



Draft Capital Investment Plan Fiscal 2023 – Fiscal 2027

Town of Wayland

November 15, 2021

Financial Indicators

Moody's Aaa Bond Rating – Reaffirm Rating in 2019

- Town Management Commitments
 - Structurally Balanced Operations
 - Recurring Revenue for Recurring Expenses
 - Maintain Fund Balance as Percent of Revenue
 - Conservative Revenue Assumptions
 - Expenditure Controls
 - Stable Debt Burden
 - Stable Long-Term Liability Outlook
 - Pension- Fully Funded Goal – 2040 / OPEB-Fully Funding Goal - 2040
 - Five -Year Capital Plan Rather Than One-Year Rolling Plan
 - Five - Year Financial Plan for Capital
 - Five - Year Outlook on Projects

Capital Investment Plan Assumptions

Capital Maintenance of Town's Existing Capital Assets After Evaluation of Capital Assets Usefulness and Life Expectancy

- Facilities
 - Buildings and Grounds
 - Fields, Trails, Parks, other Recreational and Open Spaces
- Infrastructure
 - Public Works
 - Technology
- Vehicles and Equipment

Capital Investment Plan Assumptions

- Recurring Expenses
 - Annual or Annualized Capital Expenses
 - Shorter-Term Cyclical Expenses (e.g. vehicles)
 - Longer-Term Periodic Expenses (e.g. roofs)
 - Enhancements to and Maintenance of Capital Assets
- Non-Recurring Expenses
 - Major Rehabilitation or Renovation of Existing Capital Assets
 - New Capital Assets

Capital Investment Plan Assumptions

- Cash – Recurring Expenses
 - Free Cash
 - Predictable Range
 - Requires Conservative Budgeting
 - Requires End-of-Year Expenditure Controls
 - Cash Capital
 - Annual Amount Raised From Revenue
- Debt Within the Levy – Recurring Expenses
 - Annual Amount Raised From Revenue
- Enterprise, Stabilization or Other Funds
- Debt Excluded From the Levy
 - Requires Taxpayers' Approval

Specific Challenges FY2023 through FY2027

- Town Facilities
 - Council on Aging / Community Center
 - Library improvements
 - Town Building improvements
- Fields
 - Loker recreation area
 - Other potential new grass fields
- School Facilities
 - Elementary schools feasibility
- Water Supply
 - Potential MWRA Connection / water supply upgrades

Capital Revenue- Historical / Recommended

CIP Development

Capital Project Process

Preparation Process
Departmental Submissions
Review Submissions
Prioritize CIP's
Review Outstanding Capital
Adhere to Revenue Budget
Prepare Five Year Plan

Capital Financing Process

Financial Indicators
Year to Year Budget \$ Increase
Year to Year Budget % Increase
Year to Year Tax \$ Increase
Levy vs Excluded Debt
Tax Rate
Unused Levy
Debt as % of Budget
Total Bonds Payable as % of Budget

Estimated Capital Revenue by Category

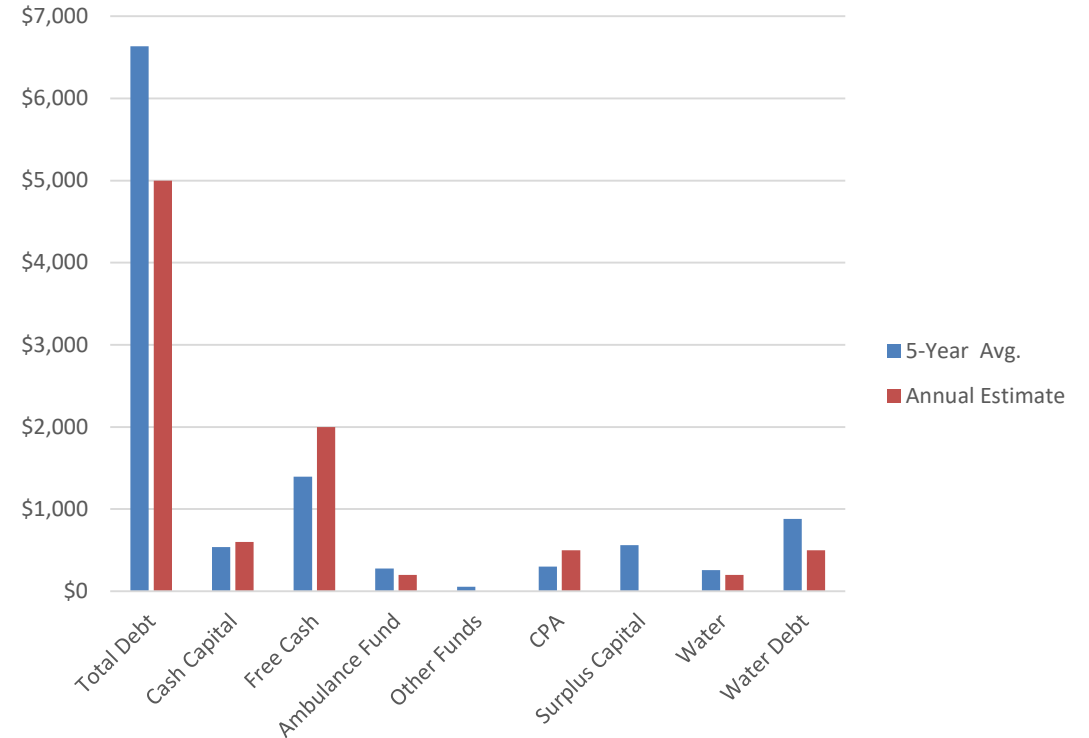
Proposed Annual Capital Funding Updated for FY2023-FY2027 Draft Capital Plan	
Funding Source Category	Annual Spending Estimate
Cash Capital	\$.625M - \$.800M
Free Cash	\$1.5M - \$2.0M
Debt within levy	\$3.050M
Prop 2 ½ Excluded Debt	TBD
Ambulance Fund	\$.200M
Other Funds	\$.200M
Chapter 90	\$.500M
CPA Fund	\$.500M
Water Fund Revenue	\$.100M
Water Fund Reserve	\$.100M
Wastewater Revenue	\$.050M
Wastewater Reserve	\$.050M
Transfer Station Revenue	TBD
Transfer Station Reserve	TBD

