



FY 17 Omnibus Budget : Operating and Capital Improvement Plan

February 16, 2016



Discussion Outline

- ☐ FinCom Mission
- ☐ Property Values and Taxes
- ☐ Budget Process
- ☐ FY17 Financial Strategy
- ☐ Budget Challenges
- ☐ Proposed FY17 Operating Budget
- ☐ Proposed FY17 Capital Budget
- ☐ Free Cash Projections



Finance Committee's Mission Statement

- ☐ 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.
- ☐ The Finance Committee seeks to balance the demand for services with the ability of residents to afford those services.



Finance Committee FY17 Financial Strategy Points

- ☐ Maintain existing services and infrastructure
- ☐ Exert fiscal discipline
- ☐ Manage both long and short term debt service
- ☐ Keep Aaa bond rating to reap debt service benefits
- ☐ Assess FY17 Capital Improvement Plan (CIP) submissions
- ☐ Maintain free cash at 5-10% of operating budget
- ☐ Monitor all capital projects to ensure timely closeout; fine tune current budgets to minimize turnbacks from departments, continuing the positive trend of the past several years.



Budget Process

The Finance Committee considers the following factors when setting budget goals and recommending a budget:

- ☐ The economic environment
- ☐ Requests by Departments and Boards/Committees
- ☐ Requests by residents
- ☐ Meeting with Town Departments and Boards.



Budget Timeline

- | | |
|---|--|
| <input type="checkbox"/> Early October | FinCom Issues Budget Process memo |
| <input type="checkbox"/> Oct-Dec
Recommend | Boards and Committees Prepare and
Budgets to FinCom |
| <input type="checkbox"/> Dec-Feb
Town | FinCom Reviews and Recommends Budget to
Meeting |
| <input type="checkbox"/> April | Town Meeting Votes Budget |



FY17 Budget Challenges

- ☐ Diverse demands for town services
- ☐ Working within uncertain economic times
- ☐ Measured use of free cash over time
- ☐ Reconciliation of capital requests with debt service impact



FY17 Proposed Operating Budget



FY17 Operating Budget Goal

- ☐ Overall increase of FY2017 Omnibus Operating Budget of 2.5%



Budget Drivers

Budget Line Item(s)	Approved FY2016	Requested FY2017	Requested Change vs. 2.5% Goal	FY17 vs. FY16 % Change
Information Technology	322,032	797,273	467,190	147.58%
Fire & ALS	2,558,457	2,751,321	128,903	7.54%
DPW	2,125,979	2,277,348	98,220	7.12%
Retirement	3,971,988	4,235,414	164,126	6.63%
Health/Life	6,925,218	7,320,640	222,292	5.71%
Schools	36,719,239	37,722,833	85,613	2.73%
All Other	20,019,871	19,873,984	-646,384	-0.73%
Total GF	72,642,784	74,978,813	519,959	3.22%
Enterprise Funds	4,463,903	4,535,304	-40,197	1.60%
Omnibus Operating Budget	77,106,687	79,514,117	479,763	3.12%



PROPOSED FY 2017 General Fund Expenses and Revenues (incl. cash capital)

Thousands of Dollars	Approved FY 2015	Approved FY 2016	Proposed FY 2017
Operating Budget	70,303	72,643	74,979
Change Over Prior Year	3.43%	3.33%	3.22%
Other Expenses	1,263	771	1,032
Total Amount to be Raised (1+2)	71,566	73,414	76,011
Total Revenues	71,566	73,414	76,011
Property Tax Revenue	59,503	58,376	63,481
Local Receipts	4,180	4,180	4,300
Free Cash	1,000	4,350	1,500
Overlay Surplus	665	150	300
Other Revenue	6,218	6,358	6,430
State Aid	4,581	4,666	4,741
Ambulance Receipts	360	360	360
Bond Premium	101	94	91
Transfers from other funds	1,176	1,238	1,238



