



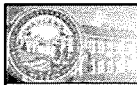
Town of Wayland  
Massachusetts

**Presentation and  
Public Hearing**

**FY15 Omnibus Budget Proposal:  
Operating and Capital Budgets**

Wayland Finance Committee  
February 10, 2014

Slide # 1



## Discussion Outline

- FinCom Mission
- Economic Environment & Benchmarks
- Budget Process
- FY15 Financial Strategy
- Budget Challenges
- Proposed FY15 Operating Budget
- Proposed FY15 Capital Budget
- Free Cash Projections

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### Finance Committee's Mission

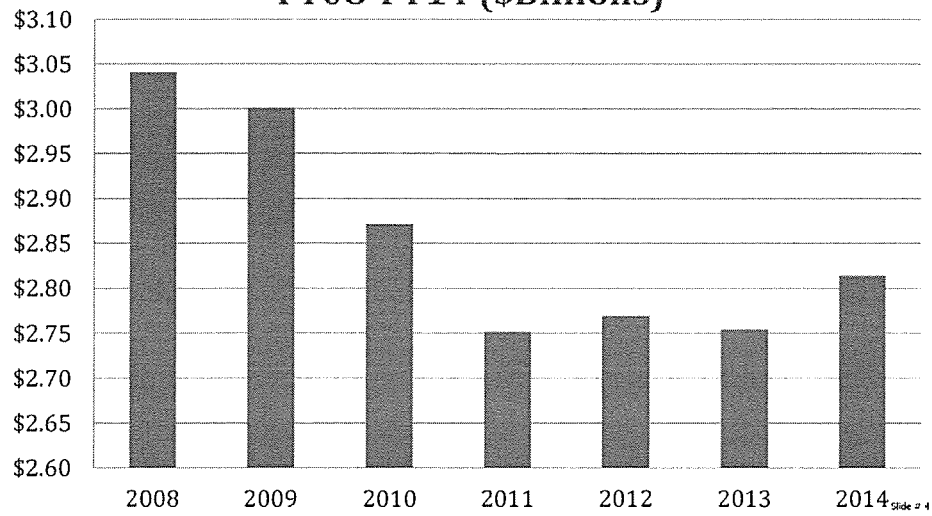
- The mission of the Wayland Finance Committee is to define a financial strategy for the Town and to use this strategy as the basis for recommending to the Town a fiscally responsible operating and capital spending plan.
- In implementing this strategy, the Finance Committee seeks to balance the demand for services, by a community with multiple needs and desires, with the ability of residents with a broad range of financial situations to afford those services.

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Town of Wayland  
Massachusetts

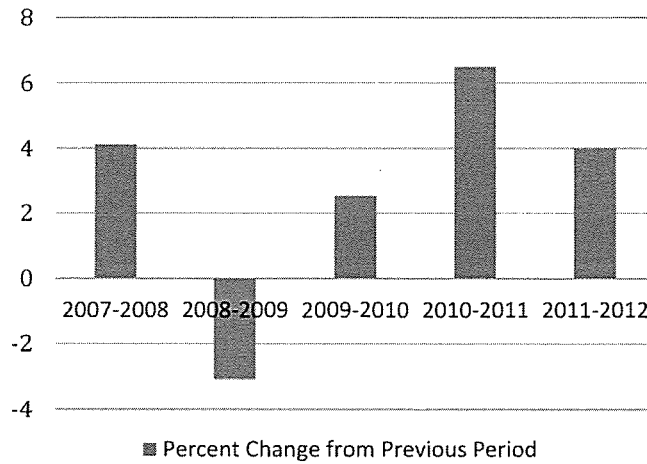
Wayland Residential Assessed Value:  
FY08-FY14 (\$Billions)



Source : Mass. Department of Revenue



### Middlesex County Personal Income: Five-Year Trend



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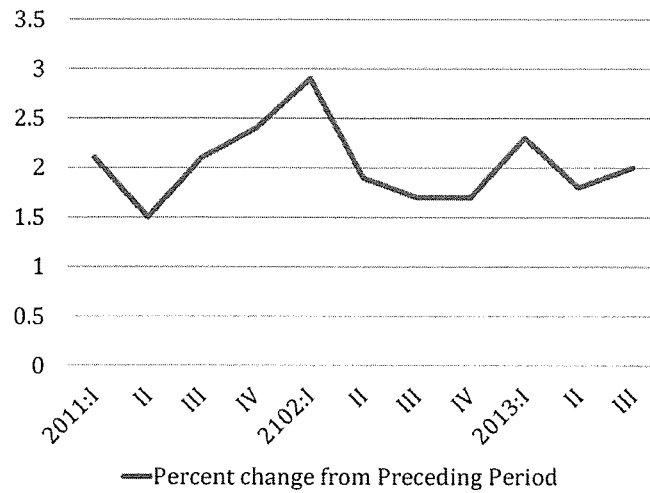
#### CA1-3 Personal income summary Percent change from preceding period

Bureau of Economic Analysis

1/ Census Bureau midyear population estimates. Estimates for 2010-2012 reflect county population estimates available as of March 2013.