Historical CIP Budgets

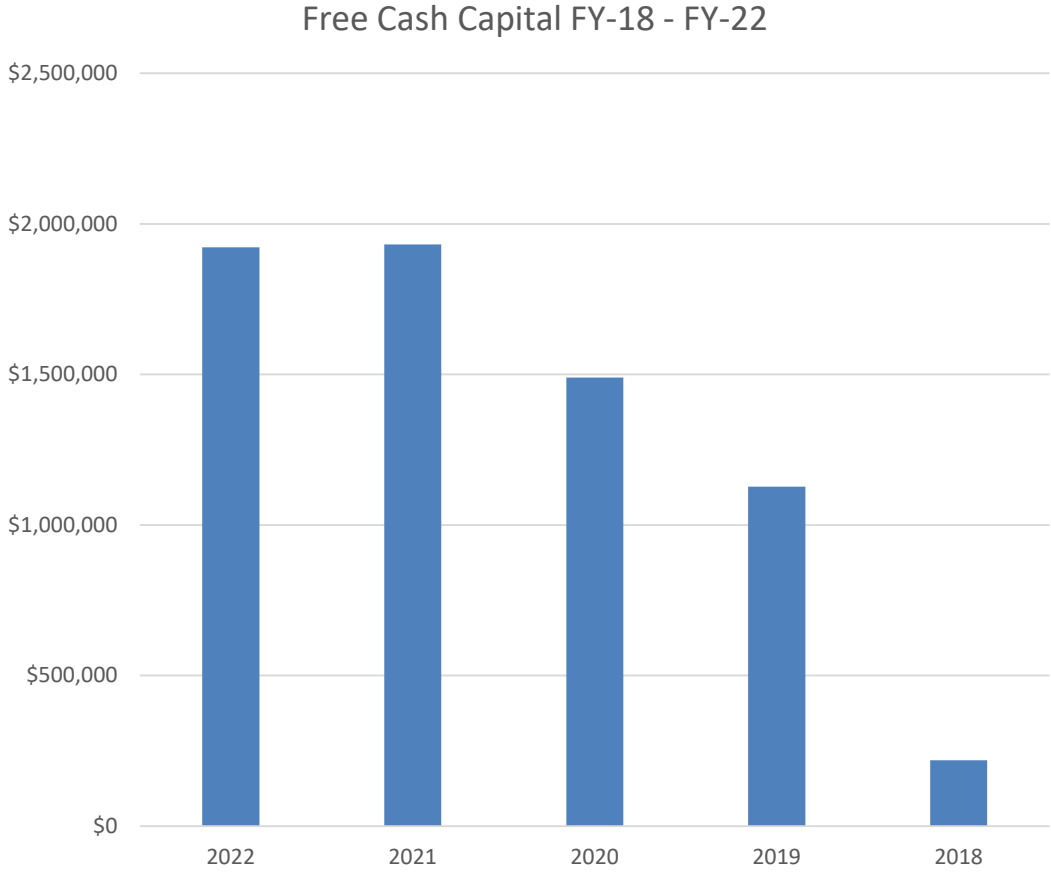
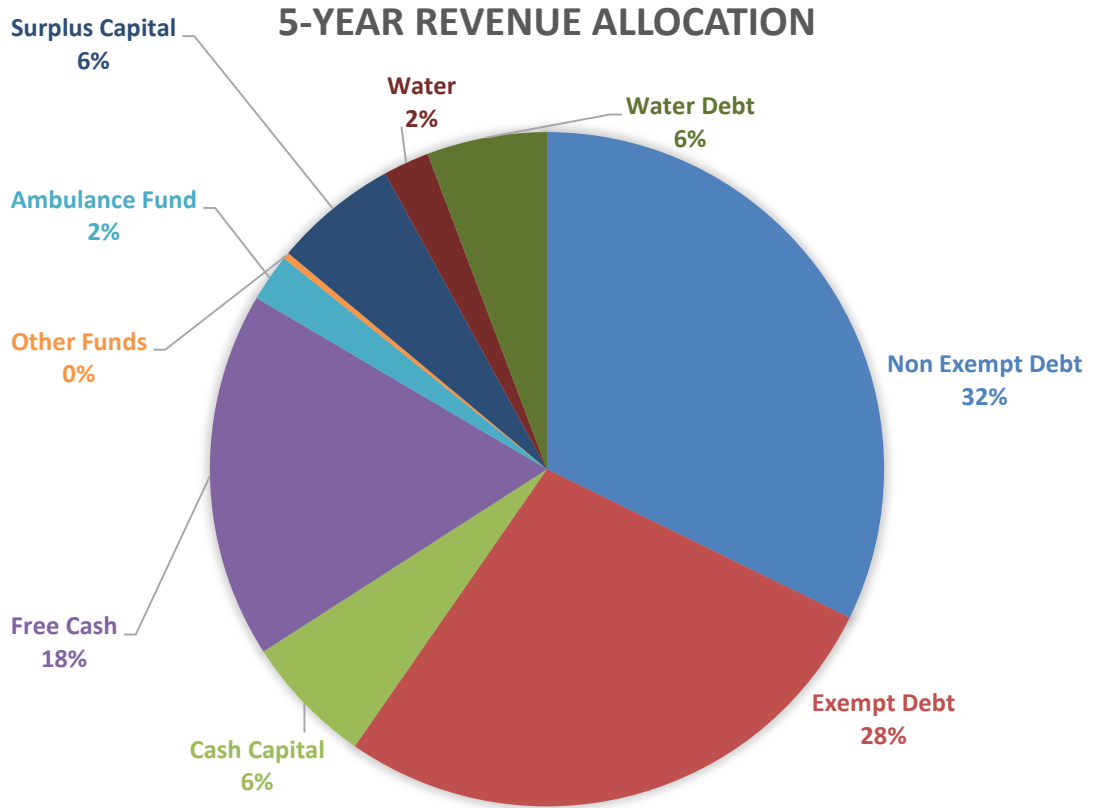
CIP Budget / FY-18-22 Avg.

Five Year Avg. Budget to Estimate		
Annual	5-Year	Annual
Revenue -\$000	Avg.	Estimate
Total Debt	\$6,635	\$5,000
Cash Capital	\$475	\$600
Free Cash	\$1,338	\$2,000
Ambulance Fund	\$173	\$200
Other Funds	\$24	\$0
CPA	\$300	\$500
Surplus Capital	\$454	\$0
Water	\$168	\$200
Water Debt	\$438	\$500
Totals	\$10,005	\$9,000