Expense Budget Summary By Function

Description	FY 2014 Expended	FY 2015 Expended	FY 2016 Adopted	FY 2017 Proposed	Percent Change
General Government	3,247,496	3,153,958	3,375,879	3,933,342	16.51%
Public Safety	5,365,439	5,368,881	5,657,091	5,911,589	4.50%
Land and Planning Use	719,432	727,256	812,353	849,868	4.62%
Schools	33,516,931	35,194,711	36,719,239	37,722,833	2.73%
Regional Vocational Schools	212,417	203,026	110,045	73,027	-33.64%
Public Works	1,885,473	1,710,417	2,125,979	2,277,348	7.12%
Snow Removal	634,825	944,141	450,000	450,000	0.00%
Human Services	2,373,445	2,397,233	2,508,371	2,622,401	4.55%
Debt and Interest	7,308,513	7,692,910	7,751,620	7,539,351	-2.74%
Retirement	3,507,480	3,740,468	3,971,988	4,235,414	6.63%
Unclassified	7,251,532	7,743,551	9,160,218	9,363,640	2.22%
TOTAL - GENERAL FUND	66,022,983	68,876,552	72,642,783	74,978,813	3.22%
Water Fund	4,634,508	3,432,054	3,679,379	3,799,377	3.26%
Septage Fund	33,205	39,502	34,369	9,051	-73.67%
Wastewater Fund	662,633	654,905	750,155	726,876	-3.10%
TOTAL - ENTERPRISE FUNDS	5,330,346	4,126,461	4,463,903	4,535,304	1.60%
TOTAL - OMNIBUS BUDGET	71,353,329	73,003,013	77,106,686	79,514,117	3.12%



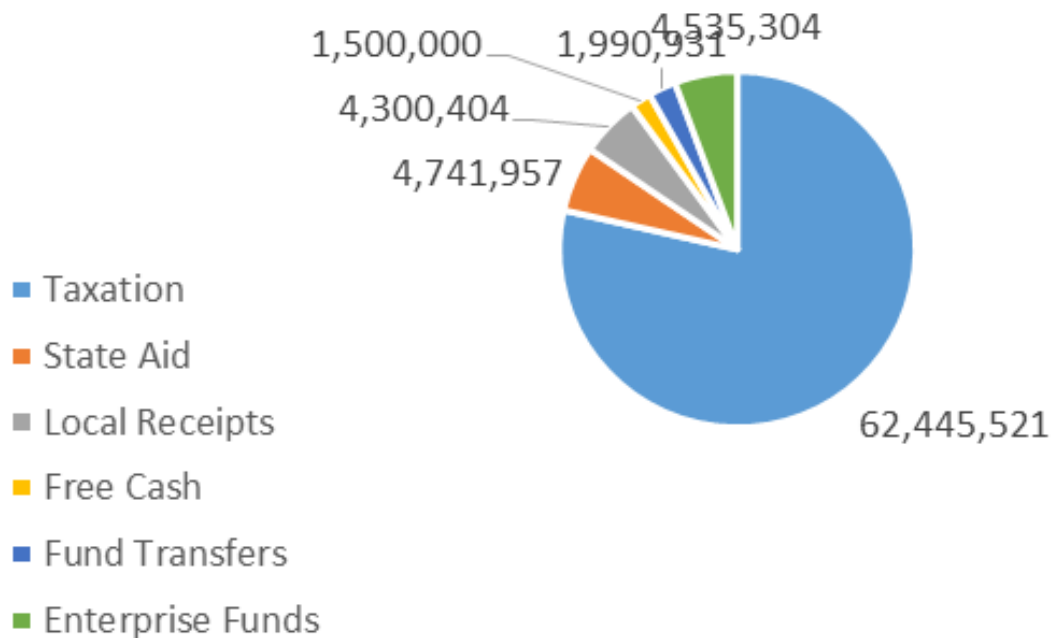
Real Estate Tax Forecast

TABLE 4: REAL ESTATE TAX RATE FORECAST

	Approved 2015	Approved 2016	Proposed 2017
Thousands of Dollars			
<u>Real Property Tax Rate Forecast</u>			
Property Tax Revenue	59,503	58,376	63,481
Divided by Total Assessed Valuation	3,240,146	3,366,486	3,366,486
Equals Tax Rate (Mils)	18.36	17.34	18.86
Percent Change in Tax Rate from Prior Year	0.19%	-5.58%	8.75%
Average Annual Change from FY15	0.19%	-5.40%	6.69%
<u>Average Residential Real Property Tax Bill</u>			
(assuming \$655,000 assessment-not in thousands)	11,019	11,358	12,387
Average Annual Change from prior year	0.19%	-5.58%	9.06%

