



Town of Wayland Massachusetts

Finance Committee

David Watkins (Chair)

Gordon Cliff

Nancy Funkhouser

Jen Gorke

Carol Martin

Klaus Shigley

George Uveges

Finance Committee

Minutes

December 19, 2016

Attendance: G. Uveges, G. Cliff, K. Shigley, Jen Gorke and C. Martin. Also in attendance: D. Watkins, and Nancy Funkhouser who joined the open meeting at 8:31 PM after the conclusion of the Executive Session.

Call To Order:

The meeting was called to order by Vice-Chair C. Martin in the Second Floor School Committee Small Conference Room at the Town Building at 6:45 PM. Ms. Martin announced the meeting was being taped by WayCam. Ms. Martin then reviewed the agenda for the meeting.

Public Comment:

Anette Lewis, Claypit Hill Rd, representing the WRAP Committee, requested that the Finance Committee provide feedback on two memos that her Committee had sent to the Finance Committee. They need the feedback to further develop their capital funding plans which need to be written in January.

Committee's Response to Public Comment:

Ms. Lewis agreed to resend the correspondence she had previously sent to the Committee and the Finance Committee will add a discussion of the matter to a future agenda.

Finance Committee Motion:

The first item on the agenda was to call for a motion to move into a Joint Executive Session pursuant to Massachusetts General Laws Chapter 30A, Section 21 (a) (3) to Discuss Strategy for Upcoming Collective Bargaining Negotiations with the Police, Fire, AFSCME 1, AFSCME 2,

Library, Teamsters, Custodians, WTA, WESA and Food Service Unions, as an open discussion of these matters may have a detrimental effect on the Town's bargaining position.

Ms. Martin moved, and Mr. Uveges seconded the motion. The Committee will be inviting members of the BoS, School Committee, Personnel Board, and Dr. Paul Stein (School Superintendent), Katelyn O'Brian (Human Resources Assistant), John Senchyshyn (Assistant Town Administrator), Brian Keveny (Finance Director), Brad Crozier (Assistant Superintendent of Schools), and Liz Valerio (Town Counsel).

Before voting on the motion, Mr. Cliff pointed out that after the Joint Session we also need to discuss potential declassification of executive session minutes pursuant to M.G.L. Ch. 30(a) § 22.

All members present voted to adjourn per a roll call vote: G. Uveges- yes, G. Cliff- yes, K. Shigley- yes, Jen Gorke-yes and C. Martin- yes. Motion carried 5-0. This portion of the open meeting ended at 6:55PM.

Chair Watkins reconvened the Finance Committee into open session at roughly 8:31 PM.

5 Year Capital Improvement Plan Discussion and Vote

Town by-laws require that the Finance Committee annually submit a 5-year capital improvement plan at Town Meeting.

Mr. Uveges then presented a 5-year CIP model that he developed using as input existing Town debt and new debt as proposed by Town Departments. The modeling is done via spreadsheet. The first sheet is a summary of existing Wayland debt.

The second sheet is a projection of debt and debt service for FY's '18-'22. Assuming all requested projects are funded, the exhibit shows that we exceed our policy limit for the debt to revenue ratio in 2019 and we exceed our policy limit for debt service in 2020.

The third sheet applies the same modeling to Enterprise fund debt.

There was discussion on whether the Maintstone Debt should or should not be included in the model. We expect clarification on that to come after a discussion with Moody's.

The Committee complimented Mr. Uveges for his excellent spreadsheet model.

The Committee then had a discussion on the definition of what such a 5 year CIP plan should be and what we should be recommending to the Town.

- Some members felt the recommended CIP plan should seek to identify cuts necessary to stay within policy debt limits.
- Others felt it was sufficient to present the results of the modeling and point out that Town departments would likely have to reconsider some capital projects "asks".
- Another view was that current debt policy can be exceeded to permit funding of very large projects which otherwise could never qualify.
- Mr. Uveges suggested we get input from the WRAP Committee. Ms. Funkhouser disagreed and thought that would be going beyond their charter.
- Another view was that we should recommend some cuts to avoid putting our debt rating in jeopardy.
- Mr. Watkins suggested including commentary that some projects, perhaps equal to the \$13 million overage identified by the model, would likely have to be cut. Mr. Uveges pointed out that the "overage" developed by the model is highly assumption driven (whether the constraint is debt service or debt, the length of the financings, interest rates, etc.) and is not as precise a number as Mr. Watkins had proposed.

Ms. Martin suggested that we translate the results of the modelling into user friendly impact statements on how these proposed capital projects would affect costs.

Ms. Funkhouser moved that Mr. Uveges model be adopted as the basis of our CIP report at Town Meeting along with some appropriate explanations. Ms. Martin seconded. Mr. Keveny agreed that we need to bring a CIP plan for FY '18 through '22 to Town Meeting and suggested adding further qualifications indicating that future capital projects had not yet been fully vetted for exact amounts or funding sources, and adding commentary on likely tax impact. Ms. Funkhouser and Mr. Uveges offered to work on the appropriate language that should accompany the results of the model. The motion passed 7-0.

Ms. Funkhouser further agreed to migrate/translate the results of Mr. Uveges' spreadsheet into a format suitable for presentation at Town Meeting.

Draft Operating Budget Discussion:

Finance Director, Brian Keveny, then discussed a draft of the Town Operating Budget, as submitted by all departments. Some further revisions are still expected from the Facilities and the IT departments.

He made the following observations on this draft consolidated budget (General Fund and Water Accounts):

- Total proposed budget is \$82.1 Million
- To support this budget will require \$66.8 million of taxation
- \$492,000 cash capital
- \$374,000 of free cash
- OPEB \$215,000
- Transfers from other funds are still a work in progress
- The projected year over year increase is 3.77%
- This budget would translate into a 6.58% increase to tax rates
- Tax rate is projected to be \$18.86/1000;
- Estimate is for a 2.5% increase in assessment
- A key reason for the increase in budget is new hires, mostly for schools
- \$ 1.8 million increase in total budget.
- Possibility for further increases to the budget if new hires for the Town are approved.