Budget to Historical 5-Year

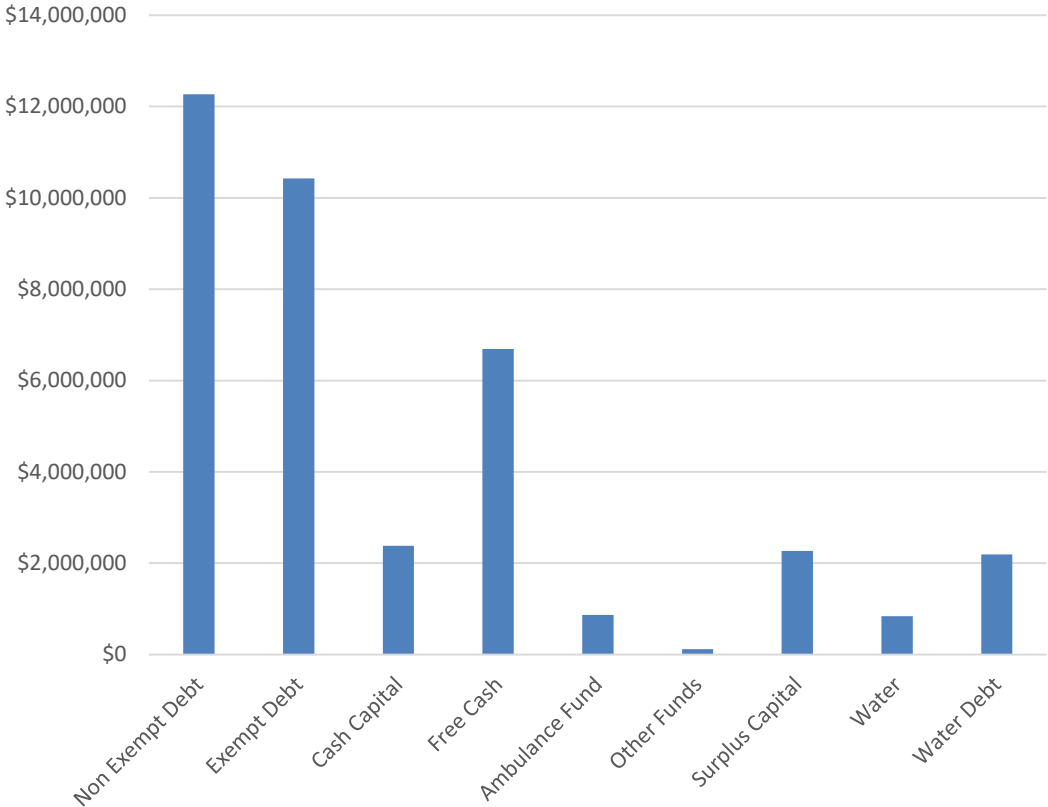


Historical Revenue Allocation

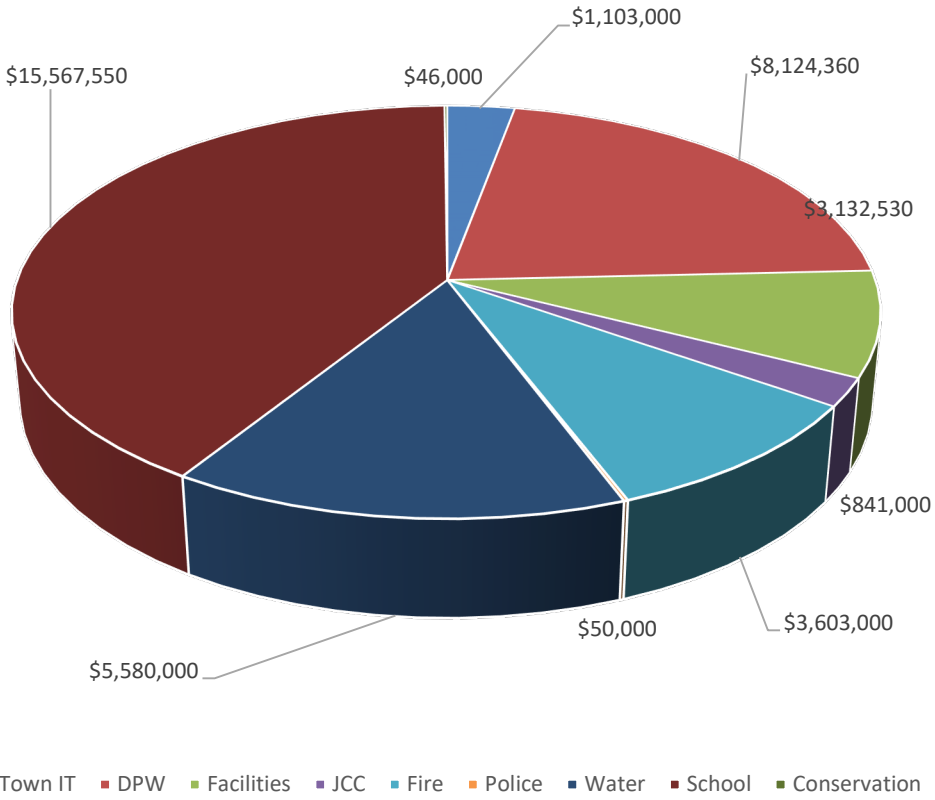


5-Year Revenue & Departmental Budgets

5-Year Total Revenue by Category



5-Year Capital by Department



Past Financing –Debt Financed Projects Within the Levy

- Historically Fluctuating Amount for Projects Funded with Debt Within the Levy
 - FY2013: \$2,555,000
 - FY2014: \$14,599,816
 - FY2015: \$5,741,320
 - FY2016: \$769,986
 - FY2017: \$12,145,000
 - FY2018: \$2,215,360
 - FY2019: \$2,222,376
 - FY2020: \$0
 - FY2021: \$6,165,000
 - FY2022: \$1,669,429

Result:

Fluctuating debt service
Affects unused levy

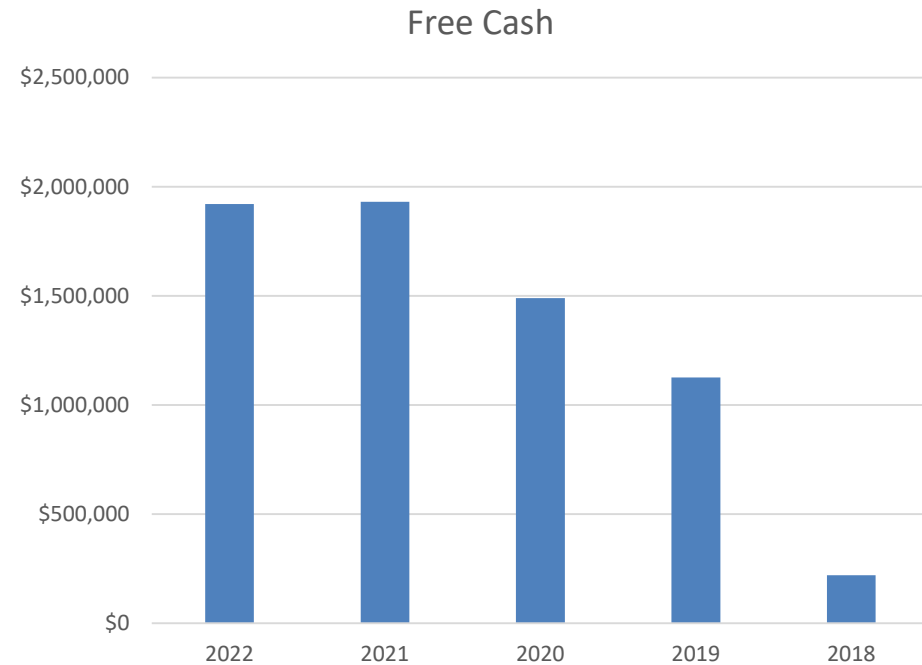
Goal:

Funded project value: \$3-4 million annually
Stable trend for debt service
Stable trend for unused levy