### U.S. Personal Consumption Expenditures: 2011-2103



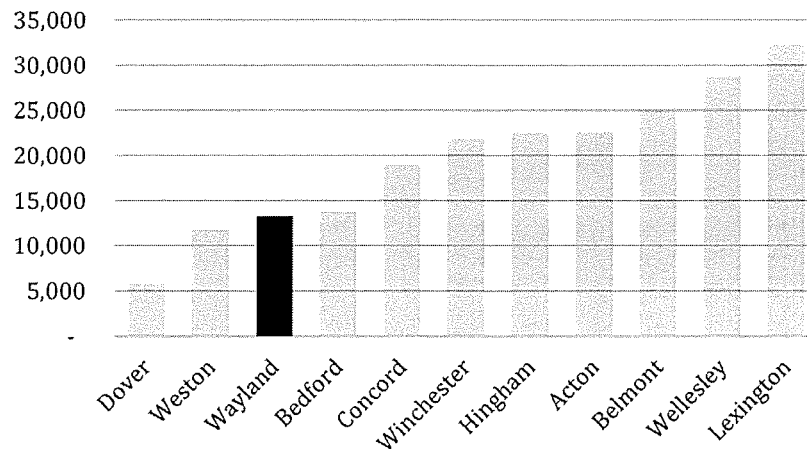
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**Table 2.3.1. Percent Change From Preceding Period in Real Personal Consumption Expenditures by Major Type of Product [Percent]** Seasonally adjusted at annual rates  
Bureau of Economic Analysis Last Revised on: December 20, 2013 - Next Release Date  
January 30, 2014



Town of Wayland  
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Massachusetts Moody's Aaa Rated Communities:  
Population

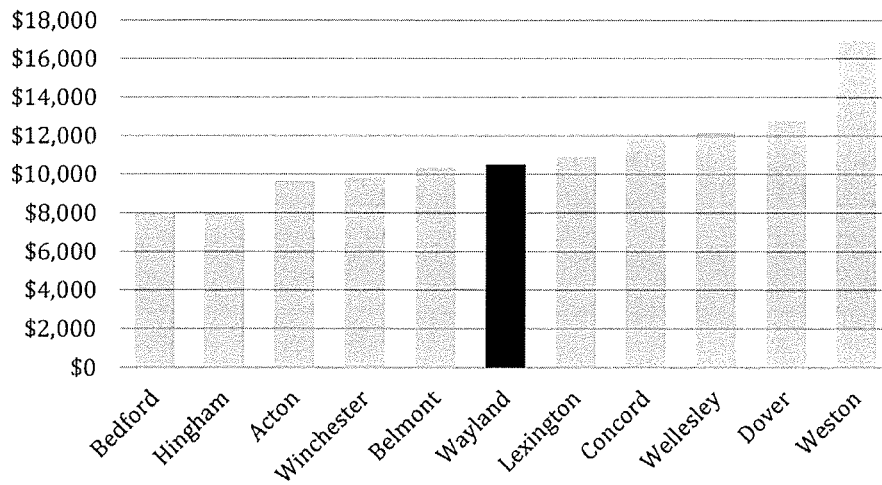


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**Massachusetts Moody's Aaa Rated Communities:  
Average Real Property Tax Bill**