Mr. Keveny identified parts of the budget not subject to change (e.g. Pensions and payroll) and parts of the budget that had changed significantly (e.g. non-payroll expenses in DPW, IT, Parks).

Mr. Shigley asked for clarification on how the 3.77% increase in total budget translated to the 6.58% increase in taxes. One reason for the disproportionate jump in taxes is the reduction in the use of free cash. Mr. Cliff suggested that we prepare an exhibit that demonstrates this.

Parts of the budget package had been distributed previously via email. Mr. Watkins asked the Committee members what in their review of the emailed budget package they were able to identify as areas for push back. As a result of this discussion, Mr. Watkins proposed that we extend invitations to departments so they can explain/defend their budgets to the Committee at a future meeting. IT, DPW, and Schools, were identified as important cost centers to start with. The mission of the Committee is ultimately to recommend a budget. In order to do that we want to be confident that we have vetted the important issues/assumptions in the budget and get a good understanding of the budget. Ms. Funkhouser observed that the budget information received this year is far superior to information received in prior years.

Mr. Uveges noted that the budget was still missing an expense for fringe benefits for new hires in the school department as well as all the cost for potential new hires for the Town. He speculated that the current 3.77% increase in total budget might swell to 5%.

One outcome from this discussion was to ask the Town Administrator to present the Committee with a list of all open but not filled positions, including a list of all new positions.

Ms. Martin had already approached the School Committee requesting a budget discussion with the Finance Committee. Tentative date for the meeting is Jan. 4, 2017, mid-afternoon. She encouraged members of the Finance Committee to prepare questions ahead of time. Mr. Watkins was reminded that we would need to post that meeting to the Town website.

Members reports, concerns, topics not reasonably anticipated:

Mr. Cliff requested a copy of the CIP package. Mr. Keveny indicated it was posted on the web site.

Mr. Watkins discussed the protocols for posting documents to the web site. Any document we feel should be posted should be sent to Mr. Keveny who will determine whether prior distribution is or is not compliant with OML. Ms. MaryAnn DiNapoli will do the physical posting. Mr. Cliff identified some documents not currently on the web site that should appear on the web site. Mr. Watkins indicated that he has already begun the process of rationalizing the content of the web site.

The Committee agreed on a new process for posting minutes. Send minutes to Ms. Funkhouser (control), who will send them to Mr. Keveny (physical filing), who will send them to Ms. DiNapoli (posting).

Topics not reasonably anticipated by the Chair:

Mr. Watkins discussed an OML violation filed by Mr. Harris. The Committee needs to respond within 14 business days. Mr. Watkins noted that we intend to take corrective measures and respond accordingly.

Meeting Minutes:

Nancy Funkhouser reported on the status of Minutes still outstanding.

Meeting Adjourned:

Next meeting will be Jan 3rd because the 2nd is a holiday.

Ms. Funkhouser moved to adjourn. Ms. Gorke seconded. At 9:41 PM the Committee voted 7-0 to adjourn.

Respectfully submitted,

Klaus Shigley

Attachments:

Agenda

Mr. Uveges' Debt Service Model

Mr. Keveny's summary of Draft Budget

OML Complaint

Tax rate article

	Total				Total				Total			
	Fiscal 2018	Fiscal 2017	\$ Variance FY 18 / FY 17	% CHG	Fiscal 2018	Fiscal 2017	\$ Variance FY 18 / FY 17	% CHG	Total 2018	Total 2017	\$ Variance FY 18 / FY 17	% CHG
	40,000.00	30,000.00	10,000.00	25.00%	-	-	-	-	40,000.00	30,000.00	10,000.00	33.33%
	67,000.00	81,500.00	(14,500.00)	-21.64%	477,852.00	435,000.00	42,852.00	8.97%	544,852.00	516,500.00	28,352.00	5.49%
	10,000.00	10,000.00	-	0.00%	5,000.00	5,000.00	-	0.00%	15,000.00	15,000.00	-	0.00%
	58,200.00	56,700.00	1,500.00	2.58%	350,132.00	338,618.00	11,514.00	3.29%	408,332.00	395,318.00	13,014.00	3.29%
	49,150.00	52,250.00	(3,100.00)	-6.31%	260,391.00	259,626.00	765.00	0.29%	309,541.00	311,876.00	(2,335.00)	-0.75%
	110,400.00	100,100.00	10,300.00	9.33%	191,562.00	190,104.00	1,458.00	0.76%	301,962.00	290,204.00	11,758.00	4.05%
	200,000.00	175,000.00	25,000.00	12.50%	-	-	-	-	200,000.00	175,000.00	25,000.00	14.29%
chnology	577,617.00	509,604.00	68,013.00	11.77%	291,024.00	287,669.00	3,355.00	1.15%	868,641.00	797,273.00	71,368.00	8.95%
	17,040.00	17,330.00	(290.00)	-1.70%	129,984.00	125,781.00	4,203.00	3.23%	147,024.00	143,111.00	3,913.00	2.73%
	5,730.00	10,170.00	(4,440.00)	-77.49%	10,692.00	37,908.00	(27,216.00)	-254.55%	16,422.00	48,078.00	(31,656.00)	-65.84%
	4,625.00	5,000.00	(375.00)	-8.11%	1,075.00	275.00	800.00	74.42%	5,700.00	5,275.00	425.00	8.06%
	44,210.00	41,200.00	3,010.00	6.81%	170,302.00	177,902.00	(7,600.00)	-4.46%	214,512.00	219,102.00	(4,590.00)	-2.09%
	4,500.00	4,500.00	-	0.00%	105,000.00	105,000.00	-	0.00%	109,500.00	109,500.00	-	0.00%
	21,255.00	27,150.00	(5,895.00)	-27.73%	168,764.00	168,118.00	646.00	0.38%	190,019.00	195,268.00	(5,249.00)	-2.69%
	800,900.00	880,500.00	(79,600.00)	-9.94%	266,198.00	277,932.00	(11,734.00)	-4.41%	1,067,098.00	1,158,432.00	(91,334.00)	-7.88%
	47,275.00	47,275.00	-	0.00%	-	-	-	-	47,275.00	47,275.00	-	0.00%
	298,750.00	310,110.00	(11,360.00)	-3.80%	2,477,885.00	2,356,693.00	121,192.00	4.89%	2,776,635.00	2,666,803.00	109,832.00	4.12%
ications	29,100.00	27,100.00	2,000.00	6.87%	506,621.00	496,675.00	9,946.00	1.96%	535,721.00	523,775.00	11,946.00	2.28%
agement	23,000.00	23,000.00	-	0.00%	-	-	-	-	23,000.00	23,000.00	-	0.00%
	21,653.00	21,500.00	153.00	0.71%	-	-	-	-	21,653.00	21,500.00	153.00	0.71%
	247,300.00	258,400.00	(11,100.00)	-4.49%	2,430,622.00	2,492,921.00	(62,299.00)	-2.56%	2,677,922.00	2,751,321.00	(73,399.00)	-2.67%
ng	19,000.00	14,501.00	4,499.00	23.68%	301,267.00	311,497.00	(10,230.00)	-3.40%	320,267.00	325,998.00	(5,731.00)	-1.76%
	454,500.00	302,500.00	152,000.00	33.44%	1,050,739.00	1,030,407.00	20,332.00	1.94%	1,505,239.00	1,332,907.00	172,332.00	12.93%
	325,000.00	325,000.00	-	0.00%	125,000.00	125,000.00	-	0.00%	450,000.00	450,000.00	-	0.00%
	65,000.00	65,000.00	-	0.00%	-	-	-	-	65,000.00	65,000.00	-	0.00%
	327,000.00	293,000.00	34,000.00	10.40%	596,999.00	556,441.00	40,558.00	6.79%	923,999.00	849,441.00	74,558.00	8.78%
	184,036.00	183,356.00	680.00	0.37%	699,543.00	672,884.00	26,659.00	3.81%	883,579.00	856,240.00	27,339.00	3.19%
	48,000.00	48,000.00	-	0.00%	-	-	-	-	48,000.00	48,000.00	-	0.00%
g	57,500.00	56,000.00	1,500.00	2.61%	207,193.00	207,486.00	(293.00)	-0.14%	264,693.00	263,486.00	1,207.00	0.46%
	6,225.00	4,075.00	2,150.00	34.54%	221,246.00	222,400.00	(1,154.00)	-0.52%	227,471.00	226,475.00	996.00	0.44%
	250,200.00	233,200.00	17,000.00	6.79%	836,000.00	823,000.00	13,000.00	1.56%	1,086,200.00	1,056,200.00	30,000.00	2.84%
	-	-	-	-	175,000.00	172,000.00	3,000.00	1.71%	175,000.00	172,000.00	3,000.00	1.74%
Total	4,414,166.00	4,213,021.00	201,145.00	4.77%	12,056,091.00	11,876,337.00	179,754.00	1.51%	16,470,257.00	16,089,358.00	380,899.00	2.37%
	7,686,560.00	7,507,251.00	179,309.00	2.33%	-	-	-	0.00%	7,686,560.00	7,507,251.00	179,309.00	2.39%
	4,362,369.00	4,235,414.00	126,955.00	2.91%	-	-	-	0.00%	4,362,369.00	4,235,414.00	126,955.00	3.00%
gional	185,000.00	68,618.00	116,382.00	62.91%	-	-	-	0.00%	185,000.00	68,618.00	116,382.00	169.61%
	615,000.00	615,000.00	-	0.00%	-	-	-	0.00%	615,000.00	615,000.00	-	0.00%
	7,165,000.00	7,165,000.00	-	0.00%	-	-	-	0.00%	7,165,000.00	7,165,000.00	-	0.00%
	590,000.00	580,000.00	10,000.00	1.69%	-	-	-	0.00%	590,000.00	580,000.00	10,000.00	1.72%
t	50,000.00	50,000.00	-	0.00%	-	-	-	0.00%	50,000.00	50,000.00	-	0.00%
y	15,000.00	15,000.00	-	0.00%	-	-	-	0.00%	15,000.00	15,000.00	-	0.00%
ary	925,000.00	50,000.00	875,000.00	94.59%	-	-	-	0.00%	925,000.00	50,000.00	875,000.00	1750.00%
health	8,000.00	8,000.00	-	0.00%	-	-	-	0.00%	8,000.00	8,000.00	-	0.00%
	40,000.00	40,000.00	-	0.00%	-	-	-	0.00%	40,000.00	40,000.00	-	0.00%
	100,000.00	100,000.00	-	0.00%	-	-	-	0.00%	100,000.00	100,000.00	-	0.00%
	130,000.00	130,000.00	-	0.00%	-	-	-	0.00%	130,000.00	130,000.00	-	0.00%
	275,000.00	275,000.00	-	0.00%	-	-	-	0.00%	275,000.00	275,000.00	-	0.00%
Other / Unclass	22,146,929.00	20,839,283.00	1,307,646.00	6.27%	-	-	-	0.00%	22,146,929.00	20,839,283.00	1,307,646.00	6.27%
ool Department	6,892,982.00	6,840,753.00	52,229.00	0.76%	31,731,724.00	30,882,080.00	849,644.00	2.68%	38,624,706.00	37,722,833.00	901,873.00	2.39%
/ School / Uncls	33,454,077.00	31,893,057.00	1,561,020.00	4.67%	43,787,815.00	42,758,417.00	1,029,398.00	2.35%	77,241,892.00	74,651,474.00	2,590,418.00	3.47%

