

Wayland Board of Assessors
Town Building-Assessor's Office
41 Cochituate Rd. Wayland, MA 01778
Monday, December 4, 2017

Attendees: Chair-S. Rufo (see note), Vice Chair-J. Brodie, S. Glovsky, Z. Ventress and Director of Assessing E. Brideau.

Meeting called to order

J. Brodie called the meeting to order at 7:20 pm.

Review of Minutes

The meeting minutes of Friday, November 17, 2017 were presented and approved as presented.

The meeting minutes of Monday, November 20, 2017 were presented and approved as amended.

FY18 Tax Rate Recapitulation

The Director reported that the DOR approved Wayland's tax rate of \$18.03 on 12/14/17

Note: At 7:28 S. Rufo joined the meeting and assumed the chair

FY18 Tax Billing

The Director reported meeting with the Collector and S. Rufo to evaluate how lien fees are to be placed on the tax bill. Existing practice is to place a lien per bill vs. an option to place a lien per taxpayer. The board discussed the basis for changing past practices. A motion was made, seconded and approved unanimously to confirm the continuation of past practices.

Director of Assessing position

The director shared her letter of resignation which is effective December 15, 2017. The chair discussed steps, calendar, division of labor and interaction with other town functions to be assumed by the staff. HR made an internal posting of the position upon receipt of the resignation. On November 27, the opening was posted to the MAOO and the town's website. E. Brideau opined that the salary level and health care costs could make it a challenge to fill the position at the qualification level commensurate with the needs of Wayland. The Director offered to share the elements of her exit interview that might directly affect the performance of the assessing function and its search for a new director.

Correspondence and Documents for BOA signature and/or review

E. Brideau resignation letter

E-mails from E. Doucette regarding legal fees. This matter deals with attempting to identify those specific legal issues attributed to the BoA and once determined evaluate whether the BOA budget has sufficient funds to cover the expenses (not previously part of BoA budget).

Topics not reasonably anticipated by the Chair 48 hours in advance of meeting, if any
None

Thoughts and Concerns from BoA members

The Chair explained that prior to joining the BoA meeting, she attended the “Public Comment” of the BoS meeting regarding the document being presented by the financial advisor of Capital Projects and Debt, dated December 4, 2017. The Chair informed the BoS that the BoA had concerns related to the numbers that appeared on line 11, which read 2.00% annual increase in assessed valuation and line 51 Overlay, under the heading of available funds, as the BoA was uncertain as to how those numbers were arrived at and what implications might result, as the board had no input to the document.

Public Comment

None

Meeting Adjournment

Before calling for a motion to adjourn the Chair announced that the next meeting is December 11, 2017. Z. Ventress moved and J. Brodie seconded a motion to adjourn. The motion carried unanimously and the meeting adjourned at 8:25 pm.

Respectfully submitted

Jayson Brodie

Items in bold include agenda items as posted

DATE: DECEMBER 4, 2017

TO: BOARD OF SELECTMEN

FROM: NAN BALMER, TOWN ADMINISTRATOR

RE: CAPITAL PROJECTS AND DEBT:

- FINANCIAL MODEL TO FUND MAJOR CAPITAL PROJECTS THROUGH DEBT EXCLUSION
- UPDATE ON REFUNDING EXISTING DEBT

BOARD ACTIONS REQUESTED:

CONSIDER A PRELIMINARY FINANCIAL MODEL FOR FUNDING MAJOR CAPITAL PROJECTS THROUGH PROPOSITION 2 ½ DEBT EXCLUSIONS APPROVED BY BOARD OF SELECTMEN

RECEIVE UPDATE ON DEBT REFUNDING

BACKGROUND:

- I. Board of Selectmen: four roles within Wayland's annual budget process:
 1. **FINANCIAL POLICY AND STRATEGY:** A) The Board of Selectmen is the Town's Chief Executive and is the public body authorized to adopt town policy including financial policies such as those governing the use of free cash and debt. B) Under the Town Code, the Selectmen appoint a Town Administrator who will, working with the Finance Committee and the Finance Director, recommend long term financial strategies and budget guidelines for the Town.
 2. **PROPOSITION 2 ½ OVER-RIDES AND EXCLUSIONS:** Under state law in a process outlined in Board Policy, the Selectmen approve the placement of Proposition 2 ½ questions (overrides and exclusions) on the election ballot.
 3. **OPERATING AND CAPITAL BUDGETS:** Under the Town Code, the Selectmen receive operating and capital budgets only for departments under its jurisdiction by November 15th from the Town Administrator and file capital and operating budgets with the Finance Committee by December 15th for the next fiscal year. Under the Town Code, the Board appoints the Finance Committee which: 1) prepares the omnibus budget and submits it to Town Meeting and, 2) prepares and presents to the Town the 5-year capital improvement plan.
 4. **AUTHORIZATION TO INCUR DEBT:** Under state law, the Selectmen authorize incurrence of debt by the Treasurer.

