



Finance Committee

Steven Correia (Chair)
Kelly Lappin (Vice Chair)
Adam Gutbezahl
Carol Martin
Christine Roberts
Pamela Roman
Bill Steinberg

**FINANCE COMMITTEE
November 2, 2020
Remote
6:00 P.M. Minutes**

Attendance: S. Correia, K. Lappin, A. Gutbezahl (6:31), C. Martin, P. Roman, B. Steinberg

Absent: C. Roberts

Also in Attendance: S. Crandall, meeting moderator, B. Keveny, Finance Director

Call to Order: The meeting was called to order by Chair S. Correia at 6:02 pm when a quorum was present. S. Correia stated all members were participating remotely, and opened the meeting with the following:

In compliance with the revised Open Meeting Law requirements, this meeting will be live streamed via Zoom as well as WayCAM. The Zoom meeting can be entered using the link and password available on the agenda on the town website. The meeting may be viewed live on the WayCam Public/Education Channel (Comcast 8 / Verizon 37). Public Comment will be received either through Zoom or by phone at 508-358-6814 for this meeting. The phone number will be active during the public comment portion of the meeting. Thank you for your patience. We intend to address all calls. To make a public comment via Zoom, perform a virtual "hand raise". The meeting moderator will contact you via a chat message to acknowledge your request and will inform the chair of your request to comment.

In addition to being live streamed, WayCam will record the meeting and recording will be made available to the public as soon after the meeting as is practicable. No in-person attendance of members of the public will be permitted, but every effort will be made to ensure that the public can adequately access the proceedings.

Review Agenda for Public: S. Correia reviewed the agenda and stated that, as the meeting was being held remotely, all votes would be by roll call.

Announcements: none

Public Comment and Members' Response: none

Finance Director's Report: The operating and capital budget guidelines were sent to the department heads. S Crandall will assemble a budget review calendar in the next week or two. Department meetings on budgets may start the week of November 16.

Review of Current Debt Service and Discussion on Current Refinancing Impact: S. Correia noted that the Committee is waiting for an updated debt service schedule from the Finance Director (FD). In the meantime, the FD reviewed the tax levy for the past three years (FY18-FY20). Unused levy was \$7.9M in FY18, \$6.0M in FY19, \$5.9M in FY20 and is anticipated to be \$5.0M in FY21 assuming new growth of \$500K and excluded debt service of \$3.5M. The estimate incorporates estimated cost of debt for all excluded debt projects voted to date.

Considering some large capital projects in the foreseeable future (COA building, Loker fields), and low funding costs, S. Correia asked the Committee to discuss and consider what level of debt and debt service seems appropriate for budgeting in the coming years.

C. Martin noted the trend of a reduction of unused levy over the past several years. Other committee members commented that there was very little levy capacity as recently as the late 2000s. B. Keveny noted that the River's Edge project will provide about \$900K of new growth, thus expanding levy capacity in FY23 or FY24. B. Steinberg asked about the possibility of re-characterizing debt issued to build the DPW building in 2014 or 2015, as exempt debt to expand levy capacity by the amount of the related debt service. This would require a vote at the polls and at ATM. The Committee also requested that the FD provide a debt schedule detailing when debt is eligible for refunding to take advantage of refinancing at lower current rates. B. Steinberg noted that given the financial environment, the Town Center property owner may request abatements in the next year or so; this would squeeze levy capacity. The Committee discussed Moody's comments that the town has a notable debt burden but that it tends to use debt exclusion prudently.

A. Gutbezahl entered the meeting at 6:31.

Continuation of FY22 Budget Preparation including: School Operating and Capital Detail Review; Questions for Departmental Reviews; Level of Detail on 5 Year Capital Planning:

The Committee discussed whether a hurdle level for excluded debt of \$3M or more is appropriate. K. Lappin noted that in the past, the Committee had committed to using debt exclusion to fund large, 'special' projects that should require a vote at the polls and at ATM; regular maintenance of assets should be managed through regular borrowing or other funding sources. The Committee agreed that the \$3M threshold had been agreed upon last year after thoughtful analysis and should not be changed at this time or to accommodate bundled maintenance projects. The Committee discussed criteria for evaluating capital projects and is waiting to review a list of still-outstanding capital projects.