New hire

FY 2018 Draft Budget
12/19/2016

Comparison- Fiscal 2018 / Fiscal 2017

Departmental	Expenditures			Payroll			Total		
	Fiscal 2018	\$ Variance FY 18 / FY 17	% CHG	Fiscal 2018	\$ Variance FY 18 / FY 17	% CHG	Total 2018	\$ Variance FY 18 / FY 17	% CHG
Selectmen	40,000.00	10,000.00	25.00%	-	-	-	40,000.00	10,000.00	33.33%
Town Office	67,000.00	(14,500.00)	-21.64%	477,852.00	42,852.00	8.97%	544,852.00	28,352.00	5.49%
Personnel Board	10,000.00	-	0.00%	5,000.00	-	0.00%	15,000.00	-	0.00%
Finance	58,200.00	1,500.00	2.58%	350,132.00	11,514.00	3.29%	408,332.00	13,014.00	3.29%
Assessor	49,150.00	(3,100.00)	-6.31%	260,391.00	765.00	0.29%	309,541.00	(2,335.00)	-0.75%
Treasurer	110,400.00	10,300.00	9.33%	191,562.00	1,458.00	0.76%	301,962.00	11,758.00	4.05%
Legal	200,000.00	25,000.00	12.50%	-	-	0.00%	200,000.00	25,000.00	14.29%
Information Technology	577,617.00	68,013.00	11.77%	291,024.00	3,355.00	1.15%	868,641.00	71,368.00	8.95%
Town Clerk	17,040.00	(290.00)	-1.70%	129,984.00	4,203.00	3.23%	147,024.00	3,913.00	2.73%
Elections	5,730.00	(4,440.00)	-77.49%	10,692.00	(27,216.00)	-254.55%	16,422.00	(31,656.00)	-65.84%
Registrar	4,625.00	(375.00)	-8.11%	1,075.00	800.00	74.42%	5,700.00	425.00	8.06%
Conservation	44,210.00	3,010.00	6.81%	170,302.00	(7,600.00)	-4.46%	214,512.00	(4,590.00)	-2.09%
Planning	4,500.00	-	0.00%	105,000.00	-	0.00%	109,500.00	-	0.00%
Surveyor	21,255.00	(5,895.00)	-27.73%	168,764.00	646.00	0.38%	190,019.00	(5,249.00)	-2.69%
Facilities	800,900.00	(79,600.00)	-9.94%	266,198.00	(11,734.00)	-4.41%	1,067,098.00	(91,334.00)	-7.88%
Misc Committees	47,275.00	-	0.00%	-	-	0.00%	47,275.00	-	0.00%
Police	298,750.00	(11,360.00)	-3.80%	2,477,885.00	121,192.00	4.89%	2,776,635.00	109,832.00	4.12%
Joint Communications	29,100.00	2,000.00	6.87%	506,621.00	9,946.00	1.96%	535,721.00	11,946.00	2.28%
Emergency Management	23,000.00	-	0.00%	-	-	0.00%	23,000.00	-	0.00%
Dog Officer	21,653.00	153.00	0.71%	-	-	0.00%	21,653.00	153.00	0.71%
Fire Department	247,300.00	(11,100.00)	-4.49%	2,430,622.00	(62,299.00)	-2.56%	2,677,922.00	(73,399.00)	-2.67%
Building & Zoning	19,000.00	4,499.00	23.68%	301,267.00	(10,230.00)	-3.40%	320,267.00	(5,731.00)	-1.76%
Highway	454,500.00	152,000.00	33.44%	1,050,739.00	20,332.00	1.94%	1,505,239.00	172,332.00	12.93%
Snow and Ice	325,000.00	-	0.00%	125,000.00	-	0.00%	450,000.00	-	0.00%
Transfer Station	65,000.00	-	0.00%	-	-	0.00%	65,000.00	-	0.00%
Parks	327,000.00	34,000.00	10.40%	596,999.00	40,558.00	6.79%	923,999.00	74,558.00	8.78%
Board of Health	184,036.00	680.00	0.37%	699,543.00	26,659.00	3.81%	883,579.00	27,339.00	3.19%
Veterans	48,000.00	-	0.00%	-	-	0.00%	48,000.00	-	0.00%
Council on Aging	57,500.00	1,500.00	2.61%	207,193.00	(293.00)	-0.14%	264,693.00	1,207.00	0.46%
Youth Services	6,225.00	2,150.00	34.54%	221,246.00	(1,154.00)	-0.52%	227,471.00	996.00	0.44%
Library	250,200.00	17,000.00	6.79%	836,000.00	13,000.00	1.56%	1,086,200.00	30,000.00	2.84%
Recreation	-	-	-	175,000.00	3,000.00	1.71%	175,000.00	3,000.00	1.74%
Total	4,414,166.00	201,145.00	4.77%	12,056,091.00	179,754.00	1.51%	16,470,257.00	380,899.00	2.37%
Debt Service	7,686,560.00	179,309.00	2.33%	-	-	-	7,686,560.00	179,309.00	2.39%
Retirement	4,362,369.00	126,955.00	2.91%	-	-	-	4,362,369.00	126,955.00	3.00%
Minuteman Regional	185,000.00	116,382.00	62.91%	-	-	-	185,000.00	116,382.00	169.61%
<i>Unclassified:</i>									
General Insurance	615,000.00	-	-	-	-	-	615,000.00	-	0.00%
Insurance 32B	7,165,000.00	-	0.00%	-	-	-	7,165,000.00	-	0.00%
Medicare Tax	590,000.00	10,000.00	1.69%	-	-	-	590,000.00	10,000.00	1.72%
Unemployment	50,000.00	-	0.00%	-	-	-	50,000.00	-	0.00%
Public Disability	15,000.00	-	0.00%	-	-	-	15,000.00	-	0.00%
Reserve for Salary	925,000.00	875,000.00	94.59%	-	-	-	925,000.00	875,000.00	1750.00%
Occupational Health	8,000.00	-	0.00%	-	-	-	8,000.00	-	0.00%
Buyback	40,000.00	-	0.00%	-	-	-	40,000.00	-	0.00%
Town Meeting	100,000.00	-	0.00%	-	-	-	100,000.00	-	0.00%
Street Light	130,000.00	-	0.00%	-	-	-	130,000.00	-	0.00%
Reserve Fund	275,000.00	-	0.00%	-	-	-	275,000.00	-	0.00%
Total Other / Unclass	22,146,929.00	1,307,646.00	5.90%	-	-	-	22,146,929.00	1,307,646.00	6.27%
School Department	6,892,982.00	52,229.00	0.76%	31,731,724.00	849,644.00	2.68%	38,624,706.00	901,873.00	2.39%
Total Town / School	33,454,077.00	1,561,020.00	4.67%	43,787,815.00	1,029,398.00	2.35%	77,241,892.00	2,590,418.00	3.47%
Parks Capital Projects	145,000.00	145,000.00	100.00%	-	-	-	145,000.00	145,000.00	100.00%
School Capital Projects	80,000.00	80,000.00	100.00%	-	-	-	80,000.00	80,000.00	100.00%
Total Capital	225,000.00	225,000.00	100.00%	-	-	-	225,000.00	225,000.00	100.00%
Total Town / School / Capital	33,679,077.00	1,786,020.00	5.60%	43,787,815.00	1,029,398.00	2.41%	77,466,892.00	2,815,418.00	3.77%