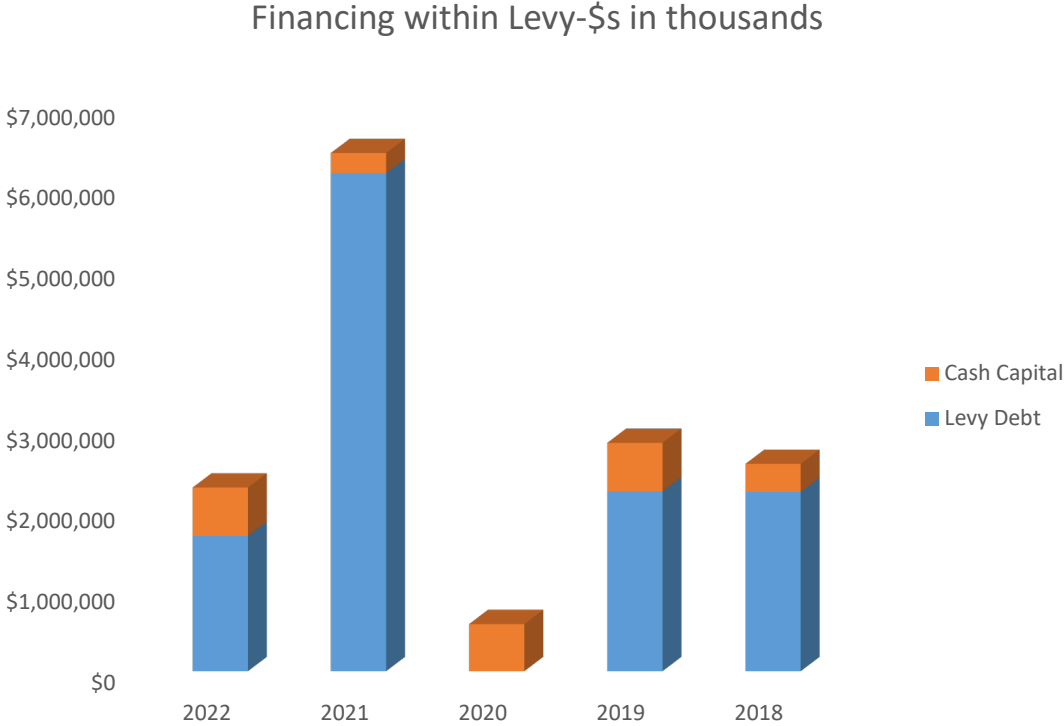
Past Financing – Free Cash

- Historically Fluctuating Use of Free Cash

- FY2013: \$1,720,000
- FY2014: \$180,000
- FY2015: \$415,000
- FY2016: \$565,000
- FY2017: \$290,000
- FY2018: \$219,180
- FY2019: \$1,126,720
- FY2020: \$1,489,367
- FY2021: \$1,931,000
- FY2022: \$1,921,500



Past Capital Budgets – Annual Levied Tax Dollars Spent on Capital



Impact of Past Financing

- **Fluctuating tax bills**
- **Inconsistent revenues**

Five Year Capital Investment Recommendation

Capital Improvement Plan Financing Goals FY2023-FY2027

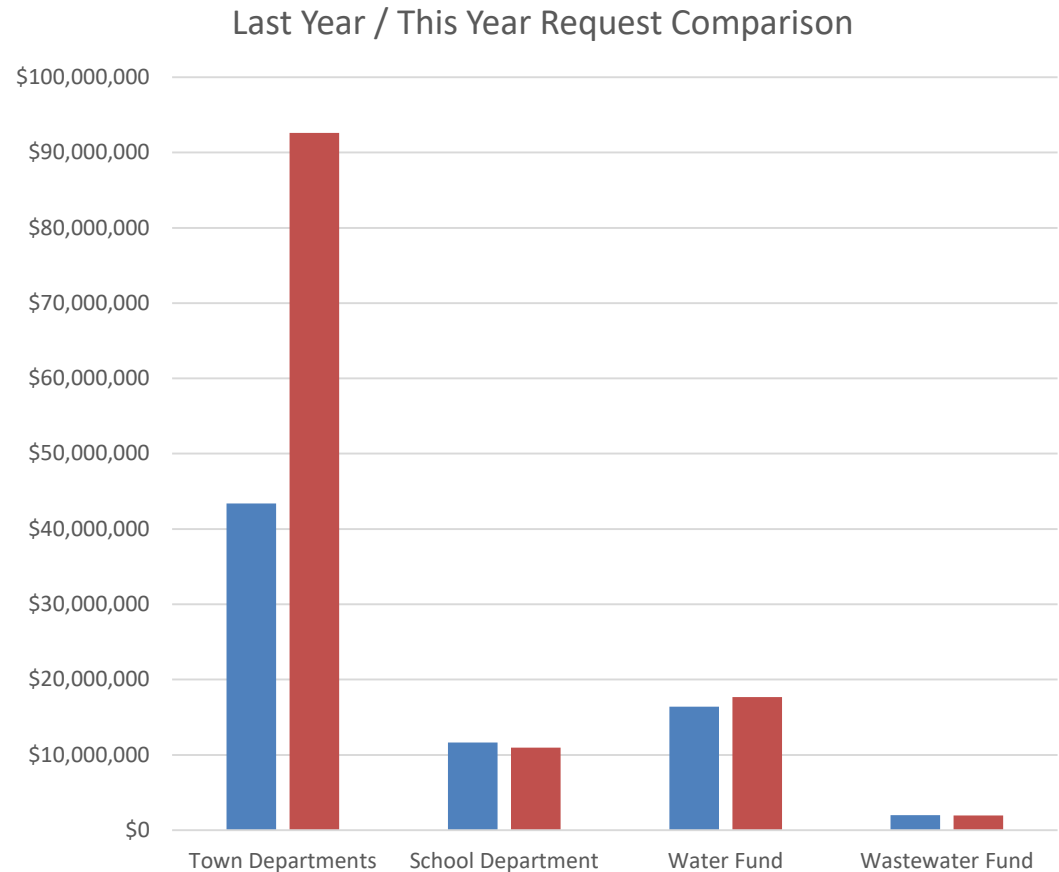
- Cash Capital Budget
 - \$625,000 / possible increase due to supply increases by 2027
- Debt Service Within Levy - 2 Options
 - Plan projects with a value of \$3,000,000 to \$5,000,000 annually
 - Appropriate stable amount to levy debt service
- Capital Stabilization Funding Options
 - Excess Debt Service Transferred to Capital Stabilization Fund
 - Fund through a separate operating budget line for transparency
- Planned Free Cash
 - \$1,500,000 - \$2,000,000 annually
- Use of CPA, Revolving Funds, Enterprise Funds, Stabilization Funds, Grants, etc.

Preliminary Departmental Capital Requests FY2023-FY2027 Summary

DEPARTMENTAL REQUESTS BY FISCAL YEAR						
Department	FY23	FY24	FY25	FY26	FY27	Dept. Total
DPW	\$1,370,000	\$2,356,000	\$1,488,600	\$1,808,460	\$1,426,306	\$8,449,366
TA	439,600.00	-	-	-		\$439,600
POLICE	\$152,000	\$23,000	\$42,500	\$77,000	\$24,500	\$319,000
JCC	\$305,000	\$300,000	\$100,000	-		\$705,000
CONSERVATION	\$3,325,000	\$30,000	\$25,000	\$84,000	\$25,000	\$3,489,000
FACILITIES/CONSTR.	\$19,895,000	\$2,830,000	\$1,240,000	\$760,000	\$40,750,000	\$65,475,000
IT Dept.	\$400,000	\$390,000	\$370,000	\$220,000	\$160,000	\$1,540,000
FIRE	\$180,000	\$290,000	\$213,000	\$810,000	\$525,000	\$2,018,000
RECREATION	\$2,080,000	\$2,460,000	\$2,080,000	\$2,555,000	\$995,000	\$10,170,000
SCHOOL	\$1,175,100	\$2,975,800	\$4,660,501	\$1,152,142	\$1,012,371	\$10,975,914
Total	\$29,321,700	\$11,654,800	\$10,219,601	\$7,466,602	\$44,918,177	\$103,580,880
WATER	\$1,265,000	\$2,125,000	\$5,350,000	\$7,250,000	\$1,675,000	\$17,665,000
WASTEWATER	\$300,000	\$150,000	\$1,500,000	\$0	\$0	\$1,950,000
Total all:	\$30,886,700	\$13,929,800	\$17,069,601	\$14,716,602	\$46,593,177	\$123,195,880