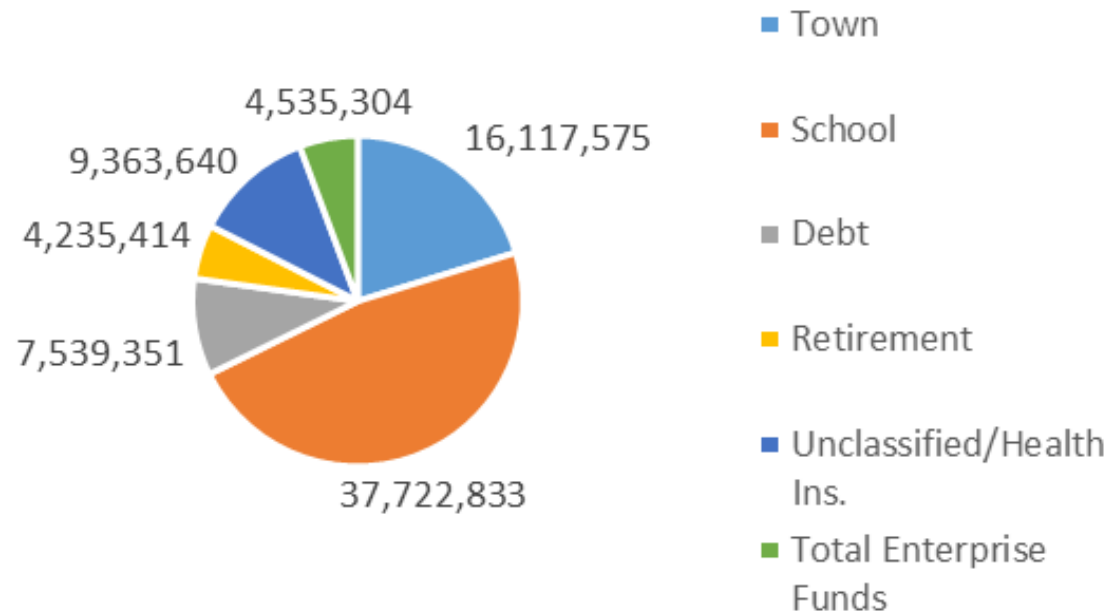


Proposed FY2017 Operating Budget Revenues 79,514,117





Proposed FY 2017 Operating Budget Expenses 79,514,117





OTHER NON OPERATING EXPENSES

Description	Amount
Real Estate Overlay	\$600,000
State / County Assessment	\$110,000
Cash Capital	\$305,000
Cherry Sheet Offsets	\$17,500
Total	\$1,032,500