- II. The Town's Financial Advisor from Uni-Bank, Clark Rowell, will present a preliminary financial plan to fund major capital projects while maintaining town operations at an assumed rate of growth.

The Board of Selectmen has the decision-making authority to approve the language and the placement of debt exclusion questions on election ballot. There are four, known major capital projects, at an estimated cost of \$38,000,000, on the horizon for which the Board may consider approval of debt exclusions.

Below are known projects, currently estimated costs and projected year of authorization.

| PROJECT | ESTIMATED COST | ANTICIPATED YEAR OF AUTHORIZATION |
|---|-----------------------------|-----------------------------------|
| Library | \$19,000,000 (Net of grant) | FY 19 |
| School Athletic Facilities / Loker Field (may be separate projects) | \$8,900,000 | FY 19 |
| Town Building Improvements | \$4,700,000 | FY 20 |
| Council on Aging | \$5,581,000 | FY 20 |

ATTACHED DOCUMENTS:

1. **FINANCIAL ADVISOR'S PRESENTATION**
2. **BOARD POLICY ON PROPOSITION 2 ½ BALLOT QUESTIONS**

CC: Finance Committee
Board of Assessors
Finance Director
Treasurer
Director of Assessing

TOWN OF WAYLAND, MASSACHUSETTS

04-Dec-17

1 3.00% - percent annual increase to remainder of general fund, unappropriated amounts and capital budget

2 4.00% - percent annual increase to school budget

3 6.50% - percent annual increase to middlesex retirement assessment, 2019 - 2024

4 5.20% - increase to assessment, 2025

5 3.99% - increase to assessment, 2026 - 2035

6 8.00% - percent annual increase to health insurance budget and OPEB

7 3.00% - percent annual increase to enterprises

8 2.00% - percent annual increase to state aid

9 2.50% - percent annual increase to local receipts

10 2.50% - percent annual increase to transfers from other funds

11 2.00% - percent annual increase in assessed valuation

12 3 50% - eleven-year compounded rate of increase, line items 15 through 19

13 FISCAL YEAR BUDGET 2018 2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029

14 operating budget \$16,926,089 \$17,433,872 \$17,956,888 \$18,495,594 \$19,050,462 \$19,621,976 \$20,219,635 \$20,816,955 \$21,441,463 \$22,084,707 \$22,747,248 \$23,429,665

15 education \$39,938,399 \$40,495,929 \$42,115,766 \$43,800,397 \$45,552,412 \$47,374,508 \$49,269,489 \$51,240,269 \$53,289,880 \$55,421,475 \$57,638,354 \$59,943,867

16 health insurance \$7,197,800 \$7,773,624 \$8,395,514 \$9,067,155 \$9,792,527 \$10,575,930 \$11,422,004 \$12,335,764 \$13,322,625 \$14,388,436 \$15,539,510 \$16,782,671

17 retirement \$4,362,369 \$4,645,923 \$4,947,908 \$5,269,572 \$5,612,041 \$5,976,824 \$6,366,317 \$6,789,314 \$7,241,340 \$7,721,340 \$8,230,270 \$8,780,717

18 current debt service \$9,665,433 \$8,956,571 \$8,160,546 \$7,545,096 \$7,109,746 \$6,596,596 \$6,326,971 \$6,130,046 \$5,864,684 \$5,499,134 \$4,988,646 \$4,564,849

19 2018 municipal purpose bonds \$0 \$452,050 \$441,900 \$431,750 \$416,600 \$406,625 \$396,650 \$386,675 \$376,700 \$361,725 \$351,925 \$342,125

20 "big four" debt service - 1 \$0 \$0 \$1,375,000 \$1,363,750 \$1,352,500 \$1,341,250 \$1,330,000 \$1,318,750 \$1,307,500 \$1,296,250 \$1,285,000 \$1,273,750

21 "big four" debt service - 2 \$0 \$0 \$0 \$835,000 \$823,750 \$812,500 \$801,250 \$790,000 \$778,750 \$767,500 \$756,250 \$745,000

22 bi-annual capital funding \$0 \$0 \$0 \$320,000 \$312,000 \$304,000 \$296,000 \$288,000 \$280,000 \$272,000 \$264,000 \$256,000

23 bi-annual capital funding \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0

24 bi-annual capital funding \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0

25 bi-annual capital funding \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0

26 bi-annual capital funding \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0

27 enterprises \$4,760,376 \$4,903,187 \$5,050,283 \$5,201,791 \$5,357,845 \$5,518,580 \$5,684,138 \$5,854,662 \$6,030,302 \$6,211,211 \$6,397,547 \$6,589,474

28 subtotal \$61,850,460 \$64,661,156 \$68,443,804 \$69,330,055 \$69,379,884 \$69,808,790 \$70,264,455 \$70,750,184 \$71,261,651 \$71,797,777 \$72,359,730 \$72,947,129

