



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

Wednesday, January 13, 2016, 7:00 pm
Town Building

In Attendance: N. Funkhouser (Chair); G. Cliff; C. Martin; W. Steinberg; D. Watkins; T. Abdella (Late 7:22); and Finance Director B. Keveny. Not In Attendance: G. Wolin.

WayCam was taping the meeting

7:00 Call to Order

Nancy Funkhouser called the meeting to order at 7:00p.

7:01 Public Comment

Ms. Molly Upton discussed her reservations regarding the River's Edge project. She indicated that the committee might amend their RFP to include Water, Sewer and utilities at the possible cost to the Town.

Ms. Alice Coulter of Lakeshore Drive indicated that she was also concerned that the River's Edge Committee indicated that the Town was taking on the responsibility of paying for any soil contamination on the site.

7:02 Committee's response to Public Comment

Mr. Steinberg indicated that he was unaware of any discussion by the River's Edge Committee reflecting the validity of the Public Comment.

7:04 Review CIPs & Vote on 2017 Capital Budget

Mr. Keveny reviewed the proposed 2017 Capital Budget Project Schedule. He indicated that the committee should use the schedule to assess the effect of funding all the projects being requested on the overall debt service for the town. He indicated that if all projects were approved, FY 2018 debt levels would be approximately 11.8%. He suggested that the Committee should not be blinded by the 10% level. The committee asked Mr. Keveny to clarify certain components of the model. He said for every million dollars, the debt service was about \$100,000 in operating costs. Ms. Funkhouser indicated that she wanted to take a vote on the budget even though there were outstanding items because it was due by February 8, 2016. Further she indicated that March 2, 2016 was the final deadline. Members opined the need to understand the schedule and decided that the committee take action on the schedule at a subsequent meeting. Mr. Watkins requested that each committee liaison review their CIPs for quality. It was decided that people would provide their draft CIPs by January 25, 2016. Mr. Steinberg distributed a study he did of Peer Towns and their debt policies. Mr. Cliff discussed that according to the bylaws that the Town Administrator was responsible for providing their opinion for the capital and personnel costs associated with the capital budget after reviewing it with FinCom.

Mr. Abdella discussed his opinions of the DPW expenditures and responded to various committee member inquiries. He indicated that they would not be able to deliver on the additional funding

allocated to road work. It was agreed we would continue discussion. He subsequently discussed cemetery expansion. Mr. Keveny indicated he would track down further details including the run rate for administering the cemetery. He discussed information gathered about additional requests including the sweeper, trucks, small equipment replacements and the turf tractor replacement. Mr. Abdella indicated that light truck various/turf tractor were to be postponed. Lastly he discussed Water including Tank replacement work, the Happy Hollow Generator and the deletion of the billing software and the water meters. Committee members made various inquiries regarding the DPW and Water requests for funding. Mr. Abdella indicated that he would assist in understanding whether the Happy Hollow water main could be separated from the road work. He indicated he would also make inquiries regarding the automated meter reading. Ms. Funkhouser concluded that we would remove the water project for 200,000, lower Happy Hollow Wells and omitting the road project and the water main to obtain more information.

The committee discussed the demolition of the DPW building. Mr. Steinberg committed to identifying whether the estimate was to be updated. Mr. Watkins indicated that more information was needed from a previously funded analysis project.

Mr. Keveny responded to questions about the Ambulance fund. Ms. Funkhouser requested clarification of the effect of borrowing. Mr. Keveny indicated he would take \$360k from the general fund and \$490k from the rescue truck (balance of \$1mm) and there is not another \$1mm available to fund it. Mr. Keveny was concerned we might not have the balance required at Town Meeting. Mr. Keveny will make a schedule of fund flow.

Ms. Martin discussed Recreation, including the turf field and Oxbow Road. Oxbow Road was going to rely on the CPA funds, and because the location has not been determined for the Turf fields, is no longer a relevant project. She continued to talk about school projects including the security system, the windows, furniture and floor requests at Happy Hollow, Claypit, middle school (defer), stadium repairs (out), vehicles (out), food service and custodian equipment. Mr. Watkins discussed the challenges regarding further enhancements to the Avaya phone system. He indicated that the Town should not continue to invest in an antiquated phone system without analyzing alternatives. Mr. Steinberg requested the committee provide feedback on the proposed alternatives. The committee deliberated regarding safety versus design alternatives and decided to approve the funding of the phones. Ms. Martin confirmed that tile replacement and furniture at Loker were ongoing projects. Ms. Martin commented that the Tile and Furniture at the middle school could be deferred. Mr. Steinberg recapped the Town's anticipated borrowing and a brief discussion ensued.

