



Town of Wayland Massachusetts

Finance Committee

David Watkins (Chair)

Gordon Cliff

Nancy Funkhouser

Jen Gorke

Carol Martin

Klaus Shigley

George Uveges

Finance Committee

Minutes

October 17, 2016

Attendance: D. Watkins, N. Funkhouser, G. Cliff, , J. Gorke, G. Uveges, C. Martin and B. Keveny (Finance Director).

Call to Order: The meeting was called to order by Chair David Watkins in the Second Floor Small Conference Room at the Town Building at 7:00pm. Mr. Watkins reviewed the agenda items to be discussed, indicated the meeting was being recorded by WayCam.

Public Comment: None

Committee's Response to Public Comment: N/A

Report from Finance Director: Finance Director Brian Keveny reported the Town's Free Cash has been submitted to the Department of Revenue (DOR) for certification, stating he expects Free Cash to be certified at approximately \$4.7M.

Mr. Keveny indicated he is working with Town Administrator Nan Balmer on her FY18 Capital and Operating budget presentation for the Board of Selectmen (BoS) and that Unibank will make a debt presentation to the Finance Committee on October 24th. He added the Clear Gov, a software program that downloads town financial information from the DOR website is expected to be up and running by the end of November.

Mr. Keveny advised the Committee that Odyssey, an actuarial firm has been hired to perform the town's bi-annual OPEB liability using both the GASB and Wayland method. Once Odyssey has made their presentation, the Town will decide which method to pursue.

Member's Initial Discussion and Comments on CIP's & Review of Draft Master List: Chair Watkins suggested that prior to discussing the capital requests the Committee review the quality of the CIP submissions and distributed a graph ranking the completeness of each of the submitted FY18 CIP's. In general, it was noted, much of the requested information was missing. A discussion ensued as to how to insure qualitative CIP submissions.

The Committee revisited the concept of a Master Capital List. After a brief discussion led by Chair Watkins, the general consensus was the summary sheets provided by Mr. Keveny contained the necessary information.

Departmental CIP Discussions: Ms. Martin and Mr. Keveny opened the Capital Budget process with an overview of the steps, process and deadlines, reiterating the FinCom plans to close the Capital Budget in December. They reported that of the 117 open capital projects from prior years, 23 closed releasing approximately \$100K in capital close-outs while the remaining general fund open projects value \$4.8M. Looking forward, the current 5 year capital plan has requests of \$71M, of which \$16M is for a new Library, \$15.5 for Water projects and \$5M for a Council on Aging/Community Center.

Mr. Keveny stated the 117 open projects representing nearly \$5M warrant consideration in conjunction with new capital requests and suggested the Committee not recommend any new projects for departments with several open capital projects, particularly for projects that have been on the books for more than a couple years.

Mr. Keveny recommended the Committee develop the capital budget not based on the "asks" but by what funds are available. He also suggested the Committee consider using more cash capital and less borrowing to fund the capital budget, adding that Moody's likes "pay-as-you-go".

Mr. Watkins added that the FY18 Capital requests total approximately \$11M. He added, even using other funding sources such as the Ambulance Fund, Enterprise Funds, Recreation Stabilization Fund, CPA Funds, etc., it most likely will not be possible to fund 100% of these requests. Mr. Watkins suggested that as the Committee reviews the CIP's to rank them on the basis of Public Safety, Compliance and Maintenance, Stated Goals and Policies and Public Perceived Need.

Fire Department: Fire Chief Dave Houghton presented two FY18 capital requests: replace Chief's car and purchase an ambulance. Both request have been in the five year plan and are to be funded via the Ambulance Fund. Facilities Director Ben Keefe joined the Fire Chief to jointly present a \$75K feasibility study to upgrade Fire Station II. A brief discussion ensued during which the Chief Houghton stated this project would result in bringing the Fire Station into compliance and the art center would be relocated. Mr. Houghton stated his two priorities were the ambulance and feasibility study adding he was amenable to expending Ambulance Receipt funds for the study. The Committee thanked Chief Houghton for his thorough presentation.