DRAFT- RECAP OF FY 18 BUDGET REQUESTS

REVENUE AND EXPENDITURES-DRAFT 12/19/16

EXPENDITURES	DRAFT ONLY			
	Payroll	Expenses	Omnibus Total	All Budgets
	Town	12,052,091.00	4,418,166.00	16,470,257.00
School	31,731,724.00	6,892,982.00	38,624,706.00	38,624,706.00
Debt	-	7,686,560.00	7,686,560.00	7,686,560.00
Retirement	-	4,362,369.00	4,362,369.00	4,362,369.00
Unclassified-Other	-	2,933,000.00	2,933,000.00	2,933,000.00
Health Insurance	-	7,165,000.00	7,165,000.00	7,165,000.00
Capital Projects	-	225,000.00	225,000.00	225,000.00
Total Departmental	43,783,815.00	33,683,077.00	77,466,892.00	77,466,892.00
Water Enterprise	778,470.00	3,180,596.00	3,959,066.00	3,959,066.00
Wastewater Enterprise	-	708,582.00	708,582.00	708,582.00
Septage Enterprise	-	52,708.00	52,708.00	52,708.00
Total Enterprise	-	3,941,886.00	4,720,356.00	4,720,356.00
Total-Omnibus Budget	43,783,815.00	37,624,963.00	82,187,248.00	82,187,248.00
Unappropriated				
Overlay	-	-	-	600,000.00
State Assessments	-	-	-	181,000.00
Cherry Sheet Offset	-	-	-	17,145.00
Other Appropriations				
Cash Capital - Capital Projects	-	-	-	492,128.00
Free Cash - Capital Projects	-	-	-	374,180.00
OPEB Transfer	-	-	-	215,000.00
Total	-	-	-	1,879,453.00
Total	43,783,815.00	37,624,963.00	82,187,248.00	84,066,701.00
REVENUES				
Taxation	-	-	65,546,573.00	66,836,846.00
State Aid	-	-	5,011,949.00	5,011,949.00
Local Receipts	-	-	4,500,000.00	4,500,000.00
Free Cash - Operating	-	-	500,000.00	500,000.00
Free Cash - Capital	-	-	-	374,180.00
Free Cash - OPEB	-	-	-	215,000.00
Transfers from other funds	-	-	-	-
Ambulance Fund	-	-	360,000.00	360,000.00
Overlay	-	-	200,000.00	200,000.00
Bond Premium	-	-	85,245.00	85,245.00
Council on Aging	-	-	1,373.00	1,373.00
Water Fund	-	-	338,601.00	338,601.00
Septage Fund	-	-	52,708.00	52,708.00
Wastewater Fund	-	-	24,669.00	24,669.00
Recreation Revolving	-	-	15,687.00	15,687.00
Transfer Station	-	-	71,961.00	71,961.00
BASE	-	-	220,101.00	220,101.00
Childrens Way	-	-	233,506.00	233,506.00
Food Service	-	-	270,401.00	270,401.00
Full Day Kindergarden	-	-	34,118.00	34,118.00
Water Enterprise Revenues	-	-	3,959,066.00	3,959,066.00
Wastewater Revenues	-	-	708,582.00	708,582.00
Septage Retained Earnings	-	-	52,708.00	52,708.00
Total			82,187,248.00	84,066,701.00

←
g/c

web in program

12/16/2016 (in millions)	Actual Fiscal 2017	Proposed Fiscal 2018
Property Tax Revenue	62,712.47	66,838.89
% increase in tax levy Y to Y	7.43%	6.58%
\$ increase in tax levy Y to Y	4,337.47	4,126.42
Tax Rate	18.14	18.86

	\$ increase FY 18 / FY 17	% increase FY 18 / FY 17
General Fund Payroll-Town	175,754.00	1.48%
General Fund Expenses-Town	205,145.00	4.87%
Total Town General Fund	380,899.00	2.37%
School Payroll	849,644.00	2.68%
School Expenses	52,229.00	0.76%
Total School	901,873.00	2.39%
Debt Service	179,309.00	2.39%
Retirement	126,955.00	3.00%
Unclassified	1,001,382.00	5.90%
Total General Fund	2,590,418.00	3.47%
Total Dept. Capital	225,000.00	100%
Total General Fund / Capital	2,815,418.00	3.77%
Enterprise Funds	136,885.00	2.99%
Total Omnibus	2,727,303.00	3.44%

Town of Wayland
Estimated debt service for 2018 - 2022 Capital projects
Dollars in thousands
General Fund

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Total</u>
20 year projects:						
Transfer Station Road Mitigation	\$ 2,200					\$ 2,200
Library		16,085				16,085
Town Building	218	1,975	1,310	1,300	220	5,023
COA			5,400			5,400
Municipal Pad			2,000			2,000
Loker Recreation				5,000		5,000
	<u>2,418</u>	<u>18,060</u>	<u>8,710</u>	<u>6,300</u>	<u>220</u>	<u>35,708</u>
10 year funding projects	2,780	10,688	7,945	6,539	8,078	36,030
	<u>\$ 5,198</u>	<u>\$ 28,748</u>	<u>\$ 16,655</u>	<u>\$ 12,839</u>	<u>\$ 8,298</u>	<u>\$ 71,738</u>

