



PROPOSED FY2012 OMNIBUS BUDGET

FINANCE COMMITTEE
February 7, 2011



Presentation Outline

- ☐ FinCom Mission
- ☐ FY12 Challenges
- ☐ Proposed FY12 Operating Budget
- ☐ Proposed FY12 Capital Budget
- ☐ FinCom Long Range Plan
- ☐ A Look Forward --Preview of FY13
- ☐ Q & A



Finance Committee's Mission Statement

The mission of the Wayland Finance Committee is to define a financial strategy for the Town and to use this strategy as the basis for recommending to the Town a fiscally responsible operating and capital spending plan.

In implementing this strategy, and within the context of its impact on property values, **the Finance Committee seeks to balance the demand for services against the ability of residents with a broad range of financial situations to afford these services.**



FY2012 Budget Challenges

- ☐ Anticipated further cuts to State Aid in FY12
- ☐ Negotiation of labor contracts ongoing; varied end dates
- ☐ Uncertain tax growth and local receipts
- ☐ Continued management of health care costs
- ☐ Implementation of administrative and operational efficiencies
- ☐ Continued investment in Town infrastructure
- ☐ Recognition of ongoing economic environment and addition of largest tranche of High School debt



FY12 OPERATING BUDGET GUIDELINES

The Finance Committee anticipates balancing the budget within the constraints of Proposition 2 ½ and, therefore, will not seek an override for FY12.

Guidelines:

- Allow step/lane increases

- Include other required/contractual increases

- Adjust utility accounts as needed

- Other accounts flat

- Budgets due on December 1, 2010



FY12 Proposed Operating Budget

- Budget Summary
- Revenue by Source
- Expenditures by Category
- Budget Drivers



FY 12 Proposed Operating Budget Summary

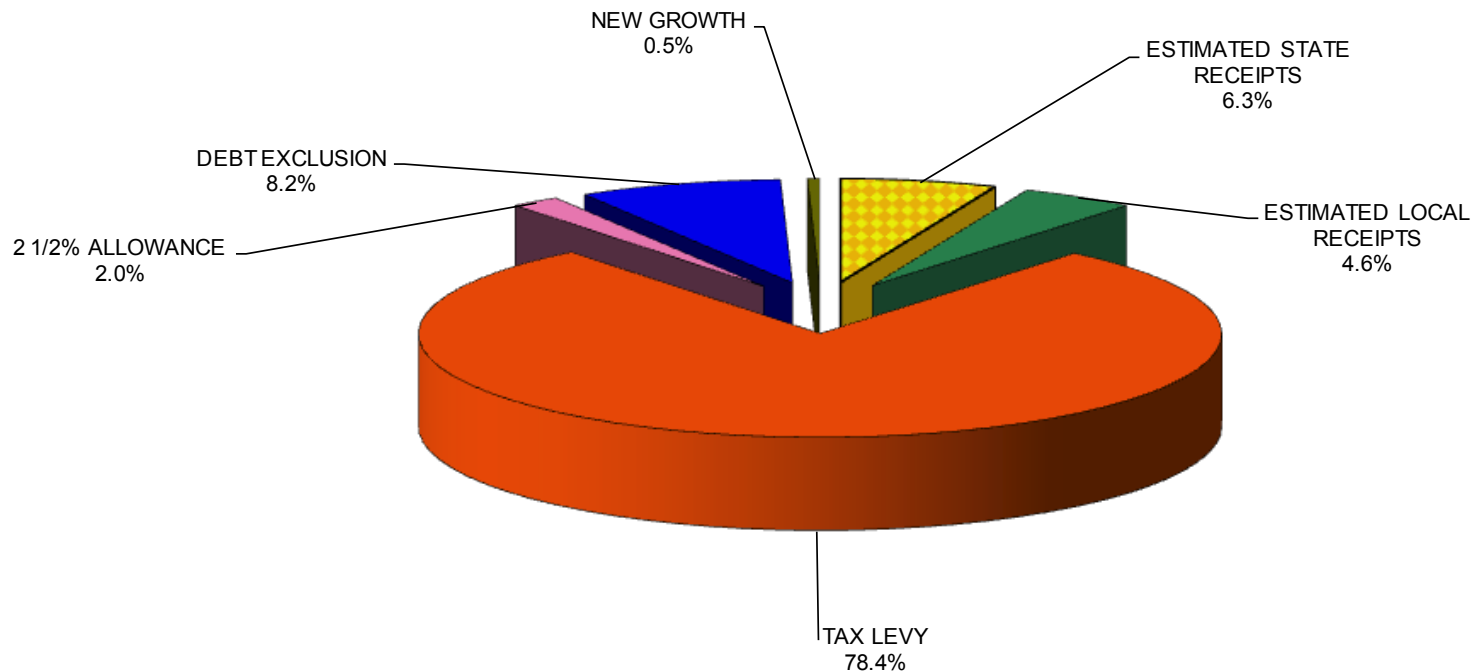
<input type="checkbox"/> Estimated Revenues – G/F	\$ 67,800,000
<input type="checkbox"/> Estimated Revenues – Enterprise *	\$ 4,000,000
<input type="checkbox"/> Estimated Expenditures – G/F	\$ 68,780,000
<input type="checkbox"/> Estimated Expenditures – Enterprise *	\$ 4,000,000
<input type="checkbox"/> Adjusted Budget Deficit	<u>\$ 980,000</u>
<input type="checkbox"/> Use of Ambulance Receipts	\$ 360,000
<input type="checkbox"/> Use of Bond Premium	\$ 120,000
<input type="checkbox"/> Use of Free Cash	\$ 500,000
<input type="checkbox"/> Balanced Budget	\$ 0