29 pay as you go capital \$1,693,000 \$2,500,000 \$3,000,000 \$3,500,000 \$3,605,000 \$3,713,150 \$3,824,545 \$3,939,281 \$4,057,459 \$4,179,183 \$4,304,559 \$4,433,695

30 OPEB \$243,828 \$600,000 \$648,000 \$699,840 \$755,827 \$816,293 \$881,597 \$952,125 \$1,028,295 \$1,110,558 \$1,199,403 \$1,295,365

31 total \$63,787,288 \$67,761,156 \$72,091,804 \$76,529,895 \$76,590,711 \$76,338,233 \$76,970,596 \$77,691,590 \$78,446,404 \$79,255,518 \$80,107,739 \$80,992,179

32 total debt service \$9,665,433 \$9,408,621 \$9,977,446 \$10,495,596 \$10,014,596 \$9,740,971 \$9,712,871 \$9,706,221 \$9,706,609 \$9,706,609 \$9,706,609 \$9,706,609

33 debt service to total budget 11.54% 10.72% 10.83% 10.87% 10.04% 9.43% 9.05% 9.77% 9.69% 9.69% 9.58% 9.77%

34 paygo capital to total budget 2.02% 2.85% 3.26% 3.63% 3.61% 3.59% 3.56% 3.49% 3.45% 3.41% 3.37% 3.41%

[illegible]

TOWN OF WAYLAND, MASSACHUSETTS**\$4,630,000.00 General Obligation Municipal Purpose Loan of 2018 Bonds****Dated March 1, 2018****Debt Service Schedule**

| Date | Principal | Coupon | Interest | Total P+I |
|--------------|-----------------------|---------------|-----------------------|-----------------------|
| 06/30/2018 | - | - | - | - |
| 06/30/2019 | 290,000.00 | 3.500% | 162,050.00 | 452,050.00 |
| 06/30/2020 | 290,000.00 | 3.500% | 151,900.00 | 441,900.00 |
| 06/30/2021 | 290,000.00 | 3.500% | 141,750.00 | 431,750.00 |
| 06/30/2022 | 285,000.00 | 3.500% | 131,600.00 | 416,600.00 |
| 06/30/2023 | 285,000.00 | 3.500% | 121,625.00 | 406,625.00 |
| 06/30/2024 | 285,000.00 | 3.500% | 111,650.00 | 396,650.00 |
| 06/30/2025 | 285,000.00 | 3.500% | 101,675.00 | 386,675.00 |
| 06/30/2026 | 285,000.00 | 3.500% | 91,700.00 | 376,700.00 |
| 06/30/2027 | 280,000.00 | 3.500% | 81,725.00 | 361,725.00 |
| 06/30/2028 | 280,000.00 | 3.500% | 71,925.00 | 351,925.00 |
| 06/30/2029 | 230,000.00 | 3.500% | 62,125.00 | 292,125.00 |
| 06/30/2030 | 230,000.00 | 3.500% | 54,075.00 | 284,075.00 |
| 06/30/2031 | 230,000.00 | 3.500% | 46,025.00 | 276,025.00 |
| 06/30/2032 | 230,000.00 | 3.500% | 37,975.00 | 267,975.00 |
| 06/30/2033 | 230,000.00 | 3.500% | 29,925.00 | 259,925.00 |
| 06/30/2034 | 125,000.00 | 3.500% | 21,875.00 | 146,875.00 |
| 06/30/2035 | 125,000.00 | 3.500% | 17,500.00 | 142,500.00 |
| 06/30/2036 | 125,000.00 | 3.500% | 13,125.00 | 138,125.00 |
| 06/30/2037 | 125,000.00 | 3.500% | 8,750.00 | 133,750.00 |
| 06/30/2038 | 125,000.00 | 3.500% | 4,375.00 | 129,375.00 |
| Total | \$4,630,000.00 | - | \$1,463,350.00 | \$6,093,350.00 |

Yield Statistics

| | |
|--|--------------------|
| Bond Year Dollars | \$41,810.00 |
| Average Life | 9.030 Years |
| Average Coupon | 3.5000000% |
| Net Interest Cost (NIC) | 3.5000000% |
| True Interest Cost (TIC) | 3.5000000% |
| Bond Yield for Arbitrage Purposes | 3.5000000% |
| All Inclusive Cost (AIC) | 3.5000000% |

IRS Form 8038

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|----------------------------------|--------------------|
| Net Interest Cost | 3.5000000% |
| Weighted Average Maturity | 9.030 Years |

TOWN OF WAYLAND, MASSACHUSETTS**\$25,000,000.00 General Obligation Municipal Purpose Loan of 2019 Bonds**