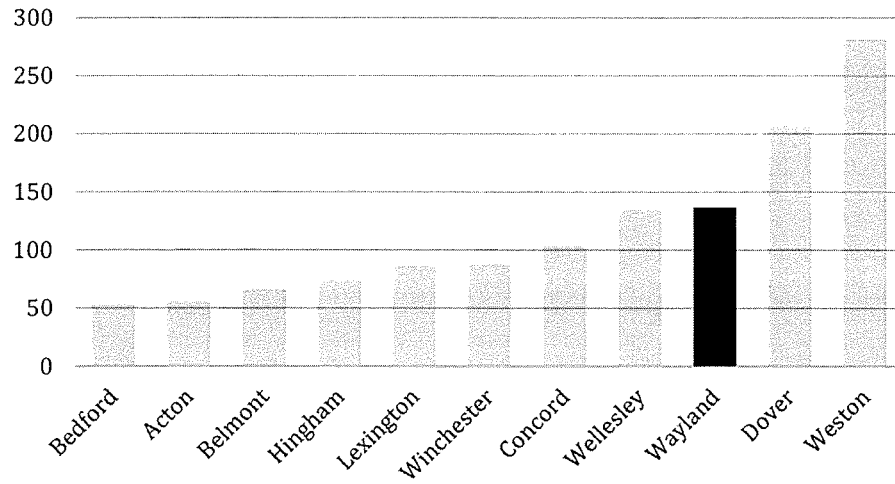
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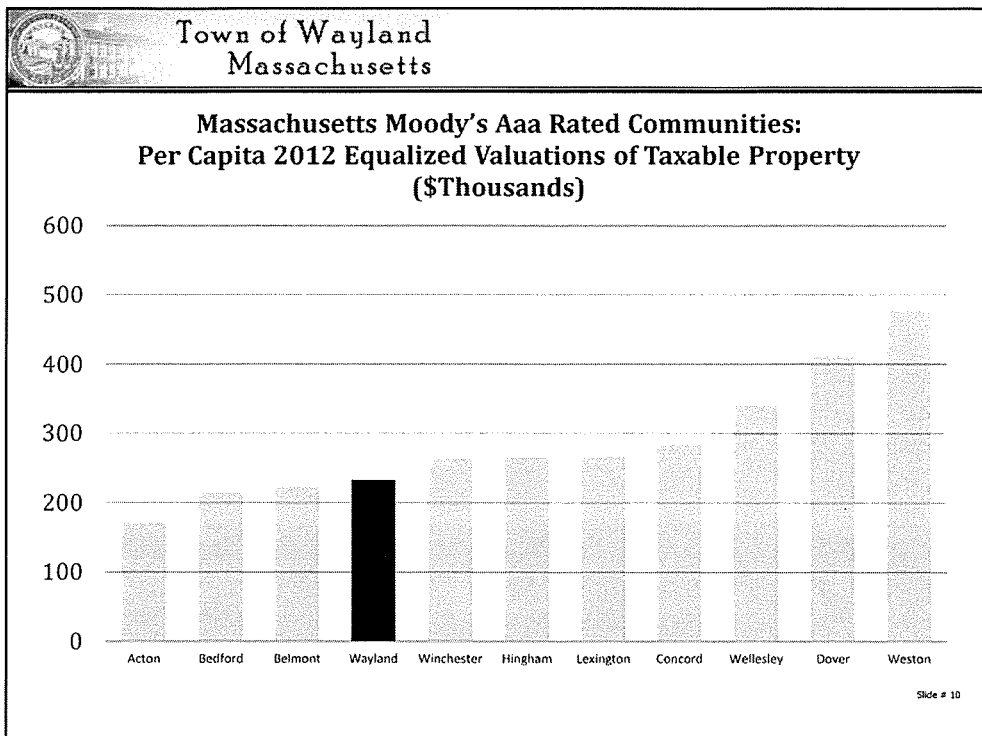


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**Massachusetts Moody's Aaa Rated Communities:  
2010 Per Capita Income (\$Thousands)**



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The Equalized Valuations represent the DOR Bureau of Local Assessment's opinion of the full and fair cash value of all taxable property for each municipality as of January 1, 2012.



## Fin Com FY15 Financial Strategy Points

- Maintain existing services & infrastructure
- Exert fiscal discipline
- Manage both long and short term debt service down
- Follow borrowing policies
- Keep Aaa bond rating to reap permanent debt service benefits
- Continue to address long term liabilities

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### **Fin Com FY15 Financial Strategy Points (Cont.)**

- Watch health insurance cost increases
- Continue the Capital Improvement Plan (CIP)
- Maintain free cash policy to keep a balance of 5-10% of next year's operating budget:
  - Monitor current expenses and turnback estimates
  - Accurately project local and state revenue



## Budget Process

The Finance Committee considers many factors when setting budget guidelines and recommending a budget, including

- The economic environment
- Requests by departments and boards/committees
- Requests by residents who represent various constituencies in Wayland, and
- Information from meetings with Town departments and boards.



**Town of Wayland  
Massachusetts**

**Sept-Oct**

**FinCom Issues Budget  
Guidelines**

**Oct-Dec**

**Boards & Committees Prepare  
& Recommend Budgets to  
FinCom**

**Dec-Feb**

**FinCom Reviews &  
Recommends Budget to  
Town Meeting**

**April**

**Town Meeting Votes Budget**

See Mass. G.L. ch. 39 § 16, Mass. G.L. ch. 41 § 59,  
Wayland Bylaws § 19.2 -- 19-5.

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## FY15 Budget Challenges

- Diverse demands on and for town services
- Less available Free Cash to fund operating budget
- Lack of growth in both local and state revenue
- Proposed School reconfiguration
- Rising interest rate environment

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## **FY15 Proposed Operating Budget**





## FY15 Operating Budget Guidelines

- Allow COLAs, step and lane increases, per current contracts
- Include other required or contractual increases
- Adjust utility accounts as needed
- Other accounts flat

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## FY15 Operating Budget Overview

- Overall Omnibus Budget increase of 3.14% over FY14
  - FY13 & FY14 used about \$7 million and \$4.5 million of free cash to balance the operating budget
  - FY2015 uses about \$1 million of free cash to balance budget

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### **FY15 Operating Budget Review Strategy**

- Set workable guidelines
- Actively engage with Boards and Commissions through Liaisons
- Conduct trend, consistency, and variance analysis across years and departments
- Identify and challenge budget drivers
- Review personnel requests with the Personnel Board
- Require budget narratives and meet with all Boards and Departments with budgets over \$500,000

