



Town of Wayland Massachusetts

Finance Committee

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

Finance Committee Meeting Minutes

Monday, November 2, 2015, 7:00 pm.
Town Building

In Attendance: N. Funkhouser (Chair); G. Cliff; C. Martin; W. Steinberg; D. Watkins; T. Abdella (7:10 PM); and Finance Director B. Keveny. Not In Attendance: G. Wolin.

Call to Order at 7:00 PM. WayCam was taping the meeting.

7:00 Call to Order

7:02 Public Comment

Annette Lewis, Claypit Hill Road, indicated that in the Warrant for Town Meeting there was a photo of the existing building that was not current. On Page 8 of the warrant, she questioned which acreage would be developed by the developer. On Page 9 she indicated that the existing and proposed addition was unclear. In the arguments in favor she indicated that The Town has no way of knowing that site contaminants are the responsibility of the prior owner. She also indicated that she was concerned that we were mixing proposed use with the land acquisition request.

7:08 Finance Director's Update Free Cash Certification

Mr. Keveny reviewed and updated the committee regarding Free Cash. He indicated that the adjusted number was \$6.479M. He also indicated that cash reconciliations are almost complete. Lastly he reviewed his estimated FY16 Free Cash schedule.

7:16 STM Warrant Hearing, Large Hearing Room, Town Building
FinCom participated in the STM Warrant Hearing

7:40 FY 2016 Q1 report

Mr. Keveny communicated the status of tax receipts. He commented that tax receipts were consistent with expectations and were on track for Q1. He emphasized that any rollover money that is not spent will be added to free cash. Mr. Keveny also reviewed the Enterprise and Water Funds and concluded that they are trending as expected. Mr. Abdella asked for clarity regarding increases in revenue even when there was a water ban in place. Mr. Keveny indicated that it was because of user fee revenues. He commented on the Wastewater account and indicated that we need to closely monitor the account due to a significant Q1 difference between fees collected and budget. Ms. Martin asked whether the issue was billing related and Mr. Abdella speculated that it was a result of delayed payment. Additionally, he commented on the revolving funds. He was concerned that the Recreation fund is trending \$100k higher than expected and that the committee should monitor the accounts closely. Mr. Steinberg asked if they had published a budget yet and Mr. Keveny commented that there was none. Ms. Funkhouser, Ms. Martin and Mr. Abdella requested further clarity on the sources of revenue. Lastly, Mr. Keveny indicated that the tax recap was going to be the beginning of December. He indicated that the valuations came in and we were at \$3.2 B. As a result, the estimated tax rate is projected to be \$17.39/1000.