Debt Service:

Principal payments on 20 year funding		\$ 121	\$ 1,024	\$ 1,459	\$ 1,774	\$ 4,379
Interest on 20 year debt at 5%	5%	121	1,018	1,402	1,655	4,196
Principal payments on 10 year funding		278	1,347	2,141	2,795	6,561
Interest on 10 year debt at 4%	4%	111	528	792	967	2,398
 Total additional debt service		<u>\$ 631</u>	<u>\$ 3,916</u>	<u>\$ 5,795</u>	<u>\$ 7,192</u>	<u>\$ 17,534</u>

\$ -



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TOWN OF WAYLAND

41 COCHITUATE ROAD
WAYLAND, MASSACHUSETTS 01778

FINANCE COMMITTEE

GORDON CLIFF

NANCY FUNKHOUSER

JEN GORKE

CAROL MARTIN (Vice Chair)

KLAUS SHIGLEY

GEORGE UVEGES

DAVE WATKINS (Chair)

FINANCE COMMITTEE **Monday, December 19, 7:00 P.M.** **Wayland Town Building**

Proposed Agenda

Note: Items may not be discussed in the order listed or at the specific time estimated. Times are approximate. The meeting likely will be broadcast and videotaped for later broadcast by WayCAM and may be recorded by others.

- 6:45 pm 1.) Review Agenda for the Public Announcements
Public Comment
Members' Response to Public Comment
- 7:00 pm 2.) Joint Executive Session with the School Committee, Board of Selectman, and Personnel Board pursuant to Massachusetts General Laws chapter 30A section 21(a)(3) to discuss strategy with respect to and in preparation for collective bargaining with Police, Fire, AFSCME 1, AFSCME 2, Library, Teamsters, WTA, WESA, Custodial and Food Service Unions representing town and school employees because an open discussion may have a detrimental effect on the bargaining position of the Town.
Discuss potential declassification of executive session minutes pursuant to M.G.L. Ch. 30(a) § 22: Vote to Release Previously Considered Minutes for 9-12-2016
- 8:30pm 3.) 5 Year Capital Improvement Program Discussion and Vote
- 9:00 pm 4.) Draft Operating Budget Discussion
- 9:15 pm 5.) Discuss Chair and Vice Chair's Update
Members' Reports, Concerns, and Topics and Schedule for Future Meetings
Review & Establish Process to Post Documents to the Web Site
- 9:20 pm 6.) Topics Not Reasonably Anticipated by the Chair 48 Hours in Advance of the Meeting, If Any
- 9:25 pm 7.) Meeting Minutes - Review and Vote to Approve: 11/5 Funkhouser, 12/5 Funkhouser, 12/12 Martin
- 9:30 pm 8.) Adjourn Meeting



OPEN MEETING LAW COMPLAINT FORM

Office of the Attorney General
One Ashburton Place
Boston, MA 02108

Please note that all fields are required unless otherwise noted.

Your Contact Information:

First Name: George Last Name: Harris

Address: 8 Holiday Road

City: Wayland State: MA Zip Code: 01778

Phone Number: +1 (508) 358-2379 Ext. _____

Email: geoharris2@gmail.com

Organization or Media Affiliation (if any): None

Are you filing the complaint in your capacity as an individual, representative of an organization, or media?

(For statistical purposes only)

Individual Organization Media

Public Body that is the subject of this complaint:

City/Town County Regional/District State

Name of Public Body (including city/town, county or region, if applicable): Wayland Finance Committee

Specific person(s), if any, you allege committed the violation: _____

Date of alleged violation: 11/21/16 & 12/12/16

Description of alleged violation:

Describe the alleged violation that this complaint is about. If you believe the alleged violation was intentional, please say so and include the reasons supporting your belief.

Note: This text field has a maximum of 3000 characters.

Please see attached statement (with exhibits) for a full explanation.

What action do you want the public body to take in response to your complaint?

Note: This text field has a maximum of 500 characters.

Please see attached statement.

Review, sign, and submit your complaint

I. Disclosure of Your Complaint.

Public Record. Under most circumstances, your complaint, and any documents submitted with your complaint, is considered a public record and will be available to any member of the public upon request.

Publication to Website. As part of the Open Data Initiative, the AGO will publish to its website certain information regarding your complaint, including your name and the name of the public body. The AGO will not publish your contact information.

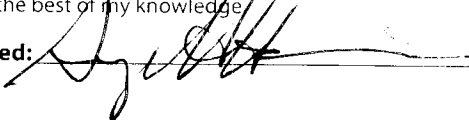
II. Consulting With a Private Attorney.

The AGO cannot give you legal advice and is not able to be your private attorney, but represents the public interest. If you have any questions concerning your individual legal rights or responsibilities you should contact a private attorney.

III. Submit Your Complaint to the Public Body.

The complaint must be filed first with the public body. If you have any questions, please contact the Division of Open Government by calling (617) 963-2540 or by email to openmeeting@state.ma.us.

By signing below, I acknowledge that I have read and understood the provisions above and certify that the information I have provided is true and correct to the best of my knowledge.

Signed: 

Date: 12/19/2016

For Use By Public Body
Date Received by Public Body:

For Use By AGO
Date Received by AGO:

OPEN MEETING LAW COMPLAINT

Wayland Finance Committee

The Wayland Finance Committee (Committee) violated the Open Meeting Law, G.L. c. 30A, §§ 18-25, as described below. Those meetings may be viewed at www.waycam.tv, select Government, Video On-Demand.

1. Deficient notice for meeting of November 21, 2016.

The meeting notice lists the following topic (see Exhibit 1 attached hereto):

2.) Report from Finance Director

The Finance Director acts as staff to the Committee. He attends virtually every Committee meeting and usually gives a report of his activities. At the November 21 meeting, he reported for 10 minutes and discussed, among other matters, an upcoming Audit Committee meeting, 2018 budget preparation, 2018 budget book (for review), tax recap submission, and a capital funding document (for review). These subjects were not listed in the meeting notice.