Dated March 1, 2019

Debt Service Schedule

| Date | Principal | Coupon | Interest | Total P+I |
|--------------|------------------------|----------|------------------------|------------------------|
| 06/30/2019 | - | - | - | - |
| 06/30/2020 | 250,000.00 | 4.500% | 1,125,000.00 | 1,375,000.00 |
| 06/30/2021 | 250,000.00 | 4.500% | 1,113,750.00 | 1,363,750.00 |
| 06/30/2022 | 250,000.00 | 4.500% | 1,102,500.00 | 1,352,500.00 |
| 06/30/2023 | 250,000.00 | 4.500% | 1,091,250.00 | 1,341,250.00 |
| 06/30/2024 | 500,000.00 | 4.500% | 1,080,000.00 | 1,580,000.00 |
| 06/30/2025 | 1,500,000.00 | 4.500% | 1,057,500.00 | 2,557,500.00 |
| 06/30/2026 | 2,250,000.00 | 4.500% | 990,000.00 | 3,240,000.00 |
| 06/30/2027 | 2,500,000.00 | 4.500% | 888,750.00 | 3,388,750.00 |
| 06/30/2028 | 3,500,000.00 | 4.500% | 776,250.00 | 4,276,250.00 |
| 06/30/2029 | 1,250,000.00 | 4.500% | 618,750.00 | 1,868,750.00 |
| 06/30/2030 | 1,250,000.00 | 4.500% | 562,500.00 | 1,812,500.00 |
| 06/30/2031 | 1,250,000.00 | 4.500% | 506,250.00 | 1,756,250.00 |
| 06/30/2032 | 1,000,000.00 | 4.500% | 450,000.00 | 1,450,000.00 |
| 06/30/2033 | 1,000,000.00 | 4.500% | 405,000.00 | 1,405,000.00 |
| 06/30/2034 | 1,000,000.00 | 4.500% | 360,000.00 | 1,360,000.00 |
| 06/30/2035 | 1,000,000.00 | 4.500% | 315,000.00 | 1,315,000.00 |
| 06/30/2036 | 1,000,000.00 | 4.500% | 270,000.00 | 1,270,000.00 |
| 06/30/2037 | 1,000,000.00 | 4.500% | 225,000.00 | 1,225,000.00 |
| 06/30/2038 | 1,000,000.00 | 4.500% | 180,000.00 | 1,180,000.00 |
| 06/30/2039 | 1,000,000.00 | 4.500% | 135,000.00 | 1,135,000.00 |
| 06/30/2040 | 1,000,000.00 | 4.500% | 90,000.00 | 1,090,000.00 |
| 06/30/2041 | 1,000,000.00 | 4.500% | 45,000.00 | 1,045,000.00 |
| Total | \$25,000,000.00 | - | \$13,387,500.00 | \$38,387,500.00 |

Yield Statistics

| | |
|-----------------------------------|--------------|
| Bond Year Dollars | \$297,500.00 |
| Average Life | 11.900 Years |
| Average Coupon | 4.5000000% |
| Net Interest Cost (NIC) | 4.5000000% |
| True Interest Cost (TIC) | 4.5000000% |
| Bond Yield for Arbitrage Purposes | 4.5000000% |
| All Inclusive Cost (AIC) | 4.5000000% |

IRS Form 8038

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|---------------------------|--------------|
| Net Interest Cost | 4.5000000% |
| Weighted Average Maturity | 11.900 Years |

TOWN OF WAYLAND, MASSACHUSETTS**\$13,000,000.00 General Obligation Municipal Purpose Loan of 2020 Bonds**

Dated March 1, 2020

Debt Service Schedule

| Date | Principal | Coupon | Interest | Total P+I |
|--------------|------------------------|---------------|-----------------------|------------------------|
| 06/30/2020 | - | - | - | - |
| 06/30/2021 | 250,000.00 | 4.500% | 585,000.00 | 835,000.00 |
| 06/30/2022 | 250,000.00 | 4.500% | 573,750.00 | 823,750.00 |
| 06/30/2023 | 250,000.00 | 4.500% | 562,500.00 | 812,500.00 |
| 06/30/2024 | 250,000.00 | 4.500% | 551,250.00 | 801,250.00 |
| 06/30/2025 | 500,000.00 | 4.500% | 540,000.00 | 1,040,000.00 |
| 06/30/2026 | 500,000.00 | 4.500% | 517,500.00 | 1,017,500.00 |
| 06/30/2027 | 1,000,000.00 | 4.500% | 495,000.00 | 1,495,000.00 |
| 06/30/2028 | 1,000,000.00 | 4.500% | 450,000.00 | 1,450,000.00 |
| 06/30/2029 | 1,000,000.00 | 4.500% | 405,000.00 | 1,405,000.00 |
| 06/30/2030 | 1,000,000.00 | 4.500% | 360,000.00 | 1,360,000.00 |
| 06/30/2031 | 1,000,000.00 | 4.500% | 315,000.00 | 1,315,000.00 |
| 06/30/2032 | 1,000,000.00 | 4.500% | 270,000.00 | 1,270,000.00 |
| 06/30/2033 | 1,000,000.00 | 4.500% | 225,000.00 | 1,225,000.00 |
| 06/30/2034 | 1,000,000.00 | 4.500% | 180,000.00 | 1,180,000.00 |
| 06/30/2035 | 500,000.00 | 4.500% | 135,000.00 | 635,000.00 |
| 06/30/2036 | 500,000.00 | 4.500% | 112,500.00 | 612,500.00 |
| 06/30/2037 | 500,000.00 | 4.500% | 90,000.00 | 590,000.00 |
| 06/30/2038 | 500,000.00 | 4.500% | 67,500.00 | 567,500.00 |
| 06/30/2039 | 500,000.00 | 4.500% | 45,000.00 | 545,000.00 |
| 06/30/2040 | 500,000.00 | 4.500% | 22,500.00 | 522,500.00 |
| Total | \$13,000,000.00 | - | \$6,502,500.00 | \$19,502,500.00 |

