



Town of Wayland Massachusetts

Finance Committee

Carol Martin (Chair)
Steven Correia (Vice Chair)
Adam Gutbezahl
Kelly Lappin
Pamela Roman
George Uveges
Dave Watkins

FINANCE COMMITTEE Monday, February 10, 2020 Wayland Town Building Council on Aging Room 6:45 P.M. Minutes

Attendance: C. Martin, S. Correia, K. Lappin, A. Gutbezahl, D. Watkins, P. Roman joined remotely at 8:10 and did not attend Executive Session), K. Lappin arrived at 7:15 and joined the Executive Session.

Absent: G. Uveges

Also, in Attendance: Finance Director, B. Keveny

Call to Order: The meeting was called to order by Chair C. Martin at 6:45 P.M. when a quorum was present. C. Martin reviewed the agenda and announced the meeting was being taped by WayCam. She read a motion to go into Executive Session. S. Correia seconded the motion. Role all vote as: S. Correia-yes, D. Watkins-yes, A. Gutbezahl-yes, C. Martin-yes, Vote 4-0

Enter Executive Session with the School Committee and Board of Selectmen: Minutes recorded separately.

Return to Open Session: Committee returned to open session at 8:02pm.

Finance Director's Report: B. Keveny, Finance Director, spoke on two topics- recent borrowing, and free cash.

He reported that the town sold bonds last week, that we had to fund nine projects and go long-term on three different bans, as well as go on refinancing on two bans- one 2009 and one 2010. The General Fund has five projects that need a total of \$10.5m in funding- The Middle School Network Wiring, the Loker School Kitchen, First Station 2, the Town Building's HVAC, and the High School Field. The Enterprise Fund has four projects that need a total of \$1.3m in funding-

including the Water Meter Replacement, the Water Mains Reseal Tank and Interior, and Reseal Water Booster Station. This brings the total needed funds to \$11.9m.

The refinancing came out to \$6.5, so the net effect of that was that we had 12 bidders. The bid range and interest were 1.47% to 1.69%, which was an historic low in our interest rate. The winning bidder was Fidelity Capital Markets, who came in at 1.478%. The net par value of the bonds, when you factor in the allocation of the bond premium, ended up being \$16.2m. The Finance Committee already made two cuts in the debt budget totaling \$500k, and need to further cut the debt budget by another \$56K, to bring the total debt for FY21 to \$6.8M. That will bring the Omnibus budget to \$86,306,068.

The Town's free cash is certified as of June 30, \$7,690,322. Last year's free cash was roughly \$7.1M, with an anticipated increase to \$7.6M. The Water Enterprise Fund is at \$848K in retained earnings. Wastewater has retained earnings of \$1.2m.

Review Draft FY21 Operating Budget Presentation:

P. Roman joined the meeting remotely at 8:10pm.

K. Lappin moved to reduce the operating budget of \$86,362,285 by \$56,217, which is the difference in the debt payments as a result of the most recent refinancing and new bond issuance for a net budget of \$86,306,068. Seconded by A. Gutbezahl. Motion passed 6-0-0 by roll-call vote: P. Roman-yes, K. Lappin-yes, S. Correia-yes, A. Gutbezahl-yes, D. Watkins-yes, C. Martin-yes.

The Committee reviewed the slides, to make any adjustments needed in advance of the Operating Budget Presentation. Adjustments included formatting edits, correcting typos, and expanding or simplifying information where deemed necessary, removal of slides that may cause confusion, and inclusion of slides to do with Loker School Roof, High School Athletic Field Renovation Part 3, and prior debt exclusion.

Discussion ensued regarding the inclusion of numbers pertaining to the 5-year plan in the presentation. Some members thought it good to give a status of where the Committee is currently, while others were hesitant to include numbers that have not been fully discussed and confirmed.

FY21 Capital Budget including: Follow-Up Questions and Possible Adjustments, Possibly Re-Open, Vote Adjustments and Funding Sources, Review Town Administrator's FY22-FY25 Recommendation:

C. Martin updated the Committee as to her conversations with L. Miller regarding answers to the Committee's questions on budget items:

Loker Roof: The final amount came to \$4.3m, which includes the \$500k for the remainder of the roof and the air handler on that same portion of the roof. The Town's in-house counsel preference is a single debt exclusion and a single warrant article.

Free Cash: Has been confirmed as \$1.7M. L. Miller reported that she had ideas on how to expend the \$160K, including funding the design money for the Stone Bridge project.