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### FY15 Operating Budget Drivers

➤ Schools:	\$2,036,042	6.10%
➤ Reconfiguration		
➤ 1.5% COLA		
➤ Unclassified:	(\$443,293)	(4.86%)
➤ Health ins. up 8%		
➤ Debt Service:	\$440,113	5.65%
➤ Retirement:	\$232,988	6.23%
➤ Overlay:	\$336,000	35.37%
➤ Facilities:	\$25,517	2.37%

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## Proposed FY15 Operating Budget Summary

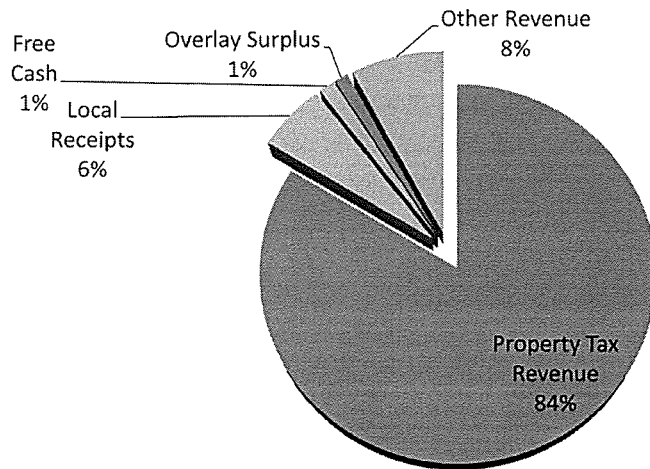
Estimated Revenues – G/F	\$ 68,453,991
Estimated Revenues – Enterprise	\$ 4,120,164
Estimated Expenditures – G/F	\$ 71,697,991
Estimated Expenditures – Enterprise	\$ 4,120,164
<b>Operating Deficit (Surplus)</b>	<b><u>\$ 3,244,000</u></b>
Use of Ambulance Receipts	\$ 360,000
Use of Bond Premium	\$ 101,000
Use of Free Cash	\$ 1,000,000
Transfers from Other Funds	\$ 933,000
Use of Overlay Surplus	<u>\$ 850,000</u>
<b>Net Omnibus Deficit (Surplus)</b>	<b>\$ 0</b>

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### Wayland FY2015 General Fund Operating Budget

#### Revenues

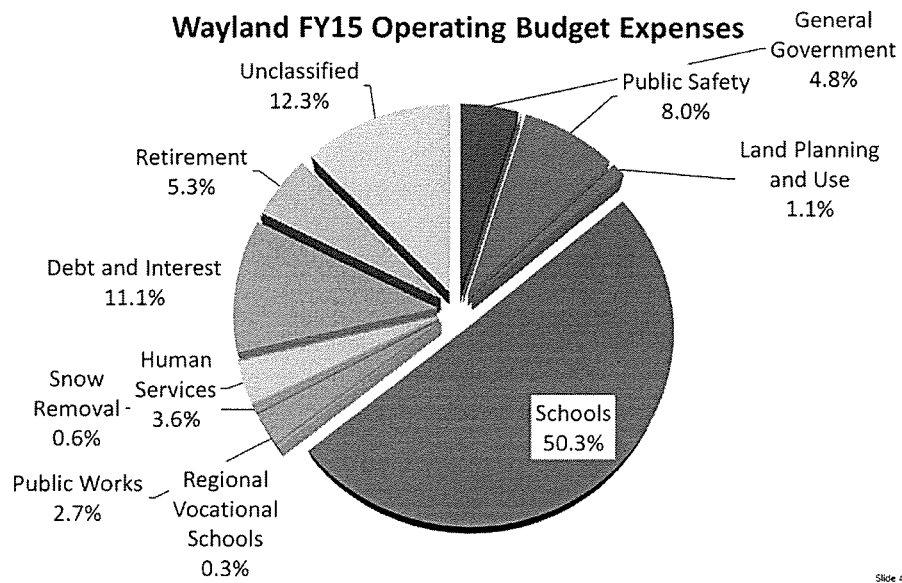


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## Town of Wayland Massachusetts

