

Wayland Select Board

Capital Stabilization Fund Policy

At Annual Town Meeting 2021, the Town of Wayland established a Capital Stabilization Fund (the Fund).

The purpose of the Fund is to allow the Town to reserve funds to pay for engineering and design, renovation, reconstruction or construction of Town facilities, to support the Capital Investment Plan, and to promote sound financial planning practices.

Objectives of the Fund include to

- 1) Provide a source of funds to keep projects previously approved by Town Meeting moving forward,
- 2) Maintain a steady Capital Investment Plan, and
- 3) Create a funding source for the Town share of matching grants.

Sources of Income

- 1) Funds may be transferred into the Capital Stabilization fund from any general fund source, including taxation and free cash, by Town Meeting vote.
- 2) Residual funds from previously approved capital projects ('capital close outs') will be transferred to the Fund at the close of each project.

Criteria for Appropriations from the Fund (in priority order) are restricted to:

- 1) Additional funding to support the Town's Capital Investment Plan for projects previously approved at Town Meeting
- 2) Unanticipated capital projects resulting from a catastrophic or emergency event if the financial burden of the event is in excess of an amount which the Finance Committee Reserve Fund can cover
- 3) The Town share of matching grants
- 4) Support of critical capital expenses if revenue, from whatever source, including free cash, is less than forecasted in the Five-Year Capital Investment Plan
- 5) Providing for General Fund "pay-as-you-go" capital appropriations

Fund Balance

- 1) Interest shall accrue for the fund.
- 2) There is no minimum or maximum balance. However, the aggregate may not exceed the limit under M.G.L. c. 40 Section 5B.

Policy Review

- 1) Review every 3 years

Approved May 15, 2022