Yield Statistics

| | |
|-----------------------------------|--------------|
| Bond Year Dollars | \$144,500.00 |
| Average Life | 11.115 Years |
| Average Coupon | 4.500000% |
| Net Interest Cost (NIC) | 4.500000% |
| True Interest Cost (TIC) | 4.500000% |
| Bond Yield for Arbitrage Purposes | 4.500000% |
| All Inclusive Cost (AIC) | 4.500000% |

IRS Form 8038

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|---------------------------|--------------|
| Net Interest Cost | 4.500000% |
| Weighted Average Maturity | 11.115 Years |

TOWN OF WAYLAND, MASSACHUSETTS**\$3,000,000.00 General Obligation Municipal Purpose Loan of _____ Bonds****Dated _____****Debt Service Schedule**

| Date | Principal | Coupon | Interest | Total P+I |
|--------------|-----------------------|---------------|-----------------------|-----------------------|
| 06/30/2020 | - | - | - | - |
| 06/30/2021 | 200,000.00 | 4.000% | 120,000.00 | 320,000.00 |
| 06/30/2022 | 200,000.00 | 4.000% | 112,000.00 | 312,000.00 |
| 06/30/2023 | 200,000.00 | 4.000% | 104,000.00 | 304,000.00 |
| 06/30/2024 | 200,000.00 | 4.000% | 96,000.00 | 296,000.00 |
| 06/30/2025 | 200,000.00 | 4.000% | 88,000.00 | 288,000.00 |
| 06/30/2026 | 200,000.00 | 4.000% | 80,000.00 | 280,000.00 |
| 06/30/2027 | 200,000.00 | 4.000% | 72,000.00 | 272,000.00 |
| 06/30/2028 | 200,000.00 | 4.000% | 64,000.00 | 264,000.00 |
| 06/30/2029 | 200,000.00 | 4.000% | 56,000.00 | 256,000.00 |
| 06/30/2030 | 200,000.00 | 4.000% | 48,000.00 | 248,000.00 |
| 06/30/2031 | 100,000.00 | 4.000% | 40,000.00 | 140,000.00 |
| 06/30/2032 | 100,000.00 | 4.000% | 36,000.00 | 136,000.00 |
| 06/30/2033 | 100,000.00 | 4.000% | 32,000.00 | 132,000.00 |
| 06/30/2034 | 100,000.00 | 4.000% | 28,000.00 | 128,000.00 |
| 06/30/2035 | 100,000.00 | 4.000% | 24,000.00 | 124,000.00 |
| 06/30/2036 | 100,000.00 | 4.000% | 20,000.00 | 120,000.00 |
| 06/30/2037 | 100,000.00 | 4.000% | 16,000.00 | 116,000.00 |
| 06/30/2038 | 100,000.00 | 4.000% | 12,000.00 | 112,000.00 |
| 06/30/2039 | 100,000.00 | 4.000% | 8,000.00 | 108,000.00 |
| 06/30/2040 | 100,000.00 | 4.000% | 4,000.00 | 104,000.00 |
| Total | \$3,000,000.00 | - | \$1,060,000.00 | \$4,060,000.00 |

Yield Statistics

| | |
|--|--------------------|
| Bond Year Dollars | \$26,500.00 |
| Average Life | 8.833 Years |
| Average Coupon | 4.0000000% |
| Net Interest Cost (NIC) | 4.0000000% |
| True Interest Cost (TIC) | 4.0000000% |
| Bond Yield for Arbitrage Purposes | 4.0000000% |
| All Inclusive Cost (AIC) | 4.0000000% |

IRS Form 8038

| | |
|----------------------------------|--------------------|
| Net Interest Cost | 4.0000000% |
| Weighted Average Maturity | 8.833 Years |

POLICY ON PROPOSITION 2 1/2 BALLOT QUESTIONS ²

Board Policy

From time to time, the Board may be asked by the Finance Committee or other boards or committees to place a Proposition 2 1/2 levy limit override question ("Override Question") or debt exclusion question ("Exclusion Question") on the ballot (although the Board can choose to place such questions on the ballot without having been asked by any other board or committee). Set forth below are the minimum steps that the Board should take before voting to place an Override or Exclusion Question on the ballot:

The Board shall ask the requesting board or committee to provide it with a written request to place an Override or Exclusion Question on the ballot. Such written request should be received at least two weeks prior, if possible, to the Board's vote. In the case where the Board desires to place an Override or Exclusion Question on the ballot without having been asked by any other board or committee to do so, it shall request a written recommendation from the Finance Committee. Such written recommendation should be received at least two weeks, if possible, prior to the Board's vote.