### Wayland FY15 Operating Budget Expenses



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### Four-Year Trends

➤ Growth in Operating Budget FY12 to FY15

- FY12 \$67,257,000
- FY13 \$65,827,000
- FY14 \$69,243,000
- FY15: \$71,697,000

✧ **Average annual increase over four years:** 2.20%

✧ **Annual increase FY 14 to FY 15:** 3.54%

➤ Growth in Tax Levy FY12 to FY15

- FY12 \$55,515,000
- FY13 \$52,012,000
- FY14 \$54,588,000
- FY15 \$60,013,000

✧ **Average annual increase over four years:** 2.70%

✧ **Annual increase FY 14 to FY 15** 9.04%

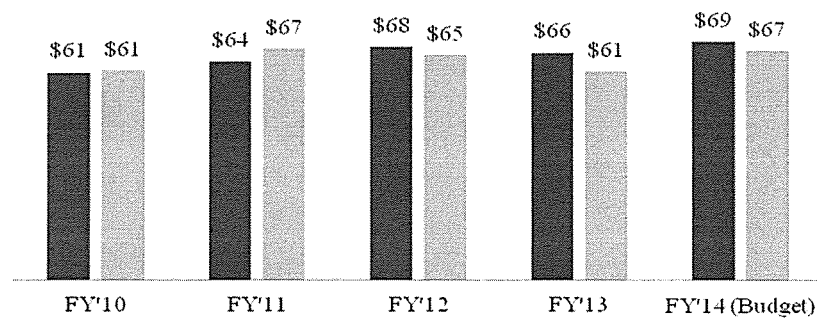
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### General Fund Activity (\$Millions)

■ Operating Expenses ■ Operating Revenue



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Town of Wayland  
Massachusetts

Fiscal Year	Free Cash Offset	Overlay Surplus Offset	Total Nonrecurring Revenue
FY10	\$ 1,100,000	--	\$ 1,100,000
FY11	\$ 250,000	--	\$ 250,000
FY12	\$ 4,500,000	--	\$ 4,500,000
FY13	\$4,800,000	\$1,720,000	\$6,520,000
FY14	\$2,500,000	\$850,000	\$3,350,000
Total FY12-14	<b>\$11,800,000</b>	<b>\$2,570,000</b>	<b>\$14,370,000</b>

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## FY15 Budget – Projected Tax Impact

- Estimated real property taxes on a \$600,000 house:
  - \$12,091
- 9.98% increase in the average tax bill from FY14 to FY15
- 6.32% average increase in the average tax bill from FY13 to FY15



## **FY15 Proposed Capital Budget**

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## Capital Budget Discussion Agenda

1. Capital Budget Process and Guideline
2. Capital Budget Review Strategy
3. Difference between Initial Request & Final Proposed Budget
4. Proposed Funding Sources
5. FY 2015 Capital Budget by Department
  - Facilities \$3,067,826
    - Mechanical/Electrical Upgrades
  - Schools \$2,067,400
  - DPW \$1,135,000
  - Other \$455,000
  - Water – Enterprise Fund \$1,075,000



## #1 - FY15 Process & Guideline

- Submissions due on October 28, 2013
- Requests were submitted on CIP forms; FinCom held discussions with department personnel concerning timing, necessity, resource allocation, funding.
- For FY15, the Finance Committee selected funding sources to minimize taxpayer impact, sometimes at a variance to our debt guidelines.

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## #2 - FY15 Capital Budget Review Strategy

- Projects must be vetted and ready for ATM presentation.  
There must be a demonstrated need and the sponsoring board/committee should be prepared to advocate for the project.
- For FY 2015, goal is to fund capital requests within the tax levy or with cash.
- For previously approved projects, FinCom  
Reiterated the importance of project costs meeting budget, otherwise excess funds to be returned to free cash.  
Monitored prior capital appropriations and  
Obtained status report of earlier projects for timing, budget changes

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### #3 - FY15 Capital Budget Changes

- ☐ Original capital budget totaled \$12,230,076
- ☐ Proposed capital budget totals \$ 7,800,226
- ☐ Capital items are adjusted annually as follows:
  - removed due to changes, for further study or because other funding sources are being explored
  - reduced because of efficiencies or to meet budget
  - deferred for project timing or funding reasons
  - increased for efficiencies in timing or scale

Ongoing review of open capital projects.

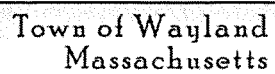




Town of Wayland  
Massachusetts

#4 - FY15 Funding Sources Summary

<b>Total Recommended Capital</b>	<b>\$7,800,226</b>
Cash Capital	\$160,000
Free Cash -- No Impact on Tax Levy	\$415,000
Ambulance Receipts-- No Impact on Tax Levy	\$150,000
Non-Exempt Capital (Operating)	\$5,850,226
CPA Funds -- No Impact on Tax Levy	\$150,000
Enterprise Funds (Water, Transfer Station) -- No Impact on Tax Levy -- Impact on customers	\$1,075,000



**Facilities - \$3,067,826**

(discussion follows on next pages)

**\$245,000**

Station 2 Tight Tank Install.	\$40,000
Public Safety Bldg. phone system	\$35,000
Town Bldg. painting/repairs	\$70,000
Town Bldg. window repl. /design	\$100,000

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## Town of Wayland Massachusetts

### Town Building Mechanical/Electrical Improvements:

- Wayland will contract with Ameresco, a State Certified, National Energy Services Company to implement improvements to town building infrastructure.
- Wayland will receive \$2,822,826 of capital improvements for roughly 58 projects.
- The goal is to effect energy, water and operational savings for the Town of over 20% annually going forward.
- Work includes upgrades to lighting systems, lighting controls, water improvements, energy efficient motors, weatherization, oil to gas boiler conversion at the library, replaced transformers at the MS, boiler replacements, among other items

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## Town of Wayland Massachusetts

### Town Building Mechanical/Electrical Improvements (cont'd)

-- Wayland will borrow \$2,822,826 of non-exempt debt, of which only approximately \$500,000 will be paid for using Town funds. Debt service (principal and interest) on the remaining amount borrowed will be offset by energy, utility savings and a Guarantee from Ameresco.

