



FY2012 Debt Exclusion Question Public Meeting

Presented by:
Finance Committee
February 28, 2011



Financial Overview

- ❑ Moody's confirms AAA bond rating in January 2011
 - Consistent financial performance
 - Structurally balanced operations over the past five years
 - Conservative budgeting practices and financial management
- ❑ Strong free cash position with a multi-year plan of use
- ❑ 3rd consecutive year without an operating budget override
- ❑ Projecting to use free cash to offset the FY2013 budget shortfall
- ❑ Capital Improvement Plan (CIP) that forces better review of capital projects
- ❑ 5 and 10 year capital plans in place and reviewed annually
- ❑ FinCom committed to infrastructure maintenance and investment while balancing tax impact with general financial environment



FY12 Proposed Capital Budget Guideline

- Submissions due on October 28, 2010
- All requests to go through the CIP process
NOT as separate warrant articles
- For FY12, the Finance Committee has
selected funding sources to minimize tax
payer impact rather than following published
debt guidelines (details on next slides)



FY12 Capital Budget Summary

Detailed budget available online.

Total Recommended Capital	\$4,815,000
Cash Capital	\$325,000
Free Cash – No Impact on Tax Levy	\$1,000,000
Non-Exempt Capital (Operating)	\$1,950,000
Exempt Capital (Debt Exclusion)	\$880,000
DPW Dept (Water) – No Impact on Tax Levy	\$660,000



FY12 Capital Budget – Debt Exclusion Items

- All major renovations and repairs
- Equipment & vehicles > \$100,000
- Temporary increase in tax rate
- CIPs for all items available on Town website

Playing Field Development (Recreation/DPW)	\$530,000
Technology (Schools)	\$350,000
Total	\$880,000



Tax Impact of Debt Exclusion Question

For FY2012, the proposed Debt Exclusion question is better than tax neutral. In other words,

- The recommended increase in borrowings to fund the exempt capital items is less than the debt exclusion borrowings that are maturing that year.

The anticipated impact on the tax rate is a decrease of \$0.03/thousand of value or about \$20 less on an average house.



Impact of Debt Exclusion Question

- ❑ School Technology \$350,000
 - Infrastructure and computers to achieve multi-year technology initiative
 - Request reduced from \$675,000 to \$500,000
 - ❑ \$350,000 funded through the debt exclusion
 - ❑ \$150,000 funded through the operating budget

continued



Impact of Debt Exclusion Question, continued

- ❑ Field Development \$500,000
 - Development of two grass full size fields at the Middle School
 - First priority of the Gale Report (funded at ATM 2009) and the Recreation Department
 - First new field development in over 10 years

- ❑ Field Analysis and Planning \$30,000
 - Additional funds to supplement last year's ATM request
 - Review will include Loker Recreation site and Greenways area and look at other potential uses.



Proposed Debt Exclusion Ballot Question

Shall the Town of Wayland be allowed to exempt from the provisions of proposition two and one-half, so-called, the amounts required to pay for the bond issued in order to (i) purchase school technology equipment and (ii) plan and develop additional athletic and playing fields?



Key Dates for Debt Exclusion Vote

- ❑ **February 7th:** FinCom made recommendation to BoS. Vote: 7-0.
- ❑ **February 14th:** FinCom publicly presented recommendation at BoS meeting.
- ❑ **February 28th:** FinCom and BoS made joint presentation of Debt Exclusion recommendation
- ❑ **March 28th:** ATM Warrant Hearing
- ❑ **April 5th:** Election Day. Ballot question must pass by 50% to be considered at Annual Town Meeting. *This vote provides the approval to borrow the funds.*
- ❑ **April 7th:** Annual Town Meeting. The three (3) debt exclusion items are included within the capital budget which must pass by a 2/3 vote (borrowing). *This vote authorizes the borrowing for the specific projects and amounts.*



FY2012 Debt Exclusion Presentation

Questions