* Water, Wastewater & Septage Funds



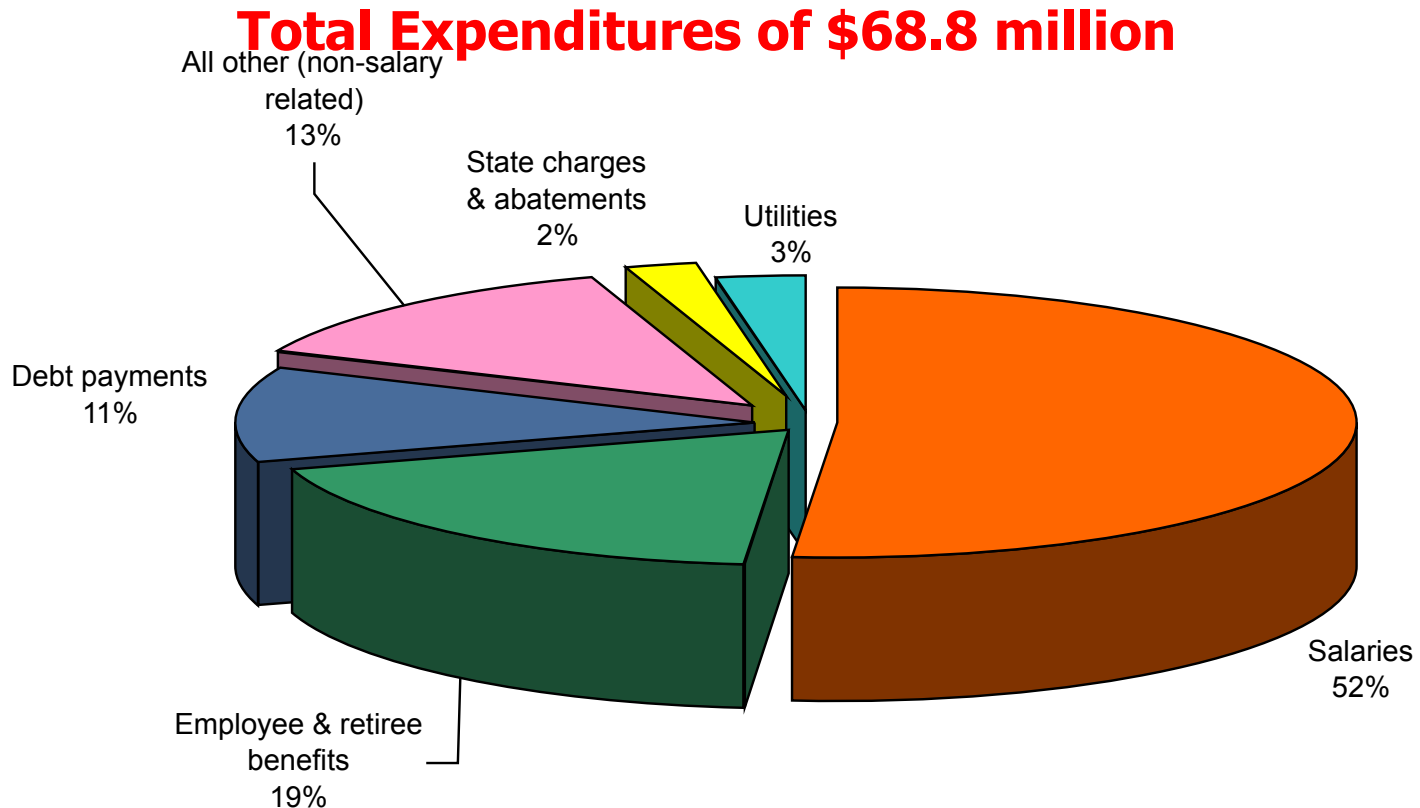
FY12 Estimated Revenues by Source General Fund Only