Five Year Departmental Submissions \$123M

Departmental Submissions- Last Year - This Year			
Department	FY-22-FY-26	FY-23-FY-27	% Chg.
Town Departments	\$43,367,336	\$92,604,966	113.54%
School Department	\$11,633,543	\$10,975,914	-5.65%
Water Fund	\$16,385,000	\$17,665,000	7.81%
Wastewater Fund	\$2,000,000	\$1,950,000	-2.50%
	\$73,385,879	\$123,195,880	67.87%



Five Year Recommendation by Department

Town Administrator and Finance Director FY23-FY27 Capital Investment Plan Recommendation							
Department	FY23	FY24	FY25	FY26	FY27		Dept. Total
DPW	\$1,235,000	\$1,645,000	\$1,470,000	\$1,250,000	\$1,335,000		\$6,935,000
TOWN ADMIN.	\$439,600	\$0	\$0	\$0	\$0		\$439,600
POLICE	\$102,000	\$50,000	\$42,500	\$77,000	\$0		\$271,500
JCC	\$305,000	\$300,000	\$100,000	\$0	\$0		\$705,000
CONSERVATION	\$900,000	\$30,000	\$0	\$0	\$0		\$930,000
ENGINEERING	\$0	\$0	\$300,000	\$0	\$0		\$300,000
FACILITIES/CONSTR.	\$18,420,000	\$3,485,000	\$1,375,000	\$910,000	\$0		\$24,190,000
IT Dept.	\$400,000	\$250,000	\$180,000	\$220,000	\$160,000		\$1,210,000
FIRE	\$180,000	\$220,000	\$213,000	\$880,000	\$525,000		\$2,018,000
RECREATION	\$2,500,000	\$650,000	\$2,030,000	\$2,030,000	\$430,000		\$7,640,000
SCHOOL	\$931,000	\$1,761,900	\$2,965,900	\$2,518,392	\$792,671		\$8,969,863
Total	\$25,412,600	\$8,391,900	\$8,676,400	\$7,885,392	\$3,242,671		\$53,608,963
WATER	\$1,265,000	\$2,125,000	\$5,350,000	\$7,250,000	\$1,675,000		\$17,665,000
WASTEWATER	\$300,000	\$0	\$0	\$0	\$0		\$300,000
TRANSFER STATION	\$100,000	60,000	\$0	\$0	\$0		\$160,000
Total all:	\$27,077,600	\$10,576,900	\$14,026,400	\$15,135,392	\$4,917,671		\$71,733,963

Specific Recommendations FY2023 through FY2027

- Conservation
 - Fund repairs to Snake Brook Dam – timing dependent on grant funding
- Public Works
 - Slow replacement cycle of vehicles
 - Coordinate complete streets with Board of Selectmen
- Police
 - New initiative: traffic improvement
- Joint Communications Center
 - Revised cost estimates
- Fire Department
 - Slow replacement cycle of certain vehicles
- Facilities
 - Revised Cost Estimate for CoA/CC
 - Address building improvements in Library, Town Building, Public Safety, DPW

Specific Recommendations FY2023 through FY2027 – cont'd

- Information Technology
 - Continue Plan Implementation
- Recreation
 - Development of fields plan – recommendations are placeholders only at this time
 - Fund smaller projects that support fee-based programs through revolving fund
 - Playground cost adjustments
- School Facilities
 - Elementary schools initial feasibility study – combine previous \$200, 000 with new \$100,000 for fuller study
 - Feasibility study – change recommendation to a range from \$500,000 to \$ 1 million (include some design)
 - Reevaluate requests for work at elementary schools based on result of initial feasibility study
 - School project needs to be planned financially
- Water Supply
 - Potential MWRA Connection / water supply upgrades

Specific Recommendations FY2023 through FY2027 – cont'd

- Town Administrator
 - Pond Weed Harvester
 - Facilities Evaluation/Study
 - Accessibility funding
- Water Supply
 - Potential MWRA Connection / water supply upgrades
- Wastewater Infrastructure
 - Funding mechanism
- Transfer Station
 - Review as fund matures

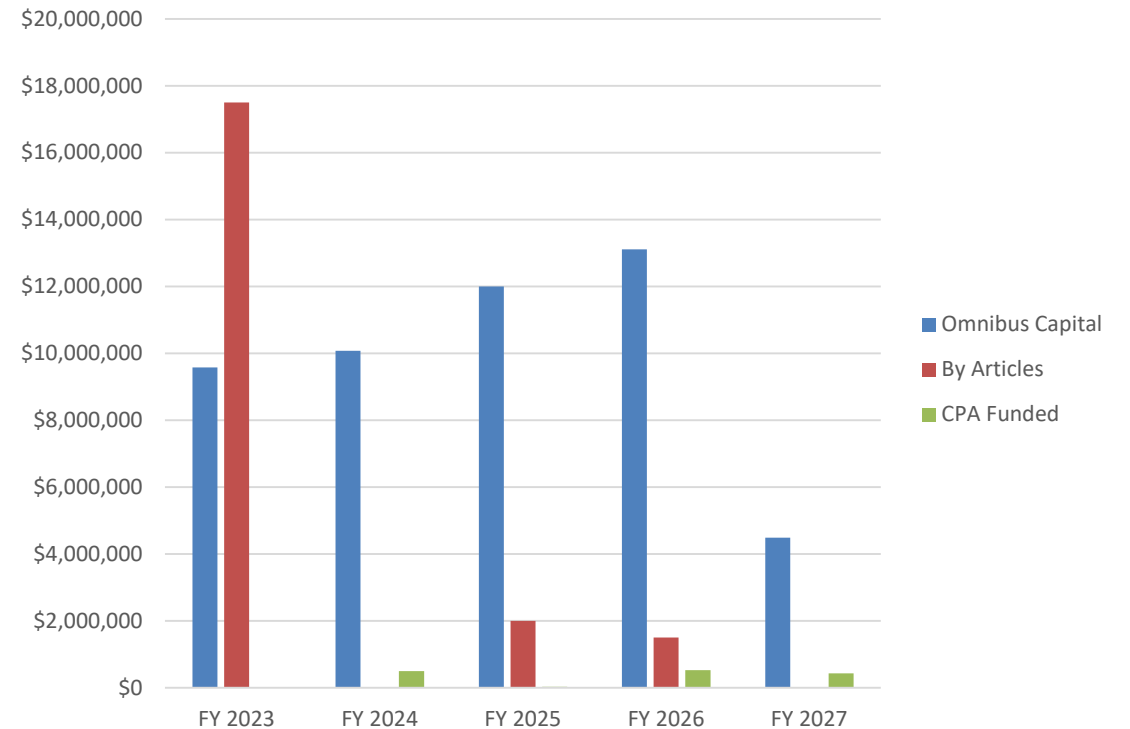
Five Year CIP Budget Recommendation

Budget by Fiscal Year

Revenue Budget- FY 23 - FY 27			
	Omnibus	By	CPA
FY - Year	Capital	Articles	Funded
FY 2023	\$9,577,600	\$17,500,000	-
FY 2024	\$10,076,900	-	\$500,000
FY 2025	\$11,996,400	\$2,000,000	\$30,000
FY 2026	\$13,105,392	\$1,500,000	\$530,000
FY 2027	\$4,487,671	-	\$430,000
Totals	\$49,243,963	\$21,000,000	\$1,490,000