-- Project spending breakdown approximates:

\$881,000 at Town Building,  
\$700,000 at Happy Hollow,  
\$446,000 at Middle School,  
\$356,000 at Claypit Hill School,  
\$134,000 at Loker School, and  
\$119,000 at Library and other buildings.

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**Town of Wayland  
Massachusetts**

**#5 - FY 2015 Capital Budget by Department**

***Schools - \$2,067,400***

**Claypit Hill** **\$1,181,000**

Window replacement  
(potential MSBA funding - 36% or \$400,000) \$1,110,000  
Furniture and Floor Tile replacement \$71,000

**Happy Hollow:** **\$165,000**

Furniture and Floor Tile replacement \$145,000  
Art Room renovation \$20,000

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**Loker School** **\$311,400**

Kitchen / Cafeteria Renovation*	\$211,400
Security & Playground Structure	\$100,000

**Middle School:** **\$410,000**

Window replacement	\$250,000
Security & Furniture Replacement	\$90,000
A/C improvements	\$70,000



Town of Wayland  
Massachusetts

**#5 - FY 2015 Capital Budget by Department**

***DPW - \$1,135,000***

<b>--Trucks/Equipment</b>		<b>\$460,000</b>
Bobcat	\$60,000	
(2) Dump Trucks	\$400,000	
<b>--Townwide road reconstruction</b>		<b>\$250,000</b>
Rte 30 W., Old Sudbury Road		
<b>--Cemetery expansion</b>		<b>\$200,000</b>
add plots - North Cemetery		
<b>--Other DPW</b>		<b>\$225,000</b>
Parkland/Charles Traffic/Safety	\$75,000	
Culvert Repairs	\$100,000	
Transfer Station Upgrade	\$50,000	

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Town of Wayland  
Massachusetts

**#5 - FY 2015 Capital Budget by Department**

*Other Town Capital items - \$455,000*

<b>Conservation</b>		<b>\$180,000</b>
Forty Acres Drive	\$150,000	
Conservation Land	\$30,000	
<b>Fire Department</b>		<b>\$150,000</b>
Brush truck Upgrade	\$125,000	
Rescue Boat, motor, trailer	\$25,000	
<b>Information Technology</b>		<b>\$50,000</b>
Document Management System		
<b>Recreation</b>		<b>\$75,000</b>
Field Improvements		

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#5 - FY 2015 Capital Budget by Department

*Water - \$1,075,000*

**Enterprise Fund**

Pump Station Upgrade	\$1,000,000
Vehicles	\$75,000



Town of Wayland  
Massachusetts

**Estimate of Free Cash Level**

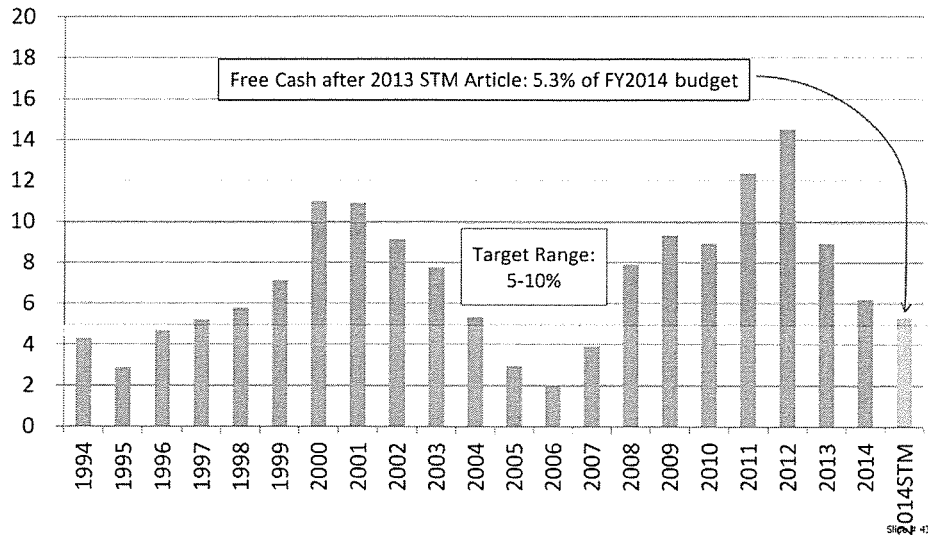
➤ Balance at June 30, 2013		\$4,091,000
➤ Estimated increases (decreases) before June 30, 2014		\$1,182,000
• FY 2013 HS Borrowing	\$ 1,500,000	
• Local receipts/dept givebacks	\$ 1,000,000	
• STM Tax Rate buydown	\$ (900,000)	
• Current year transfers	\$ (418,000)	
➤ Proposed cash usage with the FY15 budget		\$(1,000,000)
• To balance operating budget	\$(1,000,000)	
➤ <b>Estimated ending cash balance June 30, 2014</b>		<b>\$4,273,000</b>