- 8:30 Finance Director, Update/Status Review of Capital Closeouts
Mr. Keveny reviewed the capital close out schedules for school capital, town capital and water capital. He identified all the projects and their associated funding sources. He indicated there are many outstanding projects and many will result in turn-backs. There were less turn-backs related to bond funding. Mr. Steinberg requested clarification on what closed out but not completed means for the Recreation Department. Mr. Keveny and Ms. Martin indicated that the close-out schedule needed to be corrected. Ms. Martin provided further color on the status of the various initiatives by the Recreation Department. Lastly Mr. Keveny published the status of the Fund 22 accounts (CPA) and provided a list of the open projects with the appropriations that were to be spent.
- 8:07 Ms. Nan Balmer – Information Technology
Ms. Balmer indicated that the Selectman voted to increase the IT transfer from \$75k to \$95k for Information Technology. The monies requested related to consulting fees and efforts related to patch management and planning for the SAN (Storage Area Network). She presented her memo that explains how all the IT initiatives are related.
- 8:09 Chief Houghton – Fire
Chief Houghton discussed the Ladder Truck called Ladder One. He discussed that there have been cost savings resulting from the trade in value and the cost of the replacement truck. He indicated that the new Truck is longer which is needed to support Town needs and that the Truck is a Ladder and a Fire Truck (has a water tank). The typical truck lasts 15 years and he indicated that the existing truck would start to cost money for repairs. Mr. Steinberg requested what the savings would be if we ran the current truck each year vs buying a new truck. Chief Houghton did not have that information available. He indicated that the truck was projected to last another year which was the basis for the \$50k resale value. Mr. Watkins asked what the safety implications were if there was a delay in increasing the Departments capability from a 75 foot reach to 105 feet. Chief Houghton indicated that the increase of solar panels on the residential homes has made it more difficult to perform their job and has the potential to require more manpower. He indicated that the speed bumps can also cause issues in the future because the trucks do not have car-like suspension. Mr. Cliff asked was there a way we could get 5 more years for the current truck. Chief Houghton opined that he could not estimate what will break in the next five years, but estimated that it would cost more money than it is worth. Mr. Abdella commented on new truck cost versus maintenance versus residual tradeoffs. Chief Houghton discussed pictures of the frame rails and the rot on the truck. He indicated all equipment would be moved from the old to the new truck and that they would be purchasing a new radio. Ms. Martin asked for clarification on the age of the truck and was told it was purchased in 2004. Mr. Abdella and Ms. Funkhouser talked about the liquid calcium treatment of the roads during the winter cause undercarriage corrosion and accelerated deterioration. Ms. Martin indicated that the existing 5 year plan had the truck at \$325k and now it was \$545k, an increase of about 30%. Chief Houghton indicated that he was looking at getting additional pricing form three dealers. He requested to replace the Ford Explorer with an Expedition and discussed the capabilities of the current car and its' accessories. Mr. Steinberg inquired about the use of technology to support the archive of Town maps for the various buildings within the Town. Chief Houghton indicated that it was not a viable option. Ms. Martin commented on the challenges with buying cars out of the agreed upon capital expenditure schedule. Chief's priority would be the rescue pump first and then the ladder truck. Lastly Chief Houghton reviewed his financial model for vehicle replacement and commented on the Ambulance replacement strategy. He indicated that he is averaging 8-10 transports to Boston per week which affects the wear and tear of the Ambulance. The committee discussed funding options. Mr. Cliff asked for further clarification from Mr. Keveny regarding where the funding is maintained. Mr. Steinberg, Ms. Martin, Mr. Keveny, Mr. Abdella and Mr. Cliff debated the accumulation of funds for capital projects for Fire versus the Recreation Department. Mr. Cliff asked what the technical funding source would be and whether it would impact our debt and Mr. Keveny indicated that it was the Ambulance fund cash balance and it would have no impact.
- 9:00 Ms. Gretchen Schuler - CPC
Ms. Schuler, Chairwoman of the CPC, discussed details about the Mainstone Farm acquisition. She indicated it would likely be a partnership between Sudbury Valley Trustees and the Town. The old appraisal was \$10.6M and was made in 2006. She indicated that with the \$500k that she gets annually

from the Town, they could service a \$6.7M debt. By using all of the fees, the Town could not consider using the CPC funds for 20 years for such things as recreation and historical building projects. She will recommend at Annual Town meeting to fund \$7.5M of the purchase price. Ms. Schuler indicated that additional money (\$11M) was needed to purchase the land by the Town and obtain a conservation restriction. The committee discussed that the borrowings would be considered part of the Town borrowing base. Ms. Schuler indicated that there have been ongoing discussions with the property owner. Ms. Schuler indicated that they offered that the Town could delay payments over time. Ms. Martin asked that if the CPC were an Enterprise fund, the debt would not be on the Town and Mr. Keveny said that was not viable. Ms. Funkhouser asked Ms. Schuler whether she could use additional resources to model the alternatives. Mr. Keveny indicated that there was a similar project in Wellesley and Winchester and that we need to engage the right Financial Advisors. Ms. Schuler asked how the Town could commit funds in the future and Mr. Steinberg discussed alternatives. Ms. Schuler indicated that the seller did not have a deadline but it would be until 2017 before we would do the deal.

9:15 Special Town Meeting (STM)

Review and potentially re-vote modified Article 1. Ms. Funkhouser indicated that there were additional current year transfer costs that needed to be voted on. Mr. Steinberg requested clarification and Mr. Keveny indicated that he added 2 additional requests for payment. Ms. Martin made a motion to re-open Article One Fiscal year unpaid bills that would be presented at the Special Town Meeting. Mr. Steinberg Seconded the motion. Motion passed 6-0-0. Ms. Martin made a motion to approve Article One to pay previous year unpaid bills to include the Water Enterprise bill of \$129 and the legal bill for \$259. Mr. Cliff seconded the motion. The motion passed 6-0-0.