The Committee discussed how much detail should be presented in the 5-year capital plan in FY22. A. Gutbezahl noted that an ideal outcome would be that each year the 5-year plan should be updated for the final 'out-year/s,' and that the near-term projects should remain mostly as previously scheduled. K. Lappin noted that a fair amount of last year's 5-year plan has

changed; she will update her 5-year capital model and Committee members should use the updated plan as a baseline for discussions with their respective liaised departments. B. Keveny explained that department heads are working from the 5-year plans that they submitted last year; these don't consider recommendations made by the FD/TA or Finance Committee prior to ATM. The Committee requested that to better control a 5-year plan, department heads should start the next fiscal year's capital request process with plans reviewed and recommended by the finance team the prior fiscal year. FinCom liaisons should ensure that they communicate recommendations to their assigned departments. The Committee discussed making a firm deadline for 5-year capital plan submissions for the departments and notably for the Schools to ensure a town-wide view of total capital requests by early/mid-December.

Members' Reports, Concerns; Topics, Unanticipated 48 Hours Before Meeting: S. Correia noted recommended changes to FinCom liaison assignments: there is no budget for the Trust Funds/Trustee of the Allen Fund, so C. Roberts will be removed as liaison. The same applies to the Auxiliary Police and Local Emergency and Planning Committee, thus K. Lappin will be removed as liaisons from these organizations. C. Roberts will be added as liaison to the Building department.

C. Martin noted that she and P. Roman will report at the next meeting on presentations made at the Annual Association of Town Finance Committees conference that they have attended.

S. Correia reviewed the expectation that liaison meetings will begin the week of 11/16/20. C. Martin and A. Gutbezahl will present a revolving fund template at the next meeting. L. Miller is working on a liaison/department calendar. Next meeting will likely be scheduled for Monday, 11/16.

Review & Vote to Approve Minutes of 9/8/20, 9/8/20 Executive Session, 9/12/20, 9/21/20 and 10/20/20: C. Martin proposed edits to the meeting minutes of 9/8/20. A. Gutbezahl moved to approve minutes (as amended). Seconded by C. Martin. Motion passed 5-0-1 (by roll-call vote): K Lappin- yes, C. Martin- yes, P. Roman- yes, A. Gutbezahl- yes, B. Steinberg – abstain, S. Correia- yes.

C. Martin proposed minor edits to the executive session meeting minutes of 9/8/20. C. Martin moved to approve minutes (as amended). Seconded by K. Lappin. Motion passed 5-0-1 (by roll-call vote): K Lappin- yes, C. Martin- yes, P. Roman- yes, A. Gutbezahl- yes, B. Steinberg – abstain, S. Correia- yes.

C. Martin proposed edits to the meeting minutes of 9/12/20. C. Martin moved to approve minutes (as amended). Seconded by K. Lappin. Motion passed 5-0-1 (by roll-call vote): K Lappin- yes, C. Martin- yes, P. Roman- yes, A. Gutbezahl- yes, B. Steinberg – abstain, S. Correia- yes.

C. Martin proposed minor edits to the meeting minutes of 9/21/20. C. Martin moved to approve minutes (as amended). Seconded by A. Gutbezahl. Motion passed 5-0-1 (by roll-call vote): K Lappin- yes, C. Martin- yes, P. Roman- yes, A. Gutbezahl- yes, B. Steinberg – abstain, S. Correia- yes.

Adjournment: C. Martin moved to adjourn the meeting at 7:39p.m. Seconded by K. Lappin. Motion passed 5-0-1 (by roll-call vote): K Lappin- yes, C. Martin- yes, P. Roman- yes, A. Gutbezahl- abstain, B. Steinberg – yes, S. Correia- yes.

Documents: available at
https://www.wayland.ma.us/sites/g/files/vyhlf4016/f/agendas/finance_packet_11.2.2020.pdf

Respectfully Submitted,

Pamela B Roman