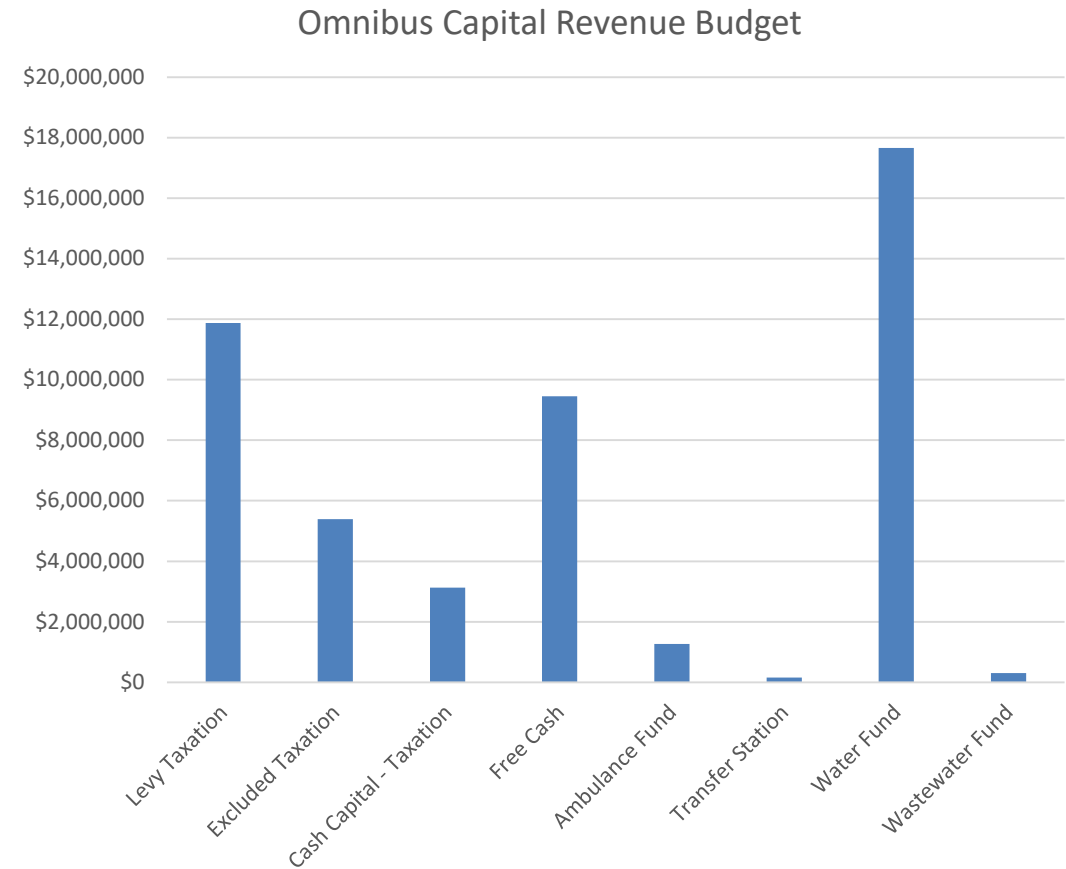
Allocation of CIP Budget

FY-23 - FY 27 Capital by Function



Omnibus Capital Budget

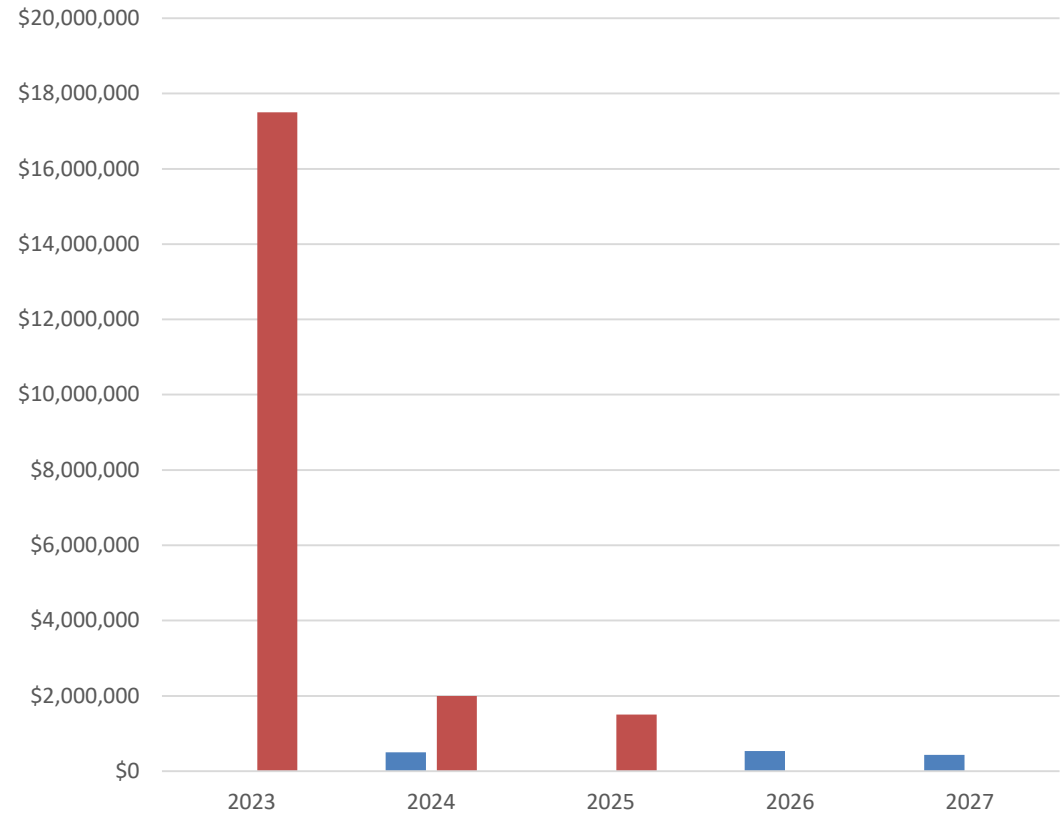
FIVE YEAR PROPOSED OMNIBUSE CAPITAL REVENUE BUDGET						
	FY23	FY24	FY25	FY26	FY27	Totals
Levy Taxation	\$2,686,000	\$2,097,100	\$3,525,900	\$3,086,892	\$476,671	\$11,872,563
Excluded Taxation	2,485,000	\$2,910,000	-	-	-	\$5,395,000
Total Debt	<u>\$5,171,000</u>	<u>\$5,007,100</u>	<u>\$3,525,900</u>	<u>\$3,086,892</u>	<u>\$476,671</u>	<u>\$17,267,563</u>
						-
Cash Capital - Taxation	\$625,000	\$625,000	\$625,000	\$625,000	\$625,000	\$3,125,000
Free Cash	\$1,936,600	\$2,039,800	\$2,282,500	\$2,013,500	\$1,186,000	\$9,458,400
Ambulance Fund	\$180,000	\$220,000	\$213,000	\$130,000	\$525,000	\$1,268,000
Other Funds	-	-	-	-	-	-
Transfer Station	100,000.00	60,000.00	-	-	-	\$160,000
Water Fund	\$1,265,000	2,125,000.00	5,350,000.00	\$7,250,000	\$1,675,000	\$17,665,000
Wastewater Fund	\$300,000	-	-	-	-	\$300,000
Total Annual Funding	\$9,577,600	\$10,076,900	\$11,996,400	\$13,105,392	\$4,487,671	\$49,243,963