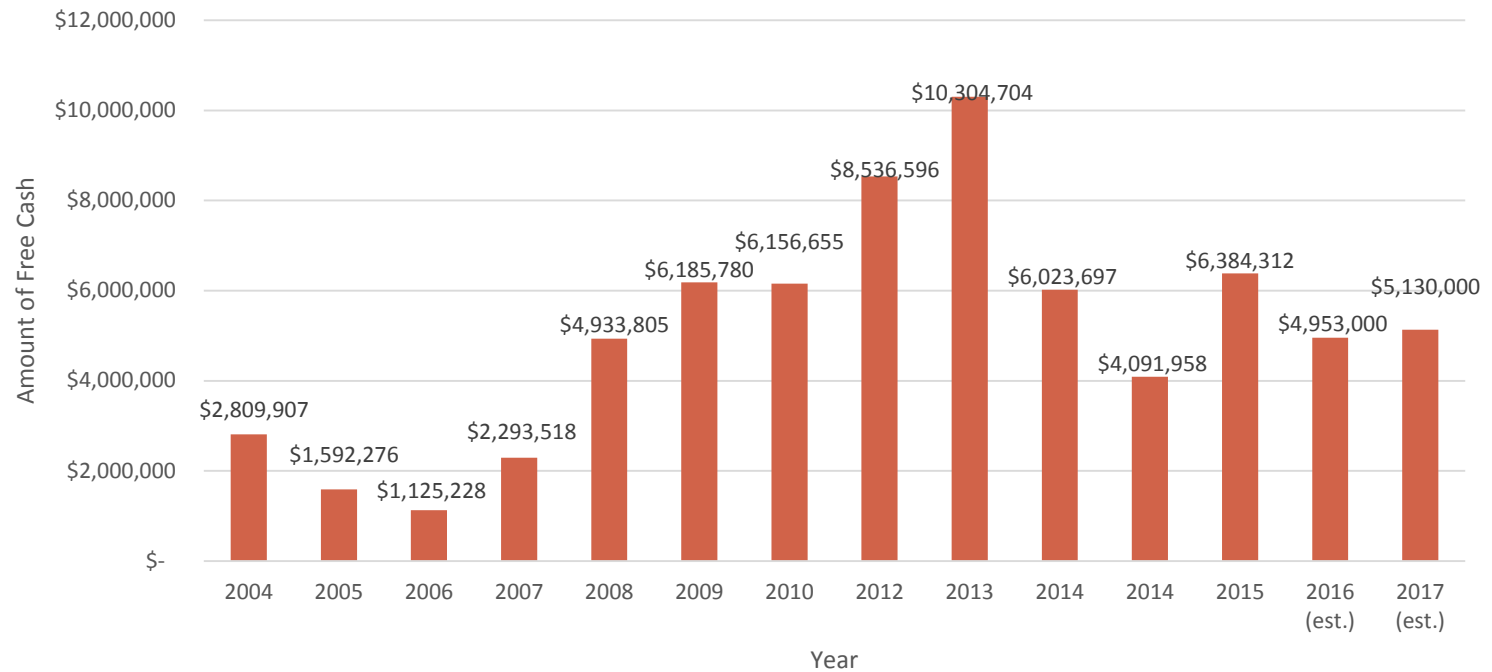
TOTAL FY 2017 TOWN OPERATIONS EXPENSES

Expense	Amount
General Fund	\$74,978,813
Water Enterprise	\$3,799,377
Septage	\$9,051
Wastewater	\$714,276
Non-Appropriated	\$727,500
Cash Capital	\$305,000
Total	\$80,534,017