The Board shall ask the Finance Committee to make a presentation to the Board at a public meeting in which it reviews in detail (i) the Town's current and projected financial position, (ii) its understanding of the rationale for both the timing and amount of the Proposition 2 1/2 override or exclusion, (iii) the consequences of not placing the question on the ballot or, alternatively, the question being rejected by a majority of the voters, (iv) any discussions it may have had with other boards or committees concerning the need for a ballot question, and (v) any other information that it or the Board determines to be important in making a decision on placing the question on the ballot, e.g., any available details related to the Town's budget or the School budget. Such meeting should be held at least one week prior to the Board's vote.

After completing the above, the Board will discuss the merits of placing the Override or Exclusion Question on the ballot, review the ballot question language, and vote on whether or not to place the question on the ballot.

² Proposition 2 1/2 limits the amount of revenue a town may raise from local property taxes each year to fund municipal operations. This amount is known as the annual levy limit. General Laws Chapter 59, Section 21C allows a town to increase tax revenues above that limit with voter approval.

Proposition 2 1/2 establishes two types of voter approved increases in taxing authority, i.e., levy limit overrides and exclusions. A levy limit override increases the amount of property tax revenue a community may raise in the year specified in the override question and in future years. The purpose of an override is to provide funding for municipal expenses, such as annual operating and fixed costs. An exclusion increases the amount of property tax revenue a community may raise for a limited or temporary period of time in order to fund specific projects, e.g., land acquisitions or building construction.

To seek voter approval, Proposition 2 1/2 referenda questions are placed on an election ballot by vote of the "local appropriating body," which is defined in towns as the Board of Selectmen. A majority vote of the entire board is needed to place an override question on the ballot. A two-thirds vote of the entire board is needed to place an exclusion question on the ballot. The board must vote the question exactly as it will appear on the ballot. Except for the purpose of the override or exclusion, specific language must be used for the ballot question. Proposition 2 1/2 referenda questions may not be placed on the ballot by vote of town meeting or through use of a local initiative, i.e., petitioners.

Following a vote to place an Override or Exclusion Question on the ballot, the Board shall hold a publicly noticed meeting at which the subject of the Override or Exclusion Question is discussed. The Board shall ask the Finance Committee to make a presentation similar to the one noted in (2) above. The public should be given the opportunity to ask questions and make comments at this publicly noticed meeting.

The Board may or may not decide to take a formal position on the merits of the Override or Exclusion Question prior to the Town Election at which such question will be voted on by the electorate.

Adopted on November 12, 2002; revision prepared 10/1/10

⑤ Capital Projects

DATE: DECEMBER 4, 2017
TO: BOARD OF SELECTMEN
FROM: NAN BALMER, TOWN ADMINISTRATOR
RE: FY 19 CAPITAL PROJECTS

BOARD ACTION REQUESTED:

APPROVE THE FILING OF THE FY 19 CAPITAL PROJECTS SUBMITTED BY DEPARTMENTS UNDER THE BOARD OF SELECTMEN WITH THE FINANCE COMMITTEE; FY 19 CAPITAL PROJECTS #1 - #13 ON THE ATTACHED ARE RECOMMENDED

BACKGROUND:

- All Boards and Committees are asked under Town Code to file capital projects with the Finance Committee by December 15th. The Selectmen may decide on the recommended capital projects on December 4th or request additional information to decide at the December 11th meeting.
- The Selectmen considered all major capital projects at prior meetings and asked that additional "context" be provided for consideration of the projects:
 - The Town's FY 19 financial plan will be developed and proposed to Town Meeting by the Finance Committee. The Finance Committee Chair plans to return to the Selectmen for your comment about priorities after all projects are received.
 - An initial financial context for approval of FY 19 capital projects was addressed earlier in the meeting through the Financial Advisor's 10-year preliminary financial model which includes \$2.5 million in annual "pay as you go" funding for capital projects from free cash and new taxation (cash capital), \$3,000,000 General Fund borrowing bi-annually and \$38,000,000 in excluded debt for four major projects.
 - Attached is the list of \$5,144,000 in recommended FY 19 capital projects from departments under the Selectmen. \$42,661,000 in total FY 19 general fund capital requests were submitted to date by all departments, including \$29,000,000 for the Library and \$9,538,000 in other projects that the Selectmen may recommended for debt exclusion in FY 19 and FY 20.
 - The Finance Director's Capital Projects Report and Capital Appropriations Forms are in the Selectmen's Dropbox and on the Website for the public.