By Article / CPA Funded

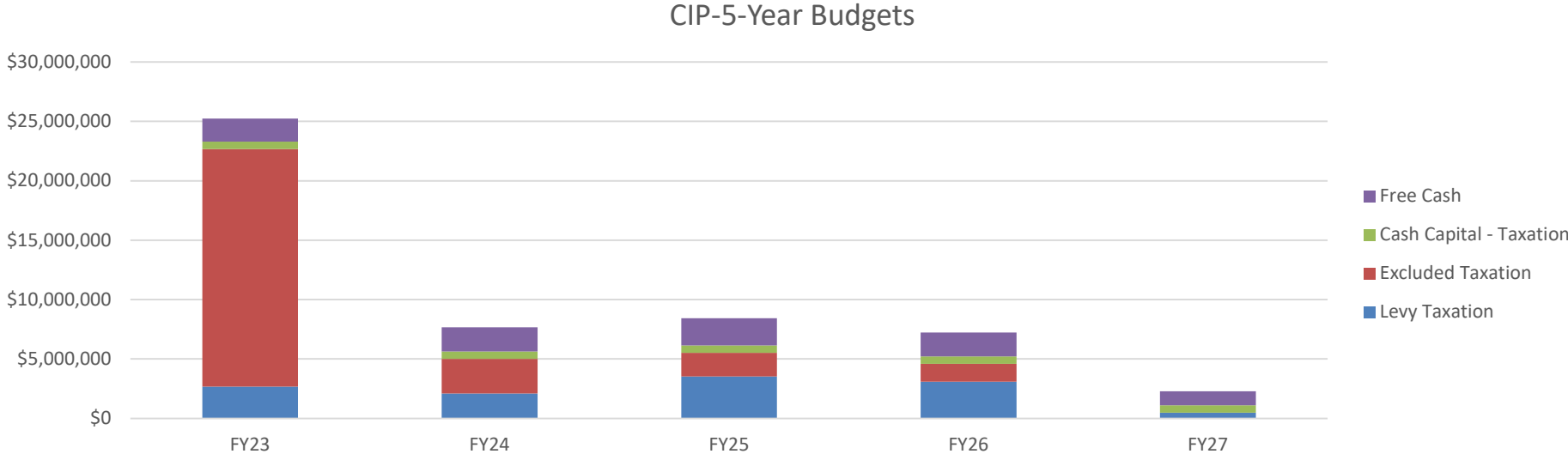
Detail of CPA and By Article Funding					
	2023	2024	2025	2026	2027
CPA Fund					
Town Beach Playground	-	\$500,000	-	-	-
Town Building Playground-Feasibility	-	-	\$30,000	-	-
Town Building Playground	-	-	-	\$500,000	-
Claypit Playground-Feasibility	-	-	-	\$30,000	-
Claypit Playground	-	-	-	-	\$400,000
Alpine Playground-Feasibility	-	-	-	-	\$30,000
Totals	-	\$500,000	\$30,000	\$530,000	\$430,000
By Articles- Excluded Debt					
COA / CC Facility	\$15,000,000	-	-	-	-
Loker Grass Field	\$2,500,000	-	-	-	-
Middle School Grass Field	-	\$2,000,000	-	-	-
Old DPW- Grass Field	-	-	\$1,500,000	-	-
Totals	\$17,500,000	\$2,000,000	\$1,500,000	\$0	\$0

5-Year - CPA / By Article Funding

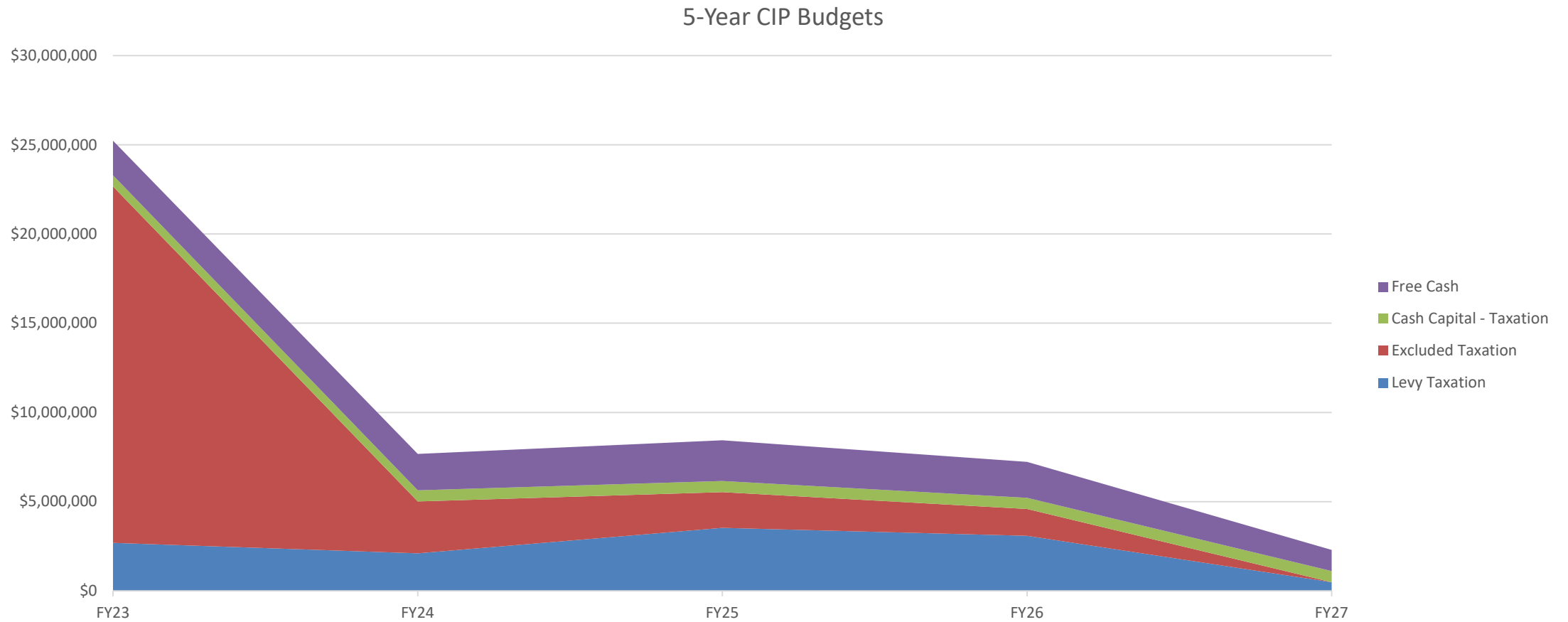


Capital Improvement Plan Financing Goals FY2023-FY2027

- Goal: Predictable Capital Financing Budget
 - Stable Cash Capital Budget
 - Stable Debt Service Within Levy
 - Planned Free Cash Use



