. Roll call vote: D. Watkins-Yes, G. Cliff-Yes, Martin-Yes, Funkhouser-Yes, Steinberg-Yes. Other draft meeting minutes have not been released.

N. Funkhouser discussed potential future FinCom meeting schedule. Potential agenda topics include a meeting with the Moderator prior to STM, the debt management policy, an update on status of Open Meeting Law violation complaints, and Susan Rufo from the Board of Assessors on the overlay. B. Steinberg suggested he didn't think an article in the Town Crier was

necessary. C. Martin suggested a review on closeouts of existing capital projects. B. Steinberg noted that some projects, particularly those of the School Committee and the DPW, often take a long time to do after the project is approved and funds are appropriated. B. Keveny suggested that we should be getting an update on capital projects from the Head of Facilities at least on a quarterly basis. N. Funkhouser and B. Keveny distributed a copy of the proposed capital projects budget book (see attachments).

10:05 Board of Selectmen meeting update

Cherry Karlson and Joe Nolan joined the FinCom meeting to provide an update on actions taken during the Board of Selectmen meeting. The OPEB article was withdrawn and the FinCom therefore needs to take no action on it. The Board of Selectmen asked the PMBC to be involved in the Stone's Bridge restoration project. C. Karlson provided an update on the Board of Selectmen vote on each article. N. Funkhouser provided an update on all FinCom votes.

10:15 Meeting Schedule

FinCom discussed our meeting schedule and tentatively agreed on Oct 19, Nov 2, Nov 9, Nov 16, Nov 30, and Dec 14. N. Funkhouser asked if there were any additional topics we wanted to log as potential agenda items. FinCom discussed and clarified that for the debt management policy we would start with a general discussion and then agree at that time whether any additional work on it is necessary. G. Cliff wondered if we should add an agenda item around the "Finance Committee write-up" process. FinCom members discussed and agreed we should and the right timing should be at a FinCom meeting in December or early January.

10:25 Member's Report

B. Steinberg provided an update on River's Edge and mentioned that the WRAP Committee would have a meeting with all major departments on Wednesday.

10:24 Adjourn

G. Cliff made a motion to adjourn the meeting. C. Martin seconded. By roll call vote: Watkins-Yes, Cliff-Yes, Martin-Yes, Funkhouser-Yes, Steinberg yes

Attachments

FY 2017 Operating Budget Process (revised)

Acceptance of Mass General Law Chapter 71, Section 71E

Amend Chapter 36 of Current Bylaws
Seek Special Legislation for Mass General Law Section 53 E1/2 municipal revolving fund
Recreation Revolving Fund (B. Keveny)
Acquire municipal parcel in Town Center
Library planning and design funds
Current year transfers
Appropriate funds for energy resilience project at the middle school
Release of excess overlay
Meeting minutes September 8 (draft)
Proposed capital projects binder

Respectfully Submitted,
Gordon Cliff