ATTACHED:

1. **FY 19 CAPITAL PROJECTS – DEPARTMENTS UNDER THE BOARD OF SELECTMEN ONLY**
2. **FISCAL 2109 CAPITAL BUDGET REQUESTS (SUMMARY – ALL PROJECTS)**
3. **FY 2018 APPROVED CAPITAL REQUESTS SUMMARY (FOR COMPARISON)**

DROPBOX / WEBSITE:

1. **FY 19 CAPITAL APPROPRIATION REQUEST FORMS AND SUMMARIES (ALL)**
2. **FINANCE DIRECTOR'S FISCAL YEAR 2019 CAPITAL PROJECTS REPORT**

CC:

- Finance Committee**
- Board of Assessors**
- Finance Director**
- Treasurer**
- Director of Assessing**

| FY 19 CAPITAL PROJECTS – DEPARTMENTS UNDER THE BOARD OF SELECTMEN ONLY | | | | |
|---|--------------|--|------------------------|--|
| # | DEPARTMENT | PROJECT | ESTIMATED COST – FY 19 | COMMENTS |
| 1 | Facilities | Library Windows: Design and Replacement | \$85,000 | Recommended; Library will also make application for CPA funding. |
| 2 | Facilities | Town Building Windows: Design | \$65,000 | Recommended in FY 19 pending funding consideration; consider as part of debt exclusion, packaging # 2, 3, 4 in FY 20 |
| 3 | Facilities | Town Building Renovations | \$375,000 | Recommended in FY 19 pending funding consideration; purpose is to make better use of available space in land use, lobby and finance offices; consider debt exclusion, packaging # 2, 3, 4 in FY 20 |
| 4 | Facilities | Town Building Mechanical and Electrical Improvements | \$1,570,000 | Recommended in FY 19 pending funding consideration; Buildings Dir is working with utility company to provide additional funding for design; purpose is to improve energy efficiency and work environment; consider debt exclusion, packaging # 2, 3, 4 in FY 20. |
| 5 | Facilities | Fire Station #2 Renovations | \$1,800,000 | Recommended; purpose is to provide separate accommodations for both genders. |
| 6 | Facilities | Depot Repairs | \$110,000 | Recommended; consider CPA application by Board of Selectmen; purpose is address dry rot on north face and put electric service up to code and underground |
| 7(new) | Facilities | Council on Aging Design (Up to bid documents) | \$446,000 | Recommended; New FY 19 Project – Board of Selectmen re-constituted COA – CC. |
| 8 | IT | Public Safety Data Center Replacement | \$70,000 | Recommended; this system is no longer supported by vendor |
| 9 | IT | Network Replacement | \$242,000 | Recommended; the network is at end of support and needs ongoing replacement plan for investment; 5-year lease may require TM article |
| 10 | IT | MUNIS Revenue Model | \$230,000 | Recommended; purpose is streamline and integrate business processes |
| 11 | Fire | Vehicle | \$55,000 | Recommended; included in vehicle replacement plan funded by ambulance fees |
| 12 | Conservation | Compact Tracker | \$46,000 | Recommend |
| 13 | Police | Tasers, Radios | \$50,000 | Recommend; consider request to Finance Committee to fund in operating budget |
| 14 (Defer until FY 20) | IT | Library Telephone System | \$40,000 | Not Recommended: Library Director / Chair recommends project be delayed pending outcome of decision on new Library |
| TOTAL FY CAPITAL PROJECTS RECOMMENDED: | | | \$5,144,000 | |
| (\$3,810,000 in FY 19 Town Building Improvements may be deferred until FY 20 to the FY 20 capital plan, pending further consideration.) | | | | |