Total Revenues of \$67.8 million





FY 12 Estimated Expenditures By Category General Fund Only





FY12 Operating Budget Drivers Overview

- Unclassified
 - Debt payment on previously approved debt
 - Settled and pending personnel contracts
 - Healthcare expense
- Retirement/Pension expense
- DPW Transfer Station
- Wastewater



FY12 Proposed Capital Budget

- Capital Budget Guideline
- Capital Budget Summary
- Debt Items by Funding Source
 - ☐Cash Capital
 - ☐Cash
 - ☐Non-Exempt
 - ☐Exempt or Debt Exclusion
 - ☐Water



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

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 – Cash Capital Items

- Regularly occurring, replaceable equipment and vehicles with a short lifespan (< 5 years).
- No impact on tax rate
- CIPs for all items available on Town website

Technology (Town and Police)	\$90,000
Vehicles (Fire (2) and School)	\$125,000
Beach Improvements (Recreation)	\$75,000
Storm Water Mapping (Conservation)	\$35,000
Total	\$325,000



FY12 Capital Budget – Free Cash

- Extraordinary item funded from the Town's cash reserve (Free Cash)
- No impact on tax rate
- CIPs for all items available on Town website

Public Safety Building Flood Repairs	\$1,000,000
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Total	\$1,000,000
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FY12 Capital Budget – Non-Exempt Items

- Regularly occurring, replaceable equipment and vehicles < \$100,000
- Number of items limited to capacity within existing debt service
- No impact on tax rate
- CIPs for all items available on Town website

Trucks & Equipment (DPW)	\$765,000
Building Repairs (Town and School)	\$390,000
Facility Planning /Design Study (DPW)	\$250,000
Field and Park Renovations (DPW)	\$245,000
Drainage Improvements (DPW)	\$200,000
Rice Rd. Dam Repairs (Conservation)	\$100,000
Total	\$1,950,000



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)	\$530,000
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Technology (Schools)	\$350,000
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Total	\$880,000
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FY12 Capital Budget – Water Items

- Capital items proposed by DPW related to the Water Department
- Debt service paid through water revenues
- No impact on tax rate
- CIPs for all items available on Town website

Distribution system upgrade – Routes 27/30 intersection	\$510,000
Pump station upgrades	\$100,000
New generator	\$50,000
Total	\$660,000



Long Range Plan FY11-FY15

- ❑ Presented in December 2009 and outlined a financial framework for FY11 through FY15.
 - Specific Objectives
 - ❑ Increase Real Estate Revenues
 - ❑ Control Growth of Employee Costs
 - ❑ Change How We Do Business (regionalization/reorganization)
 - ❑ Manage Capital Spending
 - ❑ Impact Changes at State Level
 - ❑ Maintain Financial Health
- ❑ Reflects foundation of budget work going forward
- ❑ Please review the Finance Committee's LRP which is available on the FinCom website.



A Look Forward -- Preview of FY 2013

- ☐ Budget challenges are expected to continue (healthcare, pension)
- ☐ Unknown outcome of remaining contract negotiations
- ☐ State aid is unlikely to recover to previous levels
- ☐ Continued follow through from all areas expected to strive for cost savings through efficiencies, collaboration and/or consolidations is expected
- ☐ Anticipate using free cash to offset expected budget shortfall



Questions