Minuteman Article: Ms. Funkhouser indicated that it did not matter how we will vote on the article because it was anticipated that Lexington would not support the article at their Town Meeting. Ms. Funkhouser indicated that if Lexington votes in favor that Wayland's vote matters. She indicated that Wayland has two students in the district and if we continue to move forward and withdraw under the current agreement, we would be required to pay the cost of the current building if they approve it in this fiscal year. In order for approval to happen, all towns must vote unanimously. Mr. Steinberg suggested we better understand the status of the Lexington vote and we meet prior to the STM if needed. Mr. Cliff indicated that he was uncomfortable re-voting. Ms. Funkhouser indicated it was a fluid process and that she was not looking for a vote but to review the handout provided. Mr. Steinberg indicated that he was concerned about fees and Mr. Cliff made the point that voting to leave without fully understanding the implications could lead to costly mistakes. The committee recognized that they did not have enough information to take a position on the article.

10:45 Liaison & Members' Reports, Concerns, and Topics

Information Technology – Mr. Watkins discussed the findings of RSM and their priorities. He discussed the necessity to replace the SAN, implement patch management, implement an email system upgrade and implement new firewalls. The committee discussed sharing IT resources with other towns or at the State level. He indicated that we have gone down a path to hire a Director of IT and RSM to implement the projects. Ms. Funkhouser indicated that there will be staff salaries that we should anticipate in fiscal 17/18 and additional funds that might be required this year to support additional work. Mr. Cliff suggested that what we needed to vote was the additional \$25k as requested by the Selectman. He asked if Mr. Watkins felt confident about the \$25k or is more spend required. Mr. Watkins indicated that spending money before the proper leadership and resources are in place would not be wise. Mr. Cliff asked for clarification on how the appropriated money is accounted for and Mr. Keveny provided insight. Mr. Steinberg, Ms. Martin and Mr. Cliff, Mr. Abdella and Mr. Watkins discussed whether additional work or money was required beyond what was being requested. They agreed that they needed an IT Director. Mr. Watkins indicated that they should increase the budget to support outsourcing the role in the short term by \$50k. He indicated that the Town needs a project manager to oversee the project. Ms. Martin made a motion to reopen article 2 current year transfers for further discussion. Ms. Funkhouser seconded. Motion passed 6-0-0. Ms. Martin moved to approve article 2 current year transfer by increasing the amount under information technology from \$70k to \$95k. Mr. Cliff seconded the request. Mr. Steinberg modified Ms. Martin's motion by increasing the expenditure from \$70k to \$140k for consulting fees to analyze the Town's and School IT Systems, to identify data

storage and appropriate patch management software and to have oversight of those projects. Mr. Watkins seconded the motion. Mr. Cliff indicated that it appears to not be proper for the Finance committee to not agree with the Selectman. Mr. Steinberg indicated that it was okay to approve additional funds. Ms. Martin and Mr. Cliff debated the merits of additional funding. Ms. Funkhouser indicated that if the Finance Committee believed that the Selectman would benefit from additional labor, the committee has a right to do so. The motion passed 4-1-1.

10:10 Facilities, Mr. Ben Keefe

Mr. Keefe discussed the building repair for the library rotunda window replacement. He indicated that the Board of Selectman suggested waiting until after the STM and that it should be held as a placeholder. He indicated that it could be done as part of a renovation project but it would be prudent to see if it could be done with a grant. Ms. Martin indicated that it could be done with the CPC because it is a historical building.

He indicated that the Council on Aging request is a placeholder because the individuals doing the work will provide additional data for Annual Town Meeting. He indicated that the BoS wanted to see what happens at STM. Ms. Martin indicated that the costs have gone from \$4M to \$5.6M. Mr. Steinberg indicated that the reason the numbers are different is because the scope has changed. Mr. Keefe recognized that the scope has changed since he started with the Town. The last Town meeting authorized the Design work once the land was chosen. Mr. Watkins asked Mr. Keefe if there is too much work to do, and would the facilities department benefit from fewer initiatives. Mr. Keefe believes that the level of effort is practically the same across any two distinct projects. Ms. Funkhouser requested that Mr. Keefe fix the CIP copy in several areas. Mr. Cliff indicated that Mr. Keefe needed to follow up on whether funds were previously approved to support the project at DPW.