| FISCAL 2019 CAPITAL BUDGET REQUESTS-DRAFT | | | |
|---|-------------------|--|-----------------------------|
| GENERAL FUND | | | |
| | Department | Description | Capital Budget |
| 1 | DPW | Town wide road reconstruction | 750,000.00 |
| 2 | DPW | RT 20 South Laydown Area | 150,000.00 |
| 3 | DPW | Concord Rd Culvert | 150,000.00 |
| 4 | DPW | Heavy Equipment Replacement- Swap Loader P52 | 250,000.00 |
| 5 | DPW | Light Equipment Replacement- Gang Mower P 57 | 95,000.00 |
| 6 | DPW | Light Trucks-P51 | 95,000.00 |
| 7 | DPW | Light Trucks-Dump H5 | 95,000.00 |
| 8 | DPW | Light Trucks-Dump P34 | 95,000.00 |
| 9 | DPW | Alpine Field Design | 300,000.00 |
| 10 | DPW | MOU Recreation Capital Maint | 85,000.00 |
| 11 | DPW | Riverview Ball Field | 150,000.00 |
| 12 | Police | Police Tasers and Rodies | 50,000.00 |
| 13 | Conservation | Compact Tracker | 45,000.00 |
| 14 | Facilities | Library Rotunda Window Replacement | 85,000.00 |
| 15 | Facilities | Town Building New Windows Design | 55,000.00 |
| 16 | Facilities | Town Building Interior Renovations | 375,000.00 |
| 17 | Facilities | TB mechanical / electrical Improvement | 1,570,000.00 |
| 18 | Facilities | Fire Station # 2 Renovations | 1,800,000.00 |
| 19 | Facilities | Dogot Repairs | 110,000.00 |
| 20 | Facilities | New Library | 29,000,000.00 |
| 20-A | Facilities | COA New Facility Design | 200,000.00 |
| 21 | IT Dept. | Public Safety Data Center Replacement | 70,000.00 |
| 22 | IT Dept. | Network Replacement | 242,000.00 |
| 23 | IT Dept. | MUMIS Revenue Module | 330,000.00 |
| 24 | IT Dept. | Library Telephone System | 40,000.00 |
| 25 | Fire | Fire Vehicle | 55,000.00 |
| | Recreation | Recreation Design Services- Claypit, Misc | Pending Commission Approval |
| | Recreation | Laker Recreation Construction | Pending Commission Approval |
| | Recreation | Town Beach Improvements | Pending Commission Approval |
| 45 | Happy Hollow | Floor Tile | 35,000.00 |
| 46 | Middle School | Phone upgrade | 125,000.00 |
| 47 | High School | Wastewater Plant | 285,000.00 |
| 48 | Laker School | Kitchen Replacement | 350,000.00 |
| 49 | High School | Part 2 High School Athletic Preferred-1 | 202,000.00 |
| 50 | High School | Part 2 High School Athletic Preferred-2 | 3,600,000.00 |
| 51 | High School | Part 2 High School Athletic Preferred-1 | 125,000.00 |
| 52 | High School | Part 2 High School Athletic Preferred-2 | 1,800,000.00 |
| 53 | Various locations | Custodian Equipment | 30,000.00 |
| 54 | Middle School | Furniture Replacement | 35,000.00 |
| Total General Fund | | | 42,541,000.00 |
| WATER FUND | | | |
| | Department | Description | Budget |
| 55 | Water Fund | Vehicles-Dump Truck-W4 | 95,000.00 |
| 56 | Water Fund | Vehicles-Utility Truck W5 | 95,000.00 |
| 57 | Water Fund | MTR Replacement | 520,000.00 |
| 58 | Water Fund | PLC Upgrades | 350,000.00 |
| 59 | Water Fund | Water Mains | 950,000.00 |
| Total Water Fund | | | 2,010,000.00 |
| Total Fiscal 2019 requested budget | | | 44,551,000.00 |

* Note: Increase to \$446,000 is requested by COA-CC and Public Buildings Director.

CAPITAL BUDGET - FISCAL 2018

| | | | |
|----------------------------------|---|--------------|--------------------|
| DPW | | | |
| 1 | Town Wide Road Reconstruction | B / CC / SBP | \$600,000 |
| 2 | Equipment Replacement- Tractor H-6 | B | \$190,000 |
| 3 | Cemetery Road Construction | FC / CEM | \$185,000 |
| 4 | Culvert Repairs | B | \$100,000 |
| 5 | Equipment Replacement - Dump Truck H-4 | CC / SC | \$95,000 |
| 6 | Equipment Replacement - Plow and Sander | FC / SBP | \$65,000 |
| FACILITIES | | | |
| 7 | TB Mechanical / Electrical Improvement | FC / SC | \$88,000 |
| 8 | Fire Station # 2 Renovations | AMB | \$75,000 |
| FIRE | | | |
| 9 | Ambulance | AMB | \$305,000 |
| 10 | Fire Vehicle | AMB | \$65,000 |
| SCHOOL | | | |
| 11 | Middle School Tile Replacement | FC / SBP | \$150,000 |
| 12 | Happy Hollow Food Service Equipment | FC | \$60,000 |
| 13 | Claypit Hill Phone Upgrade | CC | \$50,000 |
| 14 | Various Locations Custodial Equipment | CC | \$30,000 |
| DPW WATER ENTERPRISE FUND | | | |
| 15 | Water Mains | B | \$700,000 |
| 16 | Well Cleaning | WS | \$65,000 |
| 17 | Water Tank Study | WS | \$50,000 |
| 18 | Pilot Study Manganese- Campbell Well | WS | \$110,000 |
| TOTAL BUDGET | | | \$2,983,000 |

SUMMARY OF FUNDING SOURCES

| | | |
|---------------------------------------|-----|--------------------|
| BORROW (NON-EXEMPT) | B | \$1,290,000 |
| CASH CAPITAL | CC | \$347,128 |
| FREE CASH | FC | \$219,180 |
| AMBULANCE FUND | AMB | \$445,000 |
| CEMETERY FUND | CEM | \$120,000 |
| SURPLUS BOND PROCEEDS FROM CLOSE OUTS | SBP | \$212,683 |
| SURPLUS CAPITAL PROJECTS | SC | \$124,009 |
| WATER SURPLUS | WS | \$225,000 |
| TOTAL FUNDING SOURCES | | \$2,983,000 |