Public bodies are required to list topics in a meeting notice with "sufficient specificity to reasonably advise the public of the issues to be discussed at the meeting." 940 CMR 29.03(1)(b). A topic is sufficiently specific when a reasonable member of the public could read the topic and understand the anticipated nature of the public body's discussion. It is not sufficient to list broad topic categories such as that given above. It is the chair's job to explicate topics so that the public understands what will be discussed. See OML 2013-174 (Wayland Board of Selectmen). Otherwise, the public has little incentive to attend to hear those uninformative general topics discussed.

The topic listed above is insufficiently specific. The public could not possibly grasp what specific matters would be discussed under that general topic heading.¹

2. Deficient notice for meeting of December 12, 2016.

The meeting notice contained the following broad topic categories:

2.) Report from Finance Director

7.) Discuss Chair and Vice Chair Update

At the December 12 meeting, the Finance Director reported for 9 minutes on such topics as the Crystal (?) Report (actual expenses), budget meeting with outside auditor, preliminary overall

¹ The Committee has recently explicated in its meeting notice what the Finance Director would discuss in his report. See Exhibit 2, topic 2. This should become a consistent practice.

budget increase of 4.05 percent, and budget preparation details. These subjects were not listed in the meeting notice.

At the meeting, the Chair discussed various budget preparation matters under Discuss Chair and Vice Chair Update that were not identified in the notice.²

These two general topic headings lacked sufficient specificity for the same reasons given previously.

3. Late-approved meeting minutes.

The Committee meets approximately weekly. Minutes of the Committee's meeting of September 26, 2016 have not yet been approved. The delay is now 12 weeks. The AGO has held that a delay of more than 2 months is excessive and in violation of the Open Meeting Law.

ACTIONS REQUESTED

1. The Committee, at its next meeting, shall acknowledge the errors alleged above.
2. The Committee, at its next meeting, shall agree to comply with the Open Meeting Law's requirement that its meeting notices provide sufficient specificity to reasonably advise the public of the issues to be discussed at each meeting.
3. The Committee, at its next meeting, shall approve the minutes of its September 26, 2016 meeting.

² The meeting notice of November 21, 2016 (Exhibit 1, topic 7) does provide adequate specificity for this topic. Again, this should become a consistent practice of the Committee.



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TOWN OF WAYLAND

41 COCHITUATE ROAD
WAYLAND, MASSACHUSETTS 01778

FINANCE COMMITTEE

GORDON CLIFF
NANCY FUNKHOUSER
JEN GORKE
CAROL MARTIN (Vice Chair)
KLAUS SHIGLEY
GEORGE UVEGES
DAVE WATKINS (Chair)

FINANCE COMMITTEE Monday, November 21, 2016, 7:00 P.M. Wayland Town Building

Proposed Agenda

*Note: Items may not be discussed in the order listed or at the specific time estimated.
Times are approximate. The meeting likely will be broadcast and videotaped for
later broadcast by WayCAM and may be recorded by others.*

- 7:00 pm 1.) Review Agenda for the Public
Announcements Public Comment
Members' Response to Public Comment
- 7:05 pm 2.) Report from Finance Director
- 7:15 pm 3.) Departmental CIP Discussions (Members of Some or All the Following Departments may Attend) Recreation, Police, and IT
- 9:00 pm 4.) CIP Prioritization Discussion
CIP 5 Year Capital Improvement Program Discussion
- 9:30 pm 5.) Discussion and Possible Vote on Debt Policy
Discussion and Possible Vote of Goals
Discussion and Possible Vote of Town Financial Strategy
- 9:45 pm 6.) Review Issues & Actions List, Schedule & Milestones – Finance Chair
- 9:50 pm 7.) Discuss Chair and Vice Chair's Update
Members' Reports, Concerns, and Topics and Schedule for Future Meetings
UniBank Follow-up Items, Moody's, Financial Policy Development Grants, Operating Budget.
- 9:55 pm 8.) Topics Not Reasonably Anticipated by the Chair 48 Hours in Advance of the Meeting, If Any
- 10:00 pm 9.) Meeting Minutes - Review and Vote to Approve: 10/7 Martin, 10/24 Uveges, 11/5 Shigley 11/15 Watkins
- 10:10 pm 10.) Adjourn Meeting



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TOWN OF WAYLAND

41 COCHITUATE ROAD
WAYLAND, MASSACHUSETTS 01778

FINANCE COMMITTEE

GORDON CLIFF
NANCY FUNKHOUSER
JEN GORKE
CAROL MARTIN (Vice Chair)
KLAUS SHIGLEY
GEORGE UVEGES
DAVE WATKINS (Chair)

FINANCE COMMITTEE Monday, December 5, 7:00 P.M. Wayland Town Building

Proposed Agenda

*Note: Items may not be discussed in the order listed or at the specific time estimated.
Times are approximate. The meeting likely will be broadcast and videotaped for
later broadcast by WayCAM and may be recorded by others.*

- 7:00 pm 1.) Review Agenda for the Public
Announcements Public Comment
Members' Response to Public Comment
- 7:05 pm 2.) Report from Finance Director
Update on Operating Budget & School Budget
Status of FY 2016 Audit Report
UniBank/Moody's Follow Up
- 7:15 pm 3.) Departmental CIP Discussions (members of the following departments may be attending) IT
- 7:30 pm 4.) Discussion with Town Administrator regarding Best Practice Grants
- 7:45 pm 5.) Discussion Regarding CIP Prioritization and Vote to Close Capital Budget
- 8:40 pm 6.) Discussion Regarding 5 Year Capital Improvement Program and Possible Vote to Close Capital Budget
- 9:00 pm 7.) Discussion and Possible Vote on Debt Policy
Discussion and Possible Vote of Town Financial Strategy
- 9:20 pm 8.) Report on Overlay from Uveges
- 9:25 pm 9.) Review Issues & Actions List
Review Schedule & Milestones
Review FY18 ATM Schedule
- 9:30 pm 10.) Discuss Chair and Vice Chair's Update
Members' Reports, Concerns, and Topics and Schedule for Future Meetings
- 9:35 pm 11.) Topics Not Reasonably Anticipated by the Chair 48 Hours in Advance of the Meeting, If Any
- 9:40 pm 12.) Meeting Minutes - Review and Vote to Approve: 9/26 Gorke, 11/21 Cliff
- 9:40 pm 13.) Adjourn Meeting