Demolition of old DPW building. Mr. Keefe indicated that the Fire Chief wishes that it be taken down and that there is a State statute that requires the Town to take the building down as soon as possible. The committee discussed the relationship of the library decision with the DPW building demolition.

Ms. Martin indicated that there were a lot of projects and inquired whether he truly able to really execute on the previously funded projects with the same staff. Mr. Keefe indicated that he had intended to finish the outstanding projects. Mr. Abdella discussed that we can run out of resources to run projects. He clarified that at some point you run out of an efficient way to run things. He suggested that Mr. Keefe budget for a project manager for each of the requested projects.

Keveny said he spoke to Mr. Keefe and Ms. Balmer about the need to know the status of the various projects in Facilities. Mr. Keefe indicated that he was unable to get the numbers as to what was borrowed. Mr. Keefe has informally requested information and has not made progress. Ms. Funkhouser emphasized that if there is a reason that he cannot come up with the numbers then please communicate so Mr. Keefe can be supported.

Mr. Steinberg indicated that we should think about having an article at ATM that addresses Facility's \$500k of surplus funds so we can put the funds to use and stop paying for the debt service.

10:45 Liaisons

Mr. Abdella talked about the environmental liability of the municipal pad. He indicated that there was a letter that talked about how to avoid environmental liabilities that contradicted what an earlier proponent indicated. Ms. Funkhouser discussed whether we should reopen the Article. Mr. Abdella indicated that there was a letter in the Selectman's packet.

Mr. Steinberg indicated that Mr. Ben Gould said there was no risk to human health. He indicated that Mr. Gould said that here was testing done in 1990s. He indicated that the Federal government changed the reportable levels of PCBs. Tom was concerned that he did not get all of the information he needed.

Ms. Martin updated the committee on FinCom Committee Member Gil Wolin's status.

Ms. Martin inquired what to do about Article 8 and how to handle it. Ms. Funkhouser indicated that FinCom should be prepared to talk about the article.

10:50 Chair's Update

Audit Committee Appointee Progress Update. Ms. Funkhouser recommended bringing the new candidate on November 16, 2015. Additionally she requested the Committee talk about the overall capital project timing. She indicated that we had to discuss Schools, IT and any other open items. She mentioned our participation in the tax recap meeting

Overall Capital Budget Preparation Timing. Ms. Funkhouser and Mr. Steinberg requested that Ms. Balmer needed to provide recommendations on their portion of the budget because it serves as input to the overall operating budget.

9-16-15 Draft Minutes for review and vote. Ms. Martin made a motion to approve the minutes for October 16, 2014. Ms. Funkhouser seconded the motion. The motion passed 6-0-1.

10:55 Items the chair did not reasonably anticipate would be discussed at the meeting

Future Meeting Schedule: 11/9/15 (before STM), 11/16/15, 11/30/15, 12/14/15

11:09 Adjourn

Ms. Martin made a motion to adjourn the meeting. Mr. Abdella seconded the motion. The motion passed 6-0-0

Attachments

20150916 meeting minutes draft
20150928 meeting minutes draft v3
10162015073158-0001
10162015073320-0001
10292015075428-0001
Capital Project Descriptions
Carolyn S Bargoote Resume
CongressionalLettertoEPA23Oct2015crumbrubber
FinCom Meeting Minutes of 10.19.15 (Draft)
FinCom Meeting Minutes Sept 21 2015 DRAFT
Free Cash 2015 at 102715
FY 2016 Quarter 1 Report
IT Master Plan Revised Funding Recommendations 11 2 2015
MINUTEMAN ARTICLE FOR STMLea10-27
Multi-Year Financial Model 10-14-15 DRAFT
November 2, 2015 Agenda
Wayland FC 16

Fire Department Capital Request FY 2017

Project Name: *Replace Ladder 1*

Budget Amount: *\$950,000.00*

Funding Source: *Bond*

Capital Plan History: *This project has had a budget figure in the capital plan of \$1,035,000.00 since 2013 Town Report and a figure of \$985,000 in the 2012 warrant. This project has been well known in previous reports. Now that we are closer to actually looking at the potential of completing the project we have been able to do some research on a truck that is suitable for Wayland. In doing our research the past few months we have been able to reduce the project to \$950,000.00 or a reduction of \$85,000.00 from the original figure and not compromise the intent of the use or any safety features.*