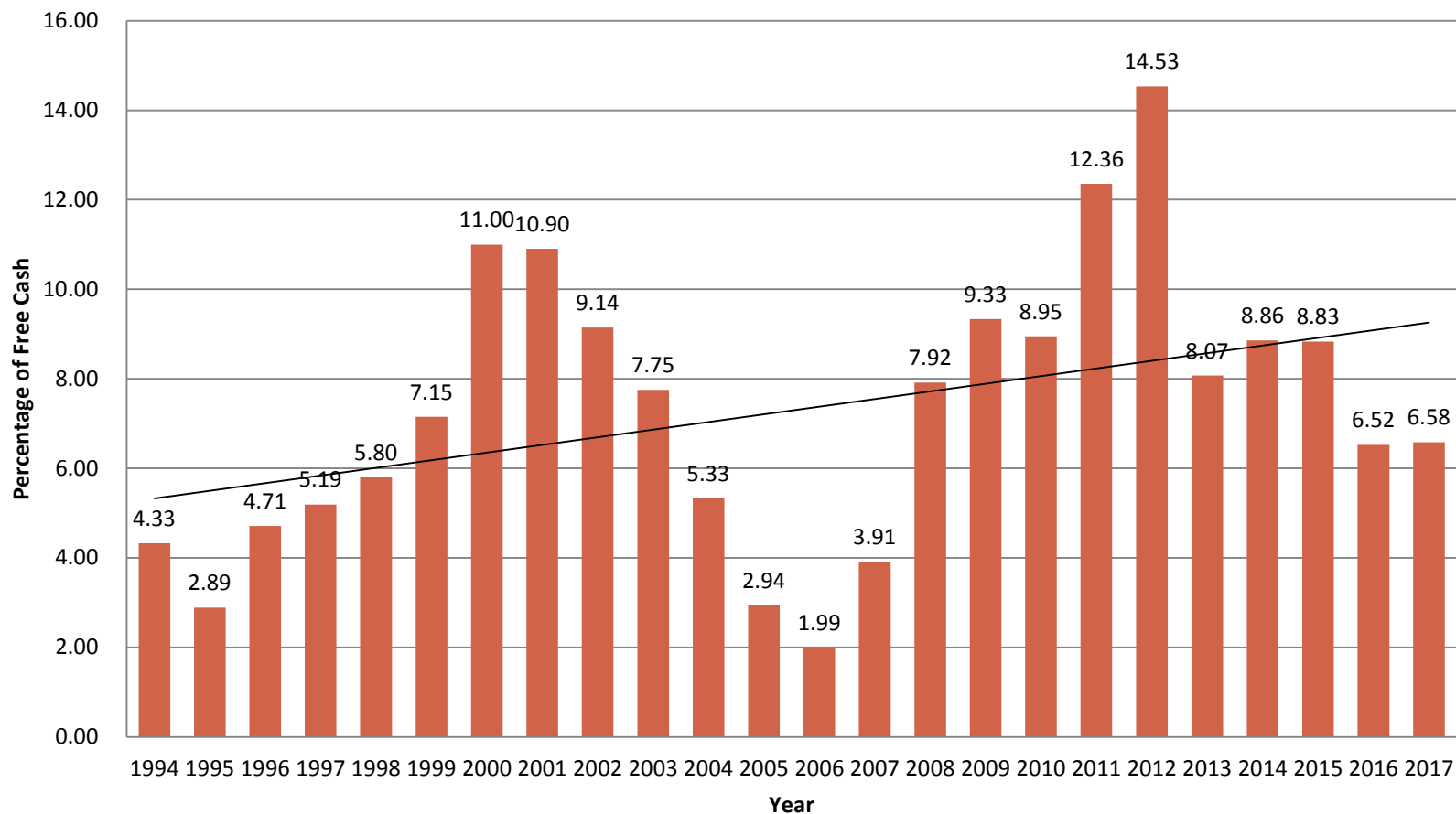
Town of Wayland Massachusetts

Town of Wayland Historical Free Cash





Free Cash as a Percentage of Budget





FY17 Proposed Capital Budget



FY17 Proposed Capital Budget Development Timeline

CIP Requests
\$26,940,299

CIP Requests
\$17,693,971

CIP Requests
\$9,023,699

Decrease Rationale

- Further Study Needed
- Other Funding Sources
- Efficiencies Identified
- To Meet Budget
- Timing Issue
- Funding Issue

Increase Rationale

- Efficiencies in Timing
- Efficiencies in Scale

September 25, 2015
Finance Director submits proposed capital projects and 5 year capital improvement plan CIPs to FinCom

October 19, 2015
FinCom Begins CIP Review Process

November 16, 2015
FinCom Review of proposed CIPs

December 14, 2015
FinCom Review of proposed CIPs

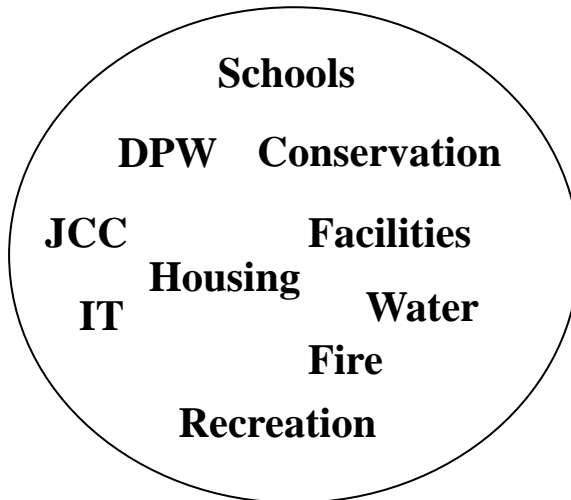
January 13, 2016
FinCom Committee Votes On 2017 Capital Budget

All requests went through the CIP process

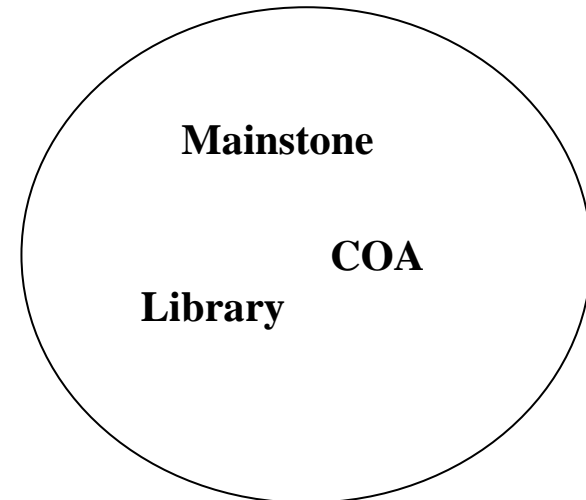


FY17 Proposed Capital Budget Guideline

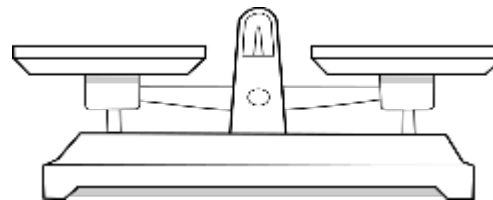
CIPs: \$9,023,699



Articles



For FY17, the Finance Committee has again selected funding sources to minimize taxpayer impact, sometimes at a variance to our debt guidelines