- 8:36 FY 2017 Operating Budget Request –
- Finance, B. Keveny
 - Information Technology
 - Board of Health

The Board of health, represented by Tom Klem and Julia Junghanns. Ms. Junghanns discussed salary cost drivers including the retroactive cost of living adjustments. She also indicated that the Union Contract reflected increases in nurse's and management salaries. She commented on the school redistricting changes affected salaries as well. Mr. Steinberg inquired about the contract services request for additional costs. Ms. Junghanns provided a handout to explain the changes. She discussed the reorganization of her office files and vacation time staff augmentation support. Mr. Steinberg discussed the long term needs of refrigeration and generator support. She indicated that with the acquisition of space and the changes to the office configuration have helped the department. She commented that a system was set up to manually manage the process today. Ms. Junghanns indicated they are looking at a more automated solution in the future. Mr. Watkins inquired about HIPAA compliance. Ms. Junghanns indicated it was being evaluated. Mr. Abdella commented on the Council of Aging's need as well. Ms. Martin requested clarification on potential turn backs anticipated and vacation coverage. Ms. Martin further discussed whether the department can leverage the tax work off group. Ms. Junghanns indicated that they were. She indicated that compared to the Building

Department, there are two administrative personnel. Mr. Klem indicated that the Board of Health approved the request for the contracted position.

Leisha Simon and Beth Doucette presented the IT operating budget. Ms. Doucette reviewed various IT line items. She indicated that she separated out the costs of the shared infrastructure. Ms. Doucette indicated that the salaries did not include the two new position requests and were in the salary reserve budget. Mr. Cliff commented that the increase in budget was stunning and he communicated his concern was that he struggled to understand how he would come up to speed on the costs inside of 15 minutes. Mr. Abdella communicated that the IT consultant was driving the costs. Mr. Steinberg requested that they discuss where they have been and where they are heading. Ms. Doucette communicated that the increase was in line with other organizations with similar revenue. Ms. Simon indicated that with the historical lack of investment caused the Town to be in it's position. She indicated that the RSM report provides the detailed insight. Ms. Funkhouser asked whether the Town decided to purchase. Ms. Simon indicated that there are still many decisions to be made. She indicated that the issues will become more clear. Ms. Martin provided further clarification that the SAN and the Patch management were capital expenditures. She also asked for clarification about one-time vs ongoing fees. Ms. Doucette indicated that subsequent years will incur similar costs and that the costs of labor will be affected by future leadership decisions. Mr. Cliff indicated that he would not feel comfortable with the expenditures without the reality of reviewing our peer town's similar expenditures. Ms. Funkhouser provided further insight that once we hire a professional leader that follows the process that the consultant recommended, the process will result in the proper expenditures and decisions. Mr. Abdella asked if the BOS were included in the decision. Mr. Steinberg asked what they liked about the budget and whether the school was paying their fair share. Ms. Doucette clarified that she indicated that the work was a draft product and that further clarification would occur. She also indicates that the budget would help the department run. Ms. Simon indicated that the budget had key items that were important and that the data center would be made smaller over time. She commented on the challenges the town could have in the future with aging hardware in the schools. Mr. Watkins asked if they had any knowledge of peers and recurring software fee clarification. Mr. Cliff indicated that he wanted to halve the expenditure and communicated that the one incident had caused the issues. Mr. Watkins indicated that further homework was needed. Ms. Martin commented on the contract services vs the full time position. Ms. Doucette indicated that she was following the RSM report. Mr. Watkins commented that strategies will change and costs will be affected. Ms. Simon indicated that there will be a very thoughtful assessment as to whether we need to outsource the service or not. Mr. Abdella asked whether a business justification was available for staff requirements in the future. Ms. Doucette indicated that there were both increases and decreases in staff costs. Ms. Nan Balmer indicated that she approves all purchase orders and verifies all expenditures.

Mr. Keveny discussed his budget for payroll and non-payroll. He indicated that the budget increased by \$25,000. He clarified how the town will produce a more significant financial statement for \$5,000. He also discussed a \$20,000 expenditure for payroll. Mr. Cliff asked for clarification about the employees. Mr. Watkins asked about whether the new software would result in more operational costs. Mr. Keveny indicated that he did not have further information.