Description: *This project would replace the current 1993 ladder truck with a new truck with the same type of features that we have today. The new truck will be equipped with the latest technology and equipment with firefighter safety and operational safety components installed. We have found that a longer reach is required for the truck to be most functional for today and many years to come. It is important to note that we do not have tall buildings in Wayland but do have places that for the ladder to be functional it does require a longer reach. With the increase in the use of solar panels on roofs, ventilation of roof structures will require us to change strategies. We currently are looking at a truck that will give us 105 feet of reach.*

Discussion: *The current ladder truck is a 1993 Quint. A quint as a ladder truck that also doubles as a fire engine by carrying water, hose and equipment that is common on both a ladder truck and a fire engine. When first purchased 24 years ago a Quint was considered a new concept that we have found works great for a community like Wayland by bring two types of trucks to a scene at the same time and being able to place it in a location that allows for use of all features at the same time.*

Although the current truck is in good working order it is nearing the end of its useful life and eventually will need major repairs due solely to its age.

Should this project be approved and due to the actual delivery of the truck will not likely be until early spring of 2017, it is hard for us to get an accurate trade in value on the current ladder truck. Until such time as the truck is traded in, for safety reason we will continue to replace and repair the vehicle as needed.

Obstacles: *There are no known obstacles to this project.*

Fire Department Capital Request FY 2017

Project Name: *Replace Engine 2 (Rescue Pump)*

Budget Amount: *\$490,000.00*

Funding Source: *Ambulance Receipts*

Capital Plan History: *This project was placed on the five year capital plan last year to be considered in 2018 with a budget figure of \$500,000.00. We are looking to move this up a year due to potential safety concerns. For this same reason a second engine has been moved to the five year plan for consideration in 2020.*

Description: *The project consists of a purchasing a new rescue pumper that will accomplish the same mission as the current one does. This truck is essentially a fire truck but is also used on a daily basis out of station 2 to respond to all types of ems fire and rescue type calls. With the staffing level we have in Wayland, this truck is staffed by two people 24/7 and must be able to handle a variety of incidents and to do so efficiently with the equipment they carry board. Other than our brush truck we do not have the staffing for specialized apparatus like other cities and towns have.*

Discussion: *As part of our research for apparatus purchases, in conjunction with looking at the potential of requesting money to upgrade a fire truck to make it last longer, the department mechanic was requested to do a thorough evaluation on the two oldest trucks in the fleet and to write a report on his findings.*

Although engine 2 is not the oldest fire truck in the fleet (actually second oldest) a recent evaluation by our department mechanic has found some main frame rail rot that causes us great concern. We lost an engine in 2008 due to frame rails that had serious rot and with the weight of the water, hose, equipment etc.. there was great concern over the truck breaking in half driving down the road. This was the first time Wayland went from having four fire engines (a primary and a backup at each station) to having three trucks. It was our hope that we would be able to go back to that practice, something that I do not see in the foreseeable future.

The new trucks that are constructed of a double frame rail to carry the added weight are done so with materials and treatment that prevents the rails from rotting.

Obstacles: *It is very much unclear how much, if any, we will be able to get for a trade on this vehicle.*

Fire Department Capital Request FY 2017

Project Name: *Replace Car 1*

Budget Amount: *\$55,000.00*

Funding Source: *Ambulance Receipts*

Capital Plan History: *This project is in the 2016 Warrant and placed as a purchase in FY 2019.*

Description: *The project consists of a purchasing a new Expedition for the Chief that has the same features and equipment as all other Fire Department vehicles with similar assignments. The current 2012 Ford explorer with an estimated 48,000 miles on it in July 2016, will be transferred to Facilities to be included as a fleet car at the town hall. The vehicle once transferred over will need no work done to it and should be immediately be available for use.*

Discussion: *The current car 1 is assigned to the chief and is basically a take home car that is a “people mover” and has little room for anything else. This project would allow the vehicle to not only be a response vehicle, but will allow for a Command Console to be installed in the back and for it to carry building plans and response plans for a variety of hazards and target building in town. As we seen in many places throughout the country, there is an increase in medium to large scale incidents and the need for proper training and equipment is becoming more and more on the forefront. In the lesson learned it has been well documented that for incidents that have been well managed a true command platform has been seen as a key element to the success.*