C. Martin asked the Committee if they were comfortable with the free cash being increased from the \$1.5M to \$1.7M. Discussion ensued on whether the Town would be able to afford continued increases in future years, even if this year's increase was doable. D. Watkins was opposed to the increase as it might jeopardize the AAA rating.

K. Lappin requested a review of the prioritized list of projects from the School Committee, before deciding whether to fund the increase. Discussion continued on which items remain unfunded above the \$1.5M allocated in free cash, and which should be included in the budget- such as, potentially, the Loker Roof project, and which, if any, should be cut due to lack of available funds.

The Committee then reviewed the list of the School Committee budget requests. Items eliminated included the Fire Control Panel for \$12K and \$5K, and the Backpack Project for \$152K. The Modular Classroom Design for the three roofs- Claypit Hill, Happy Hollow, and the Middle School was pushed to a future year. The \$200K for the design funds for the Wayland High School Athletic Improvement Plan were moved to an article.

The Committee then reviewed and confirmed the projects listed in the Town and School budgets.

Town Budget:

- DPW Road Reconstruction- \$600K cash capital
- DPW heavy equipment replacement- \$95K free cash
- Light trucks - SUV- \$44K free cash
- Light trucks p50 pickup- \$65K free cash
- Stormwater management- \$150K free cash
- Old Sudbury Road design- \$75K free cash
 - \$50k coming from chapter 90
- Heavy equipment replacement- \$250K from debt
- Potter Stone Bridge Road bridge design and construction- \$450K from debt
- High school wastewater plant- \$140K from debt
- Vehicles for the motor pool- \$37K free cash
- Library ADA- \$110K CPA funds
- Fire vehicle pumper- \$700K from debt
- Ambulance power load system- \$30K ambulance fund
- Fire vehicle car 2- \$65K ambulance fund
- Library phones- 3\$2K free cash
- Network and wireless replacement- \$126K free cash
- Permitting software- \$70K free cash
- Improvement to Reeves Hill site fiber and equipment- \$45K free cash
- Public safety radio replacement- \$247K free cash
- Public safety software- \$135K free cash
- Playground maintenance ADA improvements- \$417K CPA funds
- Gate valve exercising trailers- \$75K water revenue

School Budget:

- Claypit Hill replacement air handling unit- \$90K free cash
- Happy Hollow replacement of cooling unit and replacement of dry area- \$70K free cash
- Wayland High School sound system- \$40K free cash
- Wayland High School voice lift system- \$30K free cash
- Loker replacement of air handling unit- \$150K free cash
- Loker Clay Pit Hill modular classroom design- \$200K free cash

K. Lappin moved to submit a Capital Budget to Town Meeting of \$4,000,011, that consists of \$600K of cash capital, \$1.7M of free cash, \$1.54M of debt, \$95K of ambulance fund, and \$75K of water revenue. Seconded by A. Gutbezahl. Motion passed 5-1-0 by roll-call vote: P. Roman-yes, K. Lappin-yes, S. Correia-yes, A. Gutbezahl-yes, D. Watkins-no, C. Martin-yes.

D. Watkins moved to make an amendment to the request for voting on this budget, to remove \$196K plus \$32K in phones, so a total of \$228K that is related to Information Technology expenses without an IT plan. No second, motion denied.

C. Martin states she would advise the School Committee of the decisions made on their additional requests.

Review, Discuss and Possibly Vote Warrant Articles including: Establish Capital Stabilization Fund, Finance Committee Appointed by Moderator, CPA - ADA Playgrounds, Loker Roof Project, Contracts, Hear Reports, Choose Officers:

C. Karlson, Board of Selectmen Vice Chairperson, approached the Committee with a question regarding their recommendation on relative funding sources for the Loker Roof article. She stated that the BoS need to be able to explain what the project covers, so they could vote on it. The project description needs to specify if it will include the roof of the entire building- including the '99 roof work and the air handler on that portion of the roof- for the full \$4.3m.

L. Miller, Town Administrator, joined the conversation to explain that there are two numbers the MSBA has considered. \$3.8m covers the 35-year-old roof and the air handlers on the 35-year-old roof. They are also considering an additional \$500K, which would cover the '99 roof and the air handlers on that portion of the roof. They are trying to determine what the amount should be in the debt exclusion. She stated that the board talked about potentially funding \$3.8m via debt exclusion and asked the Finance Committee to consider putting the \$500K into borrowing under the levy.