8:15 STM Proposed Article review, discussion and vote
Minuteman - MMRD Amendment
Minuteman - Withdrawal
Petitioners Article

The committee reviewed the articles, deliberated content and shared comments with Ms. Funkhouser. Mr. Cliff provided additional arguments that were incorporated in the process. Mr. Watkins communicated that the process would become more onerous for students to participate if the Town were to withdraw. Mr. Steinberg made a motion that the write up as amended was agreeable to members of the Committee. Ms. Martin Seconded the motion; the vote 6-0-0. Mr. Steinberg made a motion that the members of the Finance Committee recommend approval of the article to amend the

agreement. Mr. Cliff indicated that he wanted further clarification about how to vote. Ms. Funkhouser Seconded the motion; vote 6-0-0.

Ms. Funkhouser reviewed Article 2 withdrawal from Minuteman. The committee made suggestions regarding changes to the article copy. Mr. Steinberg requested to broaden terms in the arguments opposed and Ms. Martin made further discussion. Mr. Steinberg made a motion to recommend the article to withdraw from Minuteman as amended; vote 5-0-0.

Mr. Steinberg made a motion that the Town recommend withdrawal from Minuteman School district. Ms. Funkhouser seconded; Vote 5-0-0.

Mr. Cliff indicated he met with Ms. Balmer and Chief Irving to discuss the various article line items. Mr. Cliff indicated that the petitioner would be doing more work on clarification of what thickly settled means. Mr. Abdella provided background information about the definition of thickly settled. The committee made comments about various wording changes.

Mr. Cliff made a motion to accept the petitioners report on the article; vote 5-0-0. Mr. Steinberg made a motion that the committee made a motion to recommend the article to facilitate and improve safety on Town roads. Ms. Funkhouser seconded it; vote 0-5-0.

10:30 Operating Budget Timeline Discussion

Ms. Funkhouser discussed the meeting schedule. The committee provided feedback.

10:35 Modified Article write-up template - Committee Discussion

Mr. Abdella presented his screening tool. He indicated that the draft memo would ask the petitioner for help when the FinCom prepared their article. The committee discussed how to distribute the directive. FinCom agreed that Ms. Funkhouser would provide the information to the selectman for distribution.

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

Mr. Cliff asked to deliberate whether we should give maps to petitioners. He asked whether we should follow Town policy where the petitioner cannot ask for the map and if a FinCom member requests a map it should be allowed.

10:50 Chair's Update & Items the chair did not reasonably anticipate would be discussed at the meeting

Ms. Funkhouser indicated we need to determine if there was a debt exclusion ballot question. Mr. Steinberg indicated that he did not believe something would be required. Ms. Funkhouser would talk to Ms. Karlson and Ms. Balmer.

STM Timeline – Ms. Funkhouser requested that Committee members get information to Ms. Dinapoli.

Future Meeting Schedule: 1/19/16, 1/25/16 (7:30 pm FinCom ATM Warrant Article Hearing), 1/28/16, 2/1/16 (Moderator's STM warrant hearing), 2/11/16, 2/22, 2/29

11:00 Adjourn

Ms. Funkhouser made a motion to adjourn, Ms. Martin seconded the motion; Vote 5-0-0.

Attachments:

Pro/Con Arguments
12-14-15 Meeting Notes
151227 FACT SHEET Not Need C 193 Application
160111 DRAFT PERMIT C 193

Facilitate improving safety of town roads FCF H1 and 2 v6
Detailed Summary - Request for New Line Items
IT Operational Budget
IT Budget FY 17
January 13, 2016 Agenda
STM Feb 2016 MM Amendment final-1 clean
STM Feb 2016 MM Withdrawal final clean
Three-Year IT Master Plan Capital Recommendations and Roadmap

Arguments in Favor

The revised regional agreement will provide us with the option to do what we have voted to do by significant margins at three annual and special town meetings since April 2014 – withdraw from the Minute Man School district.

The revised agreement is the product of enormous amount of work, tough negotiations, and necessary compromise. Wayland voting against the revised agreement would be a huge surprise, and leave us stuck in a situation that we will continue to be unhappy with, with no clear path forward.

Arguments Opposed

If we do not vote to withdraw (Article 2), the revised agreement has a number of provisions that are unfavorable to us relative to the current agreement, including eliminating our ability to “block” major initiatives that require a unanimous vote under the current agreement.