Obstacles: *There are no known obstacles to this project*

ONE HUNDRED FOURTEENTH CONGRESS
Congress of the United States
House of Representatives

COMMITTEE ON ENERGY AND COMMERCE

2125 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6115

Majority (202) 225-2927
Minority (202) 225-3641

October 23, 2015

The Honorable Gina McCarthy
Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Washington, DC 20460

Dear Administrator McCarthy:

We are writing to you today out of concern about the safety of recycled rubber tire crumbs used in synthetic turf fields in the United States. On October 8, 2014 NBC News ran a story entitled “How Safe is the Artificial Turf Field Your Child Plays On?”, and on October 1, 2015 NBC News ran another story entitled, “Mom of Goalie Who Died of Cancer Wants Answers on Artificial Turf.” These stories and others raise questions among athletes and parents that crumb rubber on artificial turf athletic fields may present a pathway to exposure to one or more carcinogens.

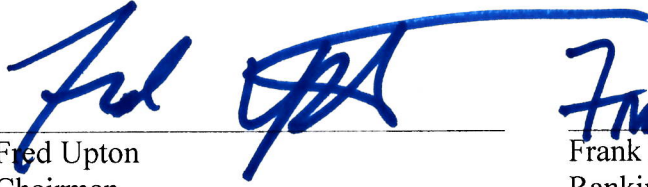
Accordingly, we respectfully request responses to the following questions:

1. In 2009, EPA issued a study entitled “A Scoping-Level Field Monitoring Study of Synthetic Turf Fields and Playgrounds.” The study did not find contaminants being released from the turf above levels of concern but noted that additional study was needed to fully characterize the risks. Has EPA conducted the additional testing needed to fully assess the hazards and exposures associated with crumb rubber on artificial turf athletic fields?
2. Other federal agencies, such as the Consumer Product Safety Commission and the Centers for Disease Control and Prevention, have also done work to evaluate the potential risks that exist from synthetic turf and recycled rubber tire crumbs. What interactions has EPA had with other federal agencies on this matter? Do those studies provide EPA with additional relevant information to assess the hazards and exposures associated with crumb rubber on artificial turf athletic fields?

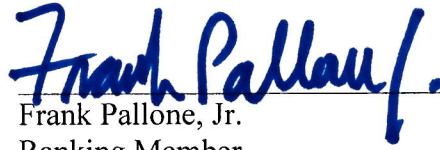
3. Are you aware of other scientific studies on the hazards and/or exposures associated with crumb rubber on artificial turf athletic fields? Do you have access to such studies? Do such studies provide EPA with sufficient information to adequately assess the hazards and exposures associated with crumb rubber on artificial turf athletic fields?
4. To the best of your knowledge, do chemical substances, or a chemical substance, in crumb rubber present a hazard to human health? If so, has the Agency determined whether exposure to such a chemical from crumb rubber presents an unreasonable risk to human health? If so, please explain in detail and describe what other uses are made of crumb rubber that could lead to human exposure.
5. Are you aware of any studies about carcinogens present in field sports generally? Do data indicate that risk is greater for female athletes than for male athletes, for soccer players than for lacrosse, field hockey, or football players, and for one position in soccer more than for others?
6. What does the Agency know about the incidence (percentage of population by sex and age level) of cancers in the general population? To the best of your knowledge, is the incidence for persons who play on fields treated with crumb rubber higher than in the general population?
7. If data indicate a higher incidence of cancer for female athletes, particularly soccer goalies, are you aware of any studies on other potential sources of exposure to carcinogens, for example, chemicals used in equipment distinct to goalies such as gloves, jerseys, or in the goal itself such as paint, piping, or synthetic goal netting? Do any such studies meet EPA's guidance criteria for assessing risk?
8. If there is a distinct correlation linking soccer-play to cancer, are there data indicating a minimum threshold for risk? For example, does the cancer appear in persons who have played at any age or any degree of frequency, or is concern focused on a particular age cohort, or only after a certain level of exposure?
9. Has EPA identified a specific pathway of exposure to hazardous materials in crumb rubber, e.g., inhalation, ingestion, or skin absorption?
10. Are you aware of any industry standards that set limits for exposure to crumb rubber based on potential health hazards? What analysis supports those standards?