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# Town of Wayland Massachusetts

## Free Cash as a Percentage of Operating Budget by Fiscal Year





Town of Wayland  
Massachusetts

# Public Hearing On FY15 Omnibus Budget

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Total Capital Budget	\$ 7,800,226
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## Facilities

Schools	\$	2,067,400	27%
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DPW \$ 1,135,000 15%

Fire		2%
Brush truck upgrade	125,000	
Boat, trailer and motor	25,000	
	\$	150,000

Conservation		
Pine Brook and Plain Road	150,000	
Conservation Land	30,000	
		2%
	\$ 180,000	

ENTERPRISE FUND:	
Water	
Pump Station Upgrades	\$ 1,000,000
Other Water Dept	\$ 75,000
	13%
	1%

Total Capital Budget	\$ 7,800,226	86%
Enterprise Fund	\$ 1,075,000	
General Fund	\$ 6,725,226	

%	415,000	160,000	5,820,226	-	180,000	1,075,000	150,000	7,800,226
	5%	2%	75%	-	2%	14%	2%	100%

**DRAFT- RECAP OF FY 15 BUDGET REQUESTS  
REVENUE AND EXPENDITURES**

**EXPENDITURES**

	Payroll	Expenses	Total	\$ Increase 2015 / 2014	% Increase 2015 / 2014
Town	10,879,017.00	3,881,857.00	14,760,874.00	162,102.00	1.11%
School	28,946,699.00	6,486,348.00	35,433,047.00	2,036,042.00	6.10%
Debt	-	7,789,060.00	7,789,060.00	440,113.00	5.65%
Retirement	-	3,740,468.00	3,740,468.00	232,988.00	6.23%
Unclassified-Other	-	2,190,000.00	2,190,000.00	(455,000.00)	-182.00%
Health Insurance-Estimated	-	6,489,566.00	6,489,566.00	11,707.00	0.18%
<b>Total Departmental</b>	<b>39,825,716.00</b>	<b>30,577,299.00</b>	<b>70,403,015.00</b>	<b>2,427,952.00</b>	<b>3.57%</b>
Water Enterprise			3,432,054.00	(124,046.00)	-3.00%
Wastewater Enterprise			654,905.00	(32,975.00)	-5.00%
Septage Enterprise			33,202.00	-	-
<b>Total Enterprise</b>	<b>-</b>	<b>-</b>	<b>4,120,161.00</b>	<b>(157,021.00)</b>	<b>-3.67%</b>
<b>Total-Ombus Budget</b>	<b>39,825,716.00</b>	<b>30,577,299.00</b>	<b>74,523,176.00</b>	<b>2,270,931.00</b>	<b>3.14%</b>
Unappropriated	-	1,134,976.00	1,134,976.00	336,000.00	25.95%
Transfer to Other Funds	-	160,000.00	160,000.00	(310,000.00)	-193.75%
<b>Total Other</b>	<b>-</b>	<b>1,294,976.00</b>	<b>1,294,976.00</b>	<b>26,000.00</b>	<b>2.05%</b>
<b>Total General Fund</b>	<b>39,825,716.00</b>	<b>31,872,275.00</b>	<b>75,818,152.00</b>	<b>2,296,931.00</b>	<b>3.12%</b>
<b>REVENUES</b>					
Taxation	-	-	60,012,642.00	5,423,952.00	9.94%
State Aid	-	-	4,260,945.00	-	0.00%
Local Receipts	-	-	4,180,404.00	-	0.00%
Free Cash - Operating	-	-	1,000,000.00	(2,400,000.00)	-70.59%
Transfers from other funds					
Ambulance Fund	-	-	360,000.00	-	-
Overlay	-	-	850,000.00	(345,000.00)	-28.87%
Bond Premium	-	-	101,000.00	-	-
Water Fund	-	-	393,000.00	-	-
Septage Fund	-	-	33,000.00	-	-
Wastewater Fund	-	-	15,000.00	-	-
Recreation Revolving	-	-	82,000.00	-	-
Station Revolving	-	-	42,000.00	-	-
BASE	-	-	164,000.00	-	-
Childrens Way	-	-	165,000.00	-	-
Food Service	-	-	-	(225,000.00)	-100.00%
Full Day Kindergarten	-	-	39,000.00	-	-
Water Enterprise Revenues			3,432,054.00	(124,046.00)	-3.00%
Wastewater Revenues			654,905.00	(32,975.00)	-5.00%
Septage Retained Earnings			33,202.00	-	-
<b>Total</b>			<b>75,818,152.00</b>	<b>2,296,931.00</b>	<b>3.12%</b>