There is a theoretical possibility that we could vote in favor of the revised agreement, vote to withdraw, but have our right to withdraw blocked or challenged (e.g., by the DESE), and end up “stuck” within the Minuteman district under the revised agreement. All parties that we are aware of who have studied this possibility believe it is so remote as to not warrant any consideration.

Detailed Summary - Request for New Line Item - BoH FY17 Operating Budget - Non-Salary 12-29-15

Contracted Services (estimated)	Hours	Hourly Rate (estimated)	Days (7 hrs/day)
\$8,000	320	\$25	46
Planned Projects			
	Hours	Days	Cost
Street file cabinet reorganization & re-labeling; 22-4 drawer file cabinets @ 3 hours per cabinet	66	10	\$1,650
Shelf reorganization - 14 shelves @ 2 hours per shelf	28	4	\$700
Pump slips; date stamp, alphabetize, enter into Excel & file (1 season of pump slips - spring through winter)	40	6	\$1,000
Total - Planned Projects	134	20	\$3,350
Administrative Planned Time Off (not sick leave)			
	Hours	Days	Cost
Full-time Administrative Assistant	126	18	\$3,150
Part-time Administrative Assistant	60	8	\$1,500
Total - Planned Time Off	186	26	\$4,650
Total - Planned Projects & Time Off	320	46	\$8,000

**Town of Wayland
Official Budget Request
Fiscal Year 2017**

DEPARTMENT		INFORMATION TECHNOLOGY						
BUDGET SUMMARY								
		EXPENDED	EXPENDED	APPROVED	TOWN REQUESTS	NEW * REQUESTS	Explanation of new requests	TOTAL REQUESTED
		FY 14	FY 15	FY 16	FY 17	FY17		FY 17
10155001	Town Only Salaries							
10155001	51001 SALARIES	83842	83842	83842	87,669	-		*** 87,669
10155003	Town / School Shared Expenses							
	54126 DC HARDWARE WARR/MAINT				8,250	13,750	Includes School portion	22,000
	55536 DC SOFTWARE LIC/AGREE				82,650	36,850	Includes School portion & hosted Munis	119,500
	52100 DC CONTRACTUAL SERVICES				3,000	190,000	Sys reconfig, pen test, managed svcs, policies	193,000
	54124 DC SOFTWARE				0	12,000	Service Management Tool	12,000
	54125 DC HARDWARE				0	90,000	Network & System Hardware Replacement	90,000
	Shared Expenses Subtotal				93,900	342,600		436,500
10155002	Town Only Expenses							
	54125 HARDWARE				35,000			35,000
	54126 HARDWARE WARR/MAINT				7,487			7,487
	54124 SOFTWARE			111,300	0			-
	55536 SOFTWARE LIC/AGREE				45,000	42,000	Bus Sys upgrades, hosted Exchange, anti-virus	87,000
	52100 CONTRACTUAL SERVICES	139,883	171,484	84,890	2,510			2,510
	52101 PROFESSIONAL SERVICES	3,000			10,000			10,000
	52102 ENGINEERING SERVICES				0			-
	52112 TRAINING	7,000	7,000	7,000	5,780	25,000	Munis and IT staff training	30,780
	52113 TRAVEL				500			500
	52114 DUES				3,000			3,000
	54100 SUPPLIES	1		1,000	500			500
	54102 COMPUTER SUPPLIES	12,000	5,000	4,000	1,000			1,000
	55535 COMPUTER ACCESSORIES				500			500
	54500 SMALL EQUIPMENT	50,000	38,000	30,000	15,000	-		15,000
	Town Only Expenses Subtotal				126,277	67,000		193,277
	TOTAL	295,726	305,326	322,032	307,846	409,600		** \$ 717,446

* FY17 New Requests include School portions of shared expenses, recommendations from IT Master Plan and consultants.
** TOTAL REQUESTED FY17 of \$717,446 represents an increase of 123% from Approved FY16 budget of \$322,032.
*** An estimated \$220,000 in new salary expense will be added to the IT budget or salary reserve after positions are considered by Personnel Board and Finance Committee.

NOTE: FY17 budget breaks out Town/School shared expenses from Town only expenses creating new account number 10155003 for shared expenses.
FY17 budget breaks out Town expenses that previously were summarized in Software and Contractual Services into more detail.