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TOWN OF WAYLAND

41 COCHITUATE ROAD
WAYLAND, MASSACHUSETTS 01778

FINANCE COMMITTEE

GORDON CLIFF
NANCY FUNKHOUSER
JEN GORKE
CAROL MARTIN (Vice Chair)
KLUSS SHIGLE
GEORGE WEGES DAVE
WATKINS (Chair)

FINANCE COMMITTEE Monday, December 12, 7:00 P.M. Wayland Town Building

Proposed Agenda

*Note: Items may not be discussed in the order listed or at the specific time estimated.
Times are approximate. The meeting likely will be broadcast and videotaped for
later broadcast by WayCAM and may be recorded by others.*

- 7:00 pm 1.) Review Agenda for the Public
Announcements Public Comment
Members' Response to Public Comment
- 7:05 pm 2.) Report from Finance Director
- 7:15 pm 3.) School Budget Review
- 8:00 pm 4.) Draft Operating Budget Review and Strategy
- 8:15 pm 5.) Discussion Regarding CIP Prioritization and Vote to Close Capital Budget and 5 Year Capital
Improvement Program
- 9:30 pm 6.) Review Issues & Actions List
Review Schedule & Milestones
- 9:35 pm 7.) Discuss Chair and Vice Chair's Update
Members' Reports, Concerns, and Topics and Schedule for Future Meetings
- 9:40 pm 8.) Topics Not Reasonably Anticipated by the Chair 48 Hours in Advance of the Meeting, If Any
- 9:45 pm 9.) Meeting Minutes - Review and Vote to Approve: 9/26 Gorke, 12/5 Funkhouser
- 9:50 pm 10.) Adjourn Meeting

Munis Face a Taxing Turn

Thousands of municipal-bond investors have benefited from tax advantages for much of the past three decades. Pretty soon, those advantages could shrink dramatically.

That is because both President-elect Donald Trump and Republicans in the House of Representatives have proposed lower rates on taxable investment interest. Such moves would lessen the advantages of tax-free munis in ways that range from relatively minor to severely disruptive.



TAX REPORT
BY LAURA SAUNDERS

The most radical proposal, advanced by House Republicans led by Paul Ryan (R., Wis.) and Ways and Means Committee Chairman Kevin Brady (R., Texas), would lower the top rate on interest on taxable bonds, such as Treasuries and corporate debt, to 16.5% from 43.4%, a 62% drop.

Here is how the math works: Say an investment in a taxable bond pays annual interest of 5%. Of that interest, the government currently collects as much as 43.4 cents on every dollar.

If the tax rate drops, the investor keeps more of the payout on the bond. By comparison, tax-free municipal bonds are just that, tax-free, meaning that they don't benefit from a tax-rate cut, while taxable bonds do. This means tax-free bonds

would be less desirable to investors, potentially denting prices, while demand would rise for taxable bonds.

"The math on munis is changing, and structurally the tax exemption will be less valuable—we just don't know to what degree," says Robert Gordon, who heads Twenty-First Securities, a tax-strategy firm in New York.

The smallest change, and the one with the broadest support, is repeal of a 3.8% surtax on net investment income such as interest, dividends and capital gains.

This levy takes effect at a threshold of \$250,000 of income for married couples and \$200,000 for singles, and both Mr. Trump and many in Congress have called for its elimination. Without this surtax, the top rate on interest from munis' taxable competition would be 39.6% rather than the current 43.4%.

Other things being equal, the recent benchmark yield of 2.37% on a 10-year muni would need to rise to about 2.55% for top-bracket investors in order to provide an equivalent return, says Richard Ciccarone, a muni specialist who heads Merritt Research Services in Chicago. Bond yields rise as prices fall.

In another proposal, Mr. Trump has called for lowering the top rate on "ordinary" income such as wages and interest to 33% from 39.6%.

If this is enacted along with the surtax repeal, then the recent benchmark yield

would need to rise to about 2.80%, says Mr. Ciccarone. Absent other market changes, the value of a \$10,000 investment would shrink to \$9,627, according to Mr. Gordon.

The third and most disruptive proposal is in the House GOP tax reform blueprint. It would give investment interest the same tax-favored treatment that long-term capital gains and certain dividends now receive, ending the decadeslong practice of taxing interest at ordinary-income rates.

The blueprint's proposed top rate on taxable interest is 16.5%. In that case, the yield would need to rise nearly 50%, from 2.37% to 3.50%, according to Mr. Ciccarone, in order to provide an equivalent return for top-bracket investors.

Not since the 1986 tax reform lowered the top rate on taxable interest from 50% to 28% have munis faced such a big shift. During that period, the yield on a common muni index rose from 6.54% to a high of 9.17% as Treasury yields also rose, says Mr. Ciccarone.

How likely is a 16.5% top tax rate on interest for individuals? It's a serious proposal, say tax policy specialists, but it's part of a package that also denies net interest deductions to businesses. This denial "will face opposition from leveraged businesses that don't want to lose deductions," says Alan Cole, an economist with the Tax Foundation in Washington.

Ahead of possible tax shifts, Natalie Cohen, who heads municipal-bond research at Wells Fargo Securities, counsels caution both in buying and selling. Other factors besides tax rates affect munis, she says, such as the perception that they are a safe investment.

Muni-fund investors raced out of the sector immediately after the election, sending yields higher, but prices have rebounded a bit lately. Meanwhile, holders of individual bonds can collect their coupons regardless of what happens in the market.

"Tax reform is still full of unknowns," says Ms. Cohen.

Diminished Returns

President-elect Donald Trump and House Republicans propose to lower tax rates on interest, lessening the advantage of tax-free municipal bonds.

After-tax returns for 5% taxable bonds