**FISCAL 2015  
DRAFT BUDGET 2/10/2014**

**FY2013  
Expended**

**FY2014  
Adopted**

**FY2015  
FinCom**

General Government	3,059,664	3,210,316	3,346,701
Public Safety	5,275,664	5,553,169	5,605,735
Land Planning and Use	680,393	745,699	768,380
Schools	32,521,600	33,397,005	35,433,047
Regional Vocational Schools	257,220	212,427	199,833
Public Works	2,101,294	1,928,192	1,884,286
Snow Removal	611,660	450,000	450,000
Human Services	2,410,112	2,498,969	2,505,939
Debt and Interest	7,637,937	7,348,947	7,789,058
Retirement	3,171,056	3,507,480	3,740,468
Unclassified	6,248,275	9,122,859	8,679,566
<b>TOTAL - GENERAL FUND</b>	<b>63,974,875</b>	<b>67,975,063</b>	<b>70,403,013</b>
<b>ENTERPRISE FUNDS</b>	<b>4,877,578</b>	<b>4,277,185</b>	<b>4,120,164</b>
Water Fund	4,245,589	3,556,100	3,432,054
Septage Fund	32,807	33,205	33,205
Wastewater Management District	599,182	687,880	654,905
<b>TOTAL - OMNIBUS BUDGET</b>	<b>68,852,453</b>	<b>72,252,248</b>	<b>74,523,177</b>
<b>Non-appropriated expenses</b>	<b>1,110,367</b>	<b>1,242,812</b>	<b>1,294,976</b>
Real estate abatements (overlay)	600,000	614,000	950,000
State and County Assessments	185,367	158,812	159,180
Capital	325,000	470,000	160,000
Miscellaneous-Cherry Sheet Offset	0	0	25,796.00
<b>Totals</b>	<b>69,962,820</b>	<b>73,495,060</b>	<b>75,818,153</b>

FISCAL 2015 CAPITAL BUDGET REQUESTS			
GENERAL FUND			Capital Budget
Department	Type	Description	
Facilities	Building repair	TB exterior painting & repairs	70,000.00
Facilities	Building repair	TB window replacement design	100,000.00
Facilities	Building repair	Public Safety Building phone system	35,000.00
Facilities	Building repair	Station 2 Tight Tank installation	40,000.00
Facilities	Building repair	Town wide energy , electical and mechanical upgrades.	2,822,826.00
			<u>3,067,826.00</u>
DPW	Infrastructure	Town wide road reconstruction	250,000.00
DPW	Infrastructure	Cemetery expansion	200,000.00
DPW	Infrastructure	Parkland / Charles	75,000.00
DPW	Infrastructure	Culvert repairs	100,000.00
DPW	Infrastructure	Transfer Station upgrade	50,000.00
DPW	Equipment	Heavy Equipment / Bobcat	60,000.00
DPW	Equipment	Heavy Trucks / H-16 Dump Truck	200,000.00
DPW	Equipment	Heavy Trucks / H-19 Dump Truck	200,000.00
			<u>1,135,000.00</u>
Fire	Vehicle	Brush truck upgrade	125,000.00
Fire	Equipment	Boat, trailer and motor	25,000.00
			<u>150,000.00</u>
Recreation	Land	Field improvements	75,000.00
IT Dept.	Misc.	Document Management	50,000.00
Conservation	Land	Land acquisition / open space / Pine Brook and Plain Road	150,000.00
Conservation	Land	Conservation Land	30,000.00
			<u>180,000.00</u>
School- Claypit	Equipment	Furniture replacement	35,000.00
School- Happy Hollow	Equipment	Furniture replacement	35,000.00
School-Middle	Equipment	Furniture replacement	25,000.00
School- Claypit	Building repair	Floor Tile replacement	36,000.00
School-Happy Hollow	Building repair	Renovation of Art Room	20,000.00
School- Loker	Building repair	Kitchen / Café Renovation	211,400.00
School-Middle	Building repair	Security Improvement	65,000.00
School-Middle	Building repair	Window replacement	250,000.00
School-Middle	Building repair	A/C Improvements	70,000.00
School- Claypit	Building repair	Door and Window replacement	1,110,000.00
School- Happy Hollow	Building repair	Floor Tile replacement	110,000.00
School- Loker	Building repair	Security Improvement	45,000.00
School-Loker	Land Improvement	Playground replacement	55,000.00
			<u>2,067,400.00</u>
Total General Fund			<u>6,725,226.00</u>
WATER FUND			
Department	Type	Description	Budget
Water Dept.	Building repair	Pump station upgrade	1,000,000.00
Water Dept.	Vehicles	Vehicles	75,000.00
Total Water Fund			<u>1,075,000.00</u>
Total Fiscal 2015 requested budget			<u>7,800,226.00</u>