School Department: School Committee member Barb Fletcher along with Facilities Director Ben Keefe presented the Schools 11 capital requests for FY18, noting the Loker School Roof Repair project has

been moved to FY22. Ms. Fletcher stated that the six requests to purchase school furniture, replace tile, purchase food service and custodial maintenance equipment were continuation of multi-year projects.

Regarding the remaining 4 requests, Ms. Fletcher and Mr. Keefe explained the phone upgrade at Claypit is similar to the one in place at Happy Hollow, the AV equipment will request will be an ongoing request to upgrade 194 classrooms using a 7-year replacement cycle, the High School Stadium needs to be repaired and the Tennis Courts renovated. They advised the Committee that because the High School Campus is currently undergoing a review study, which won't be available until January of 2107 that both these CIP's are placeholders.

Prior to distributing the School Committee's prioritized list of their FY18 capital projects, Ms. Fletcher stated the School Committee needed to add a CIP to construct School Bus Parking at 195-207 Main Street indicating it's a placeholder and hopefully suitable permanent bus parking space can be found before the buses are displaced by the River's Edge project. The Committee thanked Ms. Fletcher for her time and expressed its appreciation for the quality of the School's CIP submissions.

Facilities: Facilities Director, Ben Keefe started his FY18 CIP presentation by saying the Library Rotunda has been moved to FY19, leaving him with five capital requests for FY18: the Fire Station Study which had been presented in conjunction with the Fire Chief, the purchase of two motor pool vehicles and three Town Building renovation projects. Mr. Keefe ranked his six town FY18 projects as follows: Fire Station II feasibility study, Interior renovations of Town Building, Motor Pool Vehicles, Town Building Mechanical and Electrical improvements and Town Building Windows.

A discussion ensued concerning the three Town Building improvement projects to better understand the each request and why three projects are needed in the same year. Mr. Keefe explained the mechanical and electrical improvements will provide necessary preliminary work for a future HVAC system replacement.

The Committee expressed concern over the number of outstanding capital projects, many of which involved borrowing. Mr. Keefe volunteered that this past summer several projects were completed and he expected to close out those projects including the DPW building project in November.

Discussion and Possible Vote of Mission Statement, Finance Committee's Responsibilities, Town Financial Strategy and Goals: Due to the lateness of the hour, Chair Watkins suggested deferring these discussions to a future meeting. The Committee concurred.

Review Issues & Actions List: Chair Watkins asked Committee members to continue to advise him as action items are completed to ensure the list remains current.

Members' reports, concerns and topics for future meetings: Mr. Cliff expressed concern the River's Edge project may result in additional costs that could materially impact the FY18 capital and/or operating budget. Mr. Watkins responded indicating there are a couple scenarios being discussed - one of which will yield no additional cost to the Town and that he would update the Committee as more information became available. Issues being resolved include relocating the DPW lay-down area and

School Bus parking.

Chair's & Vice Chair's Update: Mr. Watkins stated the next meeting is 10/24th at which the Town's Financial Advisor from Unibank would discuss debt management. Ms. Martin suggested Committee members mark their calendars for Wednesday, November 16th just in case Special Town Meeting (STM) runs two nights. She also stated the FinCom should plan to review the three STM articles on which it deferred recommendation to STM at its 11/7th meeting

Topics Not reasonably anticipated by the Chair 48 hours in advance of meeting: None

Meeting Minutes Review: The Committee reviewed the Minutes of June 20th and and July 18, 2016. After a brief discussion, Ms. Martin moved to approve the June 20th Minutes as amended. Motion seconded by Ms. Funkhouser. Motion Passed 6-0. Ms. Martin moved to approve the Minutes of October 5th. Ms. Gorke seconded. Motion passed 6-0.

Adjourn: Ms. Martin moved to adjourn. Mr. Watkins seconded. Vote to adjourn at 9:55pm was 6-0.

Respectfully Submitted,

Carol Martin

Documents:

Source D. Watkins:

FY18 CIP graph

Source: B. Keveny:

Chart: Impact of \$100K increments on General Fund FY18

Source: C. Martin:

Fy18-FY22 Capital Budget Process

Source: B. Fletcher

School Committee's FY18 Capital Project Priorities