



Town of Wayland Massachusetts

Finance Committee

Carol Martin (Chair)

Steven Correia (Vice Chair)

Jen Gorke

Kelly Lappin

Klaus Shigley

George Uveges

Dave Watkins

**Monday, October 22, 2018
Minutes**

**Wayland Town Building
7:00 P.M.**

Attendance: C. Martin, S. Correia, D. Watkins, K. Lappin, K. Shigley, G. Uveges

Call to Order: The meeting was called to order by Chair C. Martin in the Selectmen's Room at 7:00PM. C. Martin reviewed the agenda for the meeting. C. Martin announced the meeting was being taped by WayCam. She noted some of the agenda items would be taken out of order.

Announcements: None.

Public Comment: None

Finance Director's Report

Review Department of Revenue Debt Exemption Statement

B. Keveny reported that the Town did not receive a favorable ruling from the Mass. Dept. of Revenue pertaining to its request to allow the debt exclusion vote on March 27, 2018 to apply to the two articles (HS Athletics Complex and Loker field) being reconsidered for the STM. The Mass. DOR ruled that the difference in the amounts for which the exclusions were voted on and the amounts being introduced into this Town Meeting were sufficiently large to require another debt exclusion vote for the difference in the amount. The BoS made a decision to pull the articles until the Town can schedule another debt exclusion vote for the entire amount.

FY '20 Capital Budget

Overview and Capital Discussion

Distribution of FY20 Capital Requests

Review School/Facilities FY20 Capital

C. Martin noted that a total of 52 capital requests, adding up to \$22.4 million, were submitted. The Finance Director and the TA have reduced that number to \$16 million.

The FinCom has scheduled Capital Budget discussion with DPW for Nov. 5 and the Recreation Dept. on Nov. 19. The discussion will focus on priorities.

Town Administrator L. Miller addressed the Committee and indicated that her goal is not only to produce a capital budget for the Town Meeting but also a five year capital plan. Taking into account what the town can afford. Mr. Keveny distributed a binder with the FY '20 capital requests. L. Miller made 2 recommendations. She's introducing a formal process consisting of three stages: stage 1 produces a Planning document, stage 2 studies design through completion, stage 3 is bid and construction. This process is designed to avoid recent experience with false starts due to incomplete vetting of regulatory issues and inaccurate cost estimates. She also recommends looking at workloads to avoid scheduling of projects that can't be completed with the capacity available.

L. Miller discussed the format and content of the CIP binder.

C. Martin stated that in past years the recommended capital budget has been in the neighborhood of \$5 million. Last year's was slightly higher because of the fire station renovation and the town building HVAC project. G. Uveges asked for a reconciliation between the CIP binder and the On-Site Insight report. The latter report is a 20 year inventory of maintenance and repairs that will be required for the 5 schools in the Wayland school system. G. Uveges also observed that some of the projects listed in the CIP booklet should more properly be classified as operating expenses. D. Watkins asked B. Keveny to prepare an exhibit showing the debt service generated by this plan. K. Shigley observed that the evaluation criteria in the CIP template were unclear. He suggested that there be more information on the cost benefits for the projects in the CIP booklet. D. Watkins stated that cash capital needs to be prudently managed.

Meeting with the School Committee:

The School Committee was represented by Kathy Steinberg, Ellen Grieco, Susan Bottan- Business Manager and Ben Keefe- Facilities Director.

S. Bottan described the On-Site Insight report. The report informed the 5 year capital plan submitted by the School Dept. B. Keveny and S. Bottan then prioritized the School Departments CIP projects. The highest priority was project # 32 in the CIP booklet, the PA system for the Middle and Elementary Schools. The high priority was assigned because of safety issues. The lowest priority was #35 in the CIP booklet, school bus parking. The entire sequence is as follows: #32, 24, 21, 28, 30, 27, and 34. Project #34, network switches, was presented by Mike McCann, IT Director, and Leisha Simon, Director of Technology. They noted that this project was being included in the school capital budget rather than the Town budget because that qualifies it for state Erate reimbursement. Network switching expenses are allocated pro rata by computer user and since 95% of computers are used in the School Dept. it made sense for them to sponsor this project. This project has a high priority because the existing system loses its technical support on 12/31/18 and because the budget for Erate reimbursement program ends at the end of the year. The reimbursement rate is 40%. S. Correia suggested there might be other funding sources as the Town negotiates with other cable/satellite providers.

At 8:14 PM D. Watkins left the meeting.