Thank you for your attention to this matter. We respectfully request your response to this letter no later than Friday, November 6.

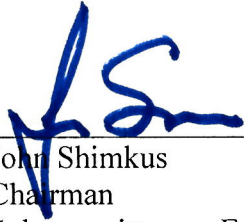
Sincerely,



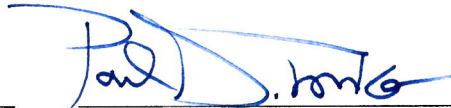
Fred Upton
Chairman



Frank Pallone, Jr.
Ranking Member



John Shimkus
Chairman
Subcommittee on Environment
and the Economy



Paul Tonko
Ranking Member
Subcommittee on Environment
and the Economy



TOWN OF WAYLAND

41 COCHITUATE ROAD
WAYLAND, MASSACHUSETTS 01778

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

To: Finance Committee

Nancy Funkhouser (Chair)	Gordon Cliff	Thomas Abdella
Dave Watkins	Carol Marti	Bill Steinberg
Gil Wolin		

From: Brian Keveny, Finance Director

Date: October 28, 2015

Subject: Free Cash Certification

The Massachusetts Department of Revenue (DOR) certified the town's Free Cash on October 8, 2015 as of June 30, 2015. For your review I have prepared an analysis of the certified amount of \$6,479,195. Additionally I have prepared a five year projection of free cash which depicts both uses and sources of free cash. At our upcoming meetings we can consider these estimates as we identify funding sources for both the Fiscal 2017 Operating and Capital budgets.

Additionally DOR certified the Water Enterprise, Septage and Wastewater Enterprises Retained Earnings amounts.

Water Enterprise -	\$2,252,513
Septage-	\$77,495
Wastewater Enterprise-	\$706,172

October 26, 2015	Estimated Per Fall Town Meeting	Post Close General Ledger Adjustment	Post Close Adjusted Free Cash Estimate	DOR Free Cash Adjustments	DOR Final Free Cash
Free Cash Balance beginning year:	6,384.00		6,384.00		6,384.00
<i>Uses of Free Cash</i>					
Net change in total overlay balances	(442.00)	-	(442.00)	-	(442.00)
Current year deficit reductions	-	-	-	-	-
Various Town / School Special Revenue Funds	-	-	-	(84.00) 2	(84.00)
Chapter 90	(110.00)	-	(110.00)	(7.00) 3	(117.00)
FY 15 ATM Art-16	(1.00)	-	(1.00)	-	(1.00)
FY 15 ATM Art-26	(150.00)	-	(150.00)	-	(150.00)
Overlay to support subsequent year budget	(150.00)	-	(150.00)	-	(150.00)
Support subsequent year operating budget	(2,350.00)	-	(2,350.00)	-	(2,350.00)
OPEB Funding subsequent year	(209.00)	-	(209.00)	-	(209.00)
Capital Projects subsequent year	(300.00)	-	(300.00)	-	(300.00)
Current year transfers	(523.00)	-	(523.00)	-	(523.00)
	(4,235.00)	-	(4,235.00)	-	(4,326.00)
Total					
<i>Sources of Free Cash</i>					
Current year reduction- Cash variance	-	-	-	(253.00) 4	(253.00)
Prior year recovery	110.00	-	110.00	(110.00) 5	-
OPEB Art-4 ATM 2014	594.00	-	594.00	-	594.00
Release of overlay not use to fund budget	102.00	-	102.00	-	102.00
Current year unbudgeted revenue					
Prior Year Real Estate / PP revenue	772.00	-	772.00	-	772.00
Bond Premium 01/29/15 sale	462.00	-	462.00	-	462.00
Foodservice FY 14 Reimbursement	210.00	-	210.00	-	210.00
TCW FY 14 Reimbursement	8.00	-	8.00	-	8.00
Capital Project Closeouts	9.00	-	9.00	-	9.00
Current year excess revenue over budget	380.00	-	380.00	-	380.00
Prior year rollover appropriation turnback	212.00	-	212.00	-	212.00
Current Year Turnback (Equals 1.5% of CY Budget)	2,013.00	39.00 1	2,052.00	-	2,052.00
Current year unbudgeted expense- Rivers Edge	(127.00)	-	(127.00)	-	(127.00)
	4,745.00		4,784.00	(454.00)	4,421.00
Total	4,745.00		4,784.00	(454.00)	4,421.00
Net annual source & use change:	510.00		549.00		95.00
Free Cash Balance Beginning Of Next Fiscal Year	6,894.00		6,933.00		6,479.00
Free cash as a % of next budget FY 2016 budget-\$73,590M					8.80%