The Committee reviewed, discussed, and voted the following warrant articles:

- **Loker Roof Replacement**

Overview: The project total is \$4.3M. The total eligible for reimbursement is \$3.8M, and the total potential borrowing is \$3,064,102, which is the \$2, 564,102 less the \$500K. The \$500K is the \$350K for the '99 roof and the \$150K for the air handler.

Discussion: The Committee discussed the language of the article, including whether it is appropriate to include specific reimbursement numbers at this point, as well as adding

language to explain that the whole roof is leaking which is why funding the whole project is needed. The Committee then discussed putting the \$500K in the debt service within the levy, and recommending that the rest be funded as debt exclusion.

Vote: A. Gutbezahl moved that the Finance Committee approve \$3.8M to replace the Loker Roof with debt exemption, and fund the balance of \$500M for the '99 roof and the '99 air handler within the Capital Budget within the levy, for a total of \$4.3M. Seconded by P. Roman. Motion passed 6-0-0 by roll-call vote: P. Roman-yes, K. Lappin-yes, S. Correia-yes, A. Gutbezahl-yes, D. Watkins-yes, C. Martin-yes.

S. Correia moved to reopen the capital budget for FY21. Seconded by K. Lappin. Motion passed 6-0-0 by roll-call vote: P. Roman-yes, K. Lappin-yes, S. Correia-yes, A. Gutbezahl-yes, D. Watkins-yes, C. Martin-yes.

K. Lappin moved to recommend a capital budget of \$3.861M- which includes cash capital of \$600K, free cash of \$1.551M, levy debt of \$1.540M, ambulance fund \$95K, and water fund \$75K. Seconded by D. Watkins. Motion passed 5-1-0 by roll-call vote: P. Roman-yes, K. Lappin-yes, S. Correia-yes, A. Gutbezahl-yes, D. Watkins-no, C. Martin-yes.

D. Watkins moved to remove the IT plan from the budget, as they have not received their numbers. No second, motion denied.

- Chose Town Officers

Overview: Standard article.

Discussion: There are some items pending in it, but the Committee authorized C. Martin to update the article language with the final names later.

Vote: K. Lappin moved that the Finance Committee recommend approval of the article Choose Town Officers. Seconded by P. Roman. Motion passed 6-0-0 by roll-call vote: P. Roman-yes, K. Lappin-yes, S. Correia-yes, A. Gutbezahl-yes, D. Watkins-yes, C. Martin-yes.

- Hear Reports

Overview: Standard article.

Discussion: The article may require some edits if there's any reports that come up.

Vote: K. Lappin moved that the Finance Committee recommend approval of the article Hear Reports. Seconded by S. Correia. Motion passed 6-0-0 by roll-call vote: P. Roman-yes, K. Lappin-yes, S. Correia-yes, A. Gutbezahl-yes, D. Watkins-yes, C. Martin-yes.

The Committee will carry over the articles they did not get to tonight, including Playground Contracts and Community Choice

Review Town Administrator's FY22-FY25 Recommendation:

C. Martin asked the Committee for input on how to proceed with reviewing the Town Administrator's capital recommendations for FY22-25, so that they can look at it during the meeting on Feb 13.

Discussion ensued about using K. Lappin's worksheet to assign projects to a year within the 5-year plan or out to FY26, to get an overview, by department, of what's on the radar.

D. Watkins expressed that he is not comfortable doing even basic numbers without some idea of prioritization. He suggested the Committee talk to department heads to understand priorities over the course of approximately two months.

A. Gutbezahl expressed his frustration with the lack of attention given the 5-year plan. He suggested that the Committee not attempt to give any 5-year recommendations at Town Meeting, and instead commit to presenting a fully realized 5-year plan at next year's Meeting.

C. Martin stated that the Committee will give some information regarding the 5-year plan at Town Meeting, while also explaining where in the process we are and the commitment to working towards a full 5-year plan in the future.

Chair and Vice-Chair Updates including Schedule: The Committee will meet on Feb 13, 18, and 24. C. Martin encouraged the Committee to submit any remaining articles, as they have limited time to discuss and vote them.

Members' Reports, Concerns; Topics, Unanticipated 48 Hours Before Meeting:

S. Correia reminded the Committee that they are an independent board and, therefore, should remain politically neutral, especially in light of a member of the Committee running for an elected office. D. Watkins announced he was running for a BoS seat.

Adjourn: A. Gutbezahl made a motion to adjourn at 11:12pm. Seconded by K. Lappin. Motion passed 6-0-0 by roll-call vote. P. Roman-yes, K. Lappin-yes, S. Correia-yes, A. Gutbezahl-yes, D. Watkins-yes, C. Martin-yes.