The remaining projects, in priority order, were #29,22,33,23 and 26, 31 and 35. In connection with School bus parking there were questions on the relative economics of owning versus leasing of school buses.

A question was asked how additional prioritization would occur. The school projects alone exceeded \$10 million. And our typical appetite for capital projects is only about \$5 million.

Meet with School Sub-Finance Committee: Follow up on questions raised at Financial Summit.

The reason for the meeting was to address questions raised at the financial summit. One issue was staffing trends relative to enrollment. E. Grieco stated that although enrollment is level, special needs enrollment, especially English Learners, is increasing. Different learners, depending on the category, require more intensive staffing support. In some cases adding staff within the district is more efficient than outsourcing to out of district. Transportation costs per out of district student alone is \$90,000. The net result is an increase in staffing needs. But net costs are minimized.

The subcommittee also expressed a desire to identify Finance Committee concerns early in the budget process. Rather than have to deal with questions after the process has nearly been completed. G. Uveges requested more detail on the non-salary budget (about \$7 million). He asked for a breakdown by type of expenditure rather than by school. He also asked where the budget is coming in relative to guidelines. The answer was that it's too early to tell. The final answer depends on demographic details. Do we have information on School expenses that are allocated to the Town Budget? G. Uveges asked for statistics showing the steps and lanes where new teachers are being hired. Compared to other school systems? Over the past 3 years? Ms. Bottan replied that the School budgets for new hires at the Masters 7 level. C. Martin asked for an exhibit comparing budget line items and deltas over a multi-year period. K. Shigley and G. Uveges were tasked with fleshing out these requests in order to make them more explicit.

Chair and Vice-Chair's Discussion

C. Martin distributed a summary report prepared by G. Uveges. The report summarized the 20 years expenditures recommended by On-Site Insight. The total spend identified over that period is roughly \$20 million. It was pointed out that the On-Site Insight report is merely one expenditure input and doesn't reflect other inputs. Mr. Uveges asked if anyone is looking at potentially consolidating schools to save money.

C. Martin informed the Committee that B. Keveny and L. Miller are scheduling a series of operating budget discussions with Departments. Liaisons from the FinCom and the BoS will be invited to attend.

Review Schedule

C. Martin announced that the FinCom will meet Nov. 5, 19 and 26 and Dec 12. The Nov. 5 meeting will continue the discussion on the recommendation to create a stabilization fund, the recommendation to create a Trust document for OPEB and will review DPW/Water capital requests. The FinCom will meet with the Recreation Dept. and the Facilities Dept. on Nov. 19. On Dec. 12 the FinCom will meet with the School Committee. The discussion and possible recommendation for the Residential Exemption was tabled.

Member's Reports, Concerns and Topics

G. Uveges stated that the Town needs to spend \$250,000 per year to bring Stormwater drains into compliance. Funding source to be determined. He will have more information after he attends Oct 23 DPW

meeting. This will be an annual expense. The purpose is to reduce phosphorous from draining into the Charles River. Question: should this be capital or operating expense.

K. Shigley raised a concern about deadline management for submission of articles to the Fall Town Meeting. In one instance, at least, Petitioners added comments to the article after the FinCom had already voted its recommendation. This implies that the article that appears in the Warrant is not what was voted by the FinCom. C. Martin and S. Correia raised other process issues, including board votes that were recorded after the FinCom vote, fall money articles and last minute changes to the text of articles. K. Shigley was tasked with writing a draft report with recommendations on process improvements for the consideration of the BOS.

C. Martin summarized other last minute changes that occurred just prior to the printer deadline. Four articles were pulled, including the High School Athletic Improvement and the Loker turf article. Last minute questions were raised about links that should or shouldn't be included in the marijuana article. K. Lappin observed that the marijuana issue was poorly managed. S. Correia observed that fall town meetings are more prone to errors because staff takes vacations in the summer and preparation tends to suffer.

Tweets of the Week: None.

Meeting Minutes: Review and vote to approve 9/24, 10/1, 10/4, 10/11

S. Correia moved to accept the minutes of the Sept. 24, 2018 meeting. K. Shigley seconded. Motion passed 3-0-2, with Lappin and Uveges abstaining.

Adjourn Meeting

K.. Shigley moved to adjourn the meeting. Mr. Uveges seconded. Motion passed 5-0-0

Respectfully Submitted,

Klaus Shigley

Attachments

Agenda

On-Site Insight report

FY '20 Capital to FinCom 101918

Minutes 9-24-18

School Capital Plan