FY17 Capital Budget Review Strategy

- ☐ Projects must be ready for ATM presentation
- ☐ Capital requests within the tax levy or with cash
- ☐ Eliminate end of year turn back scenarios
- ☐ Funds created for a specific purpose are used accordingly
- ☐ Identify and remediate underfunding infrastructure



FY17 Capital Budget Funding Sources

Source of Funds	Impact on Tax Levy	FY16 Actual	FY17 Budgeted	Increase/Decrease
Cash Capital		\$120,439	\$305,000	\$184,561
Free Cash	None	\$300,000	\$290,000	(\$10,000)
Surplus Bond Proceeds- Closed projects		\$859,757	\$0	(\$859,757)
Non-Exempt Capital (Operating)		\$1,462,904	\$4,520,000	\$3,057,096
CPA Funds	None	\$0		\$0
Ambulance Receipts	None	\$119,000	\$515,000	\$396,000
Enterprise Funds (Water, Transfer Station)	None	\$1,010,000	\$2,749,000	\$1,739,000
Cemetery Fund		\$0	\$50,000	\$50,000
DPW Real Estate Funds		\$0	\$545,000	\$545,000
Total Recommended Capital		\$3,872,100	\$8,974,000	\$5,101,900



FY 2017 CAPITAL PROJECTS BY DEPARTMENT - DPW

Type	Description	Budget	Description
Infrastructure	Town wide road reconstruction	775,000	This is funding to continue road improvement projects on the Town's 96 miles of roadway. At present construction rates, resurfacing costs approximately \$250,000 per mile.
Infrastructure	Cemetery expansion	50,000	This funding will allow for paving work to be done at Lakeview Cemetery
Equipment	Light Trucks-Replacement Schedule	90,000	This is a scheduled replacement
Equipment	Small Equipment-schedule	70,000	To replace various pieces of small equipment in the Park and Highway Departments (mowers, utility trailers, etc.) that alone cost under \$25,000, but as a whole represent a significant expenditure of DPW funds.
Equipment	Heavy Equipment-various	225,000	This is a scheduled replacement.
Equipment	Heavy Truck-Small Swap Loader	220,000	This is a scheduled replacement
Equipment	Transfer Station Trash Compactor	40,000	This is a scheduled replacement



FY 2017 CAPITAL PROJECTS BY DEPARTMENT - Conservation

Type	Description	Budget	Description
Building Repair	Shed and Office upgrades	30,000	Two fold goal - continue improvements to the Carriage shed where equipment is stored and upgrade office space to improve customer service and security for assets and records.



FY 2017 CAPITAL PROJECTS BY DEPARTMENT - JCC

Type	Description	Budget	Description
Equipment	Radios	25,000	Two police and fire radio repeaters are in need of replacement/upgrade. These repeaters have been in operation since March 11, 2002 and have outlived their operational expectancy. Nine individual radio dispatch transmitters that are 15 years old will also be replaced.



FY 2017 CAPITAL PROJECTS BY DEPARTMENT - Facilities

Type	Description	Budget	Description
Building repair	Transfer Station Building Improvement	48,000	Replace roof and doors at Transfer Station Building
Building repair	Demolition of old DPW Building	330,000	Demolition of old DPW Building



FY 2017 CAPITAL PROJECTS BY DEPARTMENT - IT

Type	Description	Budget	Description
Equipment	Town / School SAN upgrade	80,000	Upgrade Town and School Data Center SAN Storage.
Equipment	Data Center Patch Management Software	40,000	Town and School Data Center - Patch Management Software, initial purchase, installation and implementation.



FY 2017 CAPITAL PROJECTS BY DEPARTMENT - Fire

Type	Description	Budget	Description
Vehicle	Ladder and Fire Truck	950,000	Purchase a new ladder truck, that serves as both a ladder truck and an engine (a quint), to replace the current 24 year old piece of apparatus. Along with the actual truck we will be upgrading radio equipment and some safety equipment. This project is part of a normal and expected replacement schedule for this large specialized truck.
Vehicle	Rescue Pump Truck	490,000	Purchase a new rescue pumper to put in service as the busiest first line engine at Station #2.