- 1) An adjustment was posted to the school fund which increased the turnback amount.
- 2) DOR reduced free cash for temporary deficit balances in various revolving funds
- 3) DOR reduced free cash for additional Chapter 90 expenses.
- 4) DOR reduced free cash due unresolved treasury cash balance issues.
- 5) The town did not recover prior years reductions. (Chap 90, cash variances, revolving funds)

FREE CASH ANALYSIS - 5-Year Projection
 October 26, 2015

Estimated total budget: (2.5% annual increase FY16-FY19)

	Projected FY 2015	Projected FY 2016	Projected FY 2017	Projected FY 2018	Projected FY 2019	Projected 2020	Projected 2021
Free Cash Balance beginning year:	71,567	73,615	75,455	77,342	79,275	81,257	83,289
Uses of Free Cash							
Net change in year to year overlay	6,384	6,479.00	4,725	4,863	4,914	4,994	5,054
Current year deficit reductions	(442.00)	TBD	TBD	TBD	TBD	TBD	TBD
Chapter 90	(117.00)	-	-	-	-	-	-
Various revolving funds deficits	(84.00)	-	-	-	-	-	-
Treasury cash variance	(253.00)	-	-	-	-	-	-
FY 16 Fall TM	-	(150.00)	-	-	-	-	-
FY 15 ATM Art-26	(150.00)	-	-	-	-	-	-
Overlay to support subsequent year budget	(150.00)	(302.00)	(200.00)	(200.00)	(200.00)	(200.00)	(200.00)
Additional use to support CY budget	-	(2,000.00)	-	-	-	-	-
Support subsequent year operating budget	(2,350.00)	(1,500.00)	(1,500.00)	(1,500.00)	(1,500.00)	(1,500.00)	(1,500.00)
OPEB Funding subsequent year	(209.00)	(209.00)	(209.00)	(209.00)	(209.00)	(209.00)	(209.00)
Capital Projects subsequent year	(300.00)	(300.00)	(200.00)	(200.00)	(200.00)	(200.00)	(200.00)
Current year transfers	(523.00)	TBD	TBD	TBD	TBD	TBD	TBD
Sources of Free Cash							
Prior year recovery	-	337.00	-	-	-	-	-
OPEB Art-4 ATM 2014	594.00	-	50.00	50.00	50.00	-	-
OPEB Art-4 ATM 2015-M-b	-	115.00	115.00	-	-	-	-
Assessors release of overlay not use to fund budget	102.00	-	-	-	-	-	-
Current year unbudgeted revenue	771.00	771.00	700.00	700.00	700.00	700.00	700.00
Prior Year Real Estate / PP revenue	462.00	-	-	-	-	-	-
Bond Premium 01/29/15 sale	210.00	-	-	-	-	-	-
Foodservice FY 14 Reimbursement	8.00	-	-	-	-	-	-
TCW FY 14 Reimbursement	9.00	-	-	-	-	-	-
Capital Project Closeouts	380.00	380.00	250.00	250.00	250.00	250.00	250.00
Current year excess revenue over budget	212.00	-	-	-	-	-	-
Prior year rollover appropriation turnback	2,052.00	1,104.23	1,131.83	1,160.13	1,189.13	1,218.86	1,249.33
Appropriation turnbacks-Current Year (Equals 2% of CY Budget)	(127.00)	-	-	-	-	-	-
Current year unbudgeted expense- Rivers Edge							
Total	4,673.00	2,707.23	2,246.83	2,160.13	2,189.13	2,168.86	2,199.33
Net annual source & use change:	95.00	(1,753.77)	137.83	51.13	80.13	59.86	90.33
Free Cash Balance Beginning Of Next Fiscal Year	6,479.00	4,725.23	4,863.06	4,914.19	4,994.32	5,054.18	5,144.51
Free Cash (% of Next Year's Total Expenses Ex. Enterprise Funds)	8.80%	6.26%	6.29%	6.20%	6.15%	6.07%	6.99%