FY 2017 CAPITAL PROJECTS BY DEPARTMENT - Recreation

Type	Description	Budget	Description
Land Imp	Happy Hollow Playground	100,000	Reconstruct the playground at Happy Hollow so that it is comparable in size, durability and functionality to the playgrounds at the other elementary schools. The renovated playground will include a main structure with multiple features such as a slide, monkey bars, climbing feature, etc., as well as a potentially smaller structure for children under the ages of 7 yrs. old. Replacement and re-location of the swings will also be part of the design process.



FY 2017 CAPITAL PROJECTS BY DEPARTMENT - Schools

School	Type	Description	Budget	Description
Claypit School	Equipment	Furniture Replacement	25,000	This is the fifth and final year of a 5-year plan to replace classroom furniture throughout the school. This request would replace the furniture in 4 classrooms with new student and teacher desks and chairs, bookshelves or files.
Food Service	Equipment	Food Service Equipment	60,000	First year of a four year program to upgrade major pieces of food service equipment throughout the School District. This request is for a walk-in cooler and a convection oven.
4 Locations	Equipment	Custodian Equipment	50,000	Purchase two floor cleaning machines, a 27" burnisher and a 26 disk auto scrubber, each to be used at Claypit Hill and at the High School, in order to increase productivity and cleanliness.
Happy Hollow	Building Repair	Floor Tile	65,000	This is the third and final year of a 3-year program to replace approximately 5,000 sq. ft. of ACM floor tile with vinyl-composition floor tile (VCT). This would equate to 4-5 classrooms.
Happy Hollow	Equipment	Furniture Replacement	25,000	This is the fifth and final year of a 5-year plan to replace classroom furniture throughout the school. This request would replace the furniture in 4 classrooms with new student and teacher desks and chairs, bookshelves or files.
Happy Hollow	Building Repair	Phone upgrade	50,000	This request is to install a wired Voice Over Internet Protocol (VoIP) telephone system at Happy Hollow, similar to the one recently installed at the Loker School.
Loker School	Building Repair	Tile Replacement	65,000	This is the second year of a 3-year program to replace approximately 5,000 sq. ft. of ACM floor tile with vinyl-composition floor tile (VCT). This would equate to 4-5 classrooms.
Loker School	Building Repair	Door and Windows	1,900,000	Replacement of all exterior single glazed doors and windows (approximately 9,600 sq. ft. of window area and 36 doors) which are original to the building. Similar to the current project at Claypit Hill, the new doors will have better insulation than the current ones and the new windows will be tripled glazed low "E" type of units.
Loker School	Equipment	Furniture Replacement	35,000	This is the second year of a 4-year program to replace classroom furniture throughout the school. This request would replace the furniture in 6 classrooms with new student and teacher desks and chairs, bookshelves or files.



FY 2017 CAPITAL PROJECTS BY DEPARTMENT - Housing

Type	Description	Budget	Description
Building repair	Cochituate Apartments Fire Suppression	524,699	Install fire sprinklers in the individual apartments at the Cochituate Village Apartments, a low and moderate-income public housing development providing 55 units of senior and disabled housing. The total cost of this project is \$1.1M, of which \$700K has already been funded: \$200K from Wayland Housing Authority to install the wireless fire alarm panel and notification system and \$500K of CPC funds to install sprinklers in the common areas, hallways, stairways and some individual apartments. That work is expected to be completed by June 2016. The additional \$475K is needed to ensure sprinklers are installed in all apartments. It is anticipated the entire project will be completed by December 2016.



FY 2017 CAPITAL PROJECTS BY DEPARTMENT - Water

Description	Budget	Description	Type
Building repair	Pump station upgrade	525,000	Pump Station upgrades required by the DEP. We have need to continue to replace equipment necessary to meet DEP standards. The DEP has mandated that all our pump stations be upgraded with chemical feed safety controls. Additionally, a stand-by generator should be installed at the Happy Hollow Well site, as the installation of three new wells exceeds the current capacity of the existing equipment.
Infrastructure	Stonebridge water main	936,000	Costs associated with design, permitting, bid and construction of the Happy Hollow Access Road and Water Main.
Infrastructure	Water main replacement projects	750,000	This is a continuation to replace the aging, outdated, and failing water mains in Wayland. Our focus will be based on the pending updated Capital Efficiency Plan currently being completed by Tata & Howard.
	Completion of water meter replacement	200,000	Replace all of the old, outdated existing analog water meters that are still left in Town.
Equipment	Water Tank Cleaning	250,000	The Town's water tank is in need of internal and external cleaning to ensure its continued use.