CIP Budgets FY23-FY27



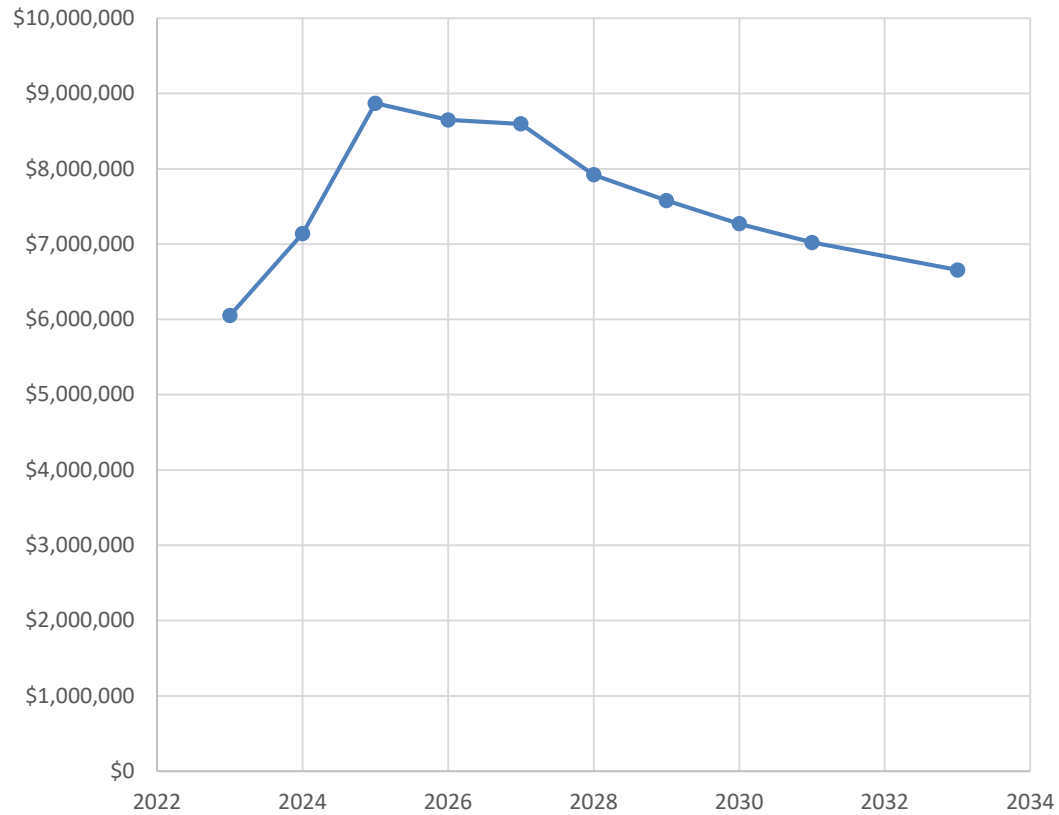
Total Debt Service and Project Value Within the Levy FY2022-FY2027 Targets

- Debt Service Within the Levy Target: \$3,050,000

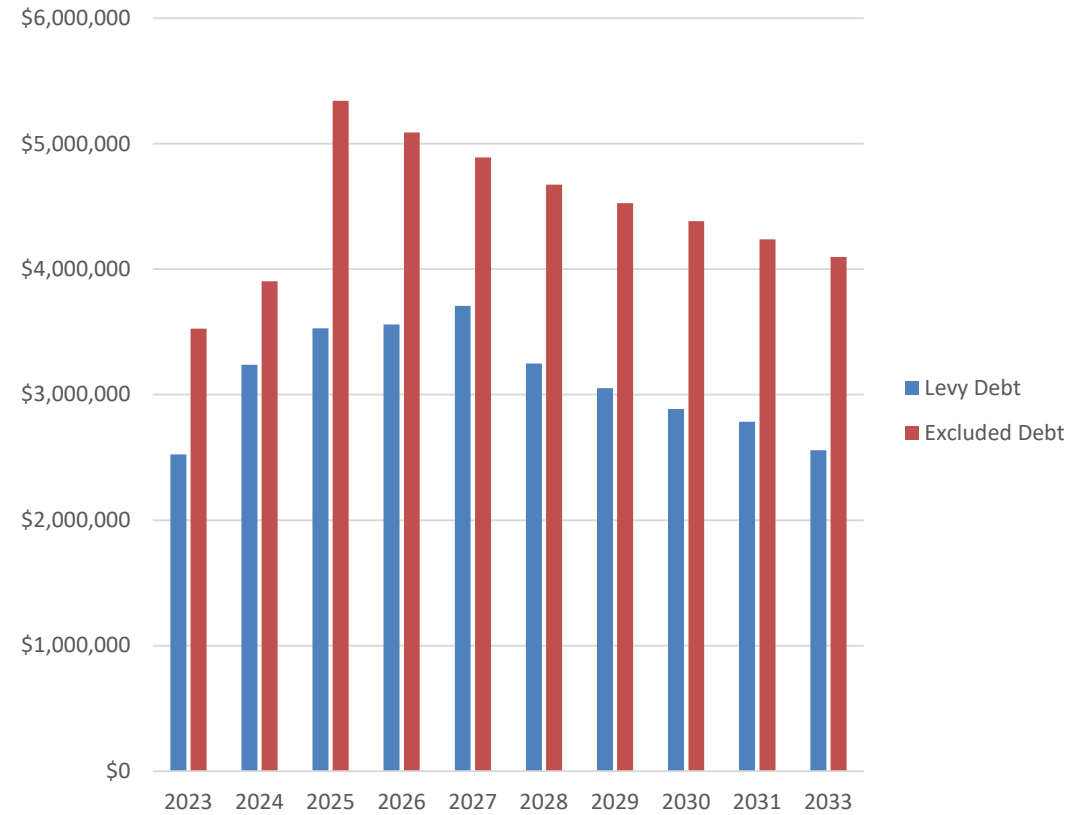
<i>Illustration of Level Funding (Levy Debt) at \$3,050,000 per year</i>						
<u>Levy Debt</u>	FY	FY	FY	FY	FY	FY
	2022	2023	2024	2025	2026	2027
Committed Levy	\$2,977,920	\$2,451,614	\$2,311,124	\$2,209,484	\$2,014,444	\$1,912,617
Authorized to be issued	-	\$73,107	\$570,848	\$494,425	\$475,856	\$457,450
Total New Levy Debt	-	-	\$356,067	\$825,252	\$1,068,868	\$1,336,626
	\$2,977,920	\$2,524,721	\$3,238,040	\$3,529,161	\$3,559,168	\$3,706,692
Add Debt Maintenance	-	\$525,279	-	-	-	-
Adjusted Levy Debt	\$3,050,000	\$3,050,000	\$3,238,040	\$3,529,161	\$3,559,168	\$3,706,692

Estimated Levy / Excluded Debt FY23-FY32

Total Debt- FY23-FY32



Levy / Excluded Debt FY23-FY32



Financial Forecast FY 23 – FY 27

Estimated Taxation / Budgets / Tax Rate / Levy					
<u>Estimated indicators:</u>	Fiscal 2023	Fiscal 2024	Fiscal 2025	Fiscal 2026	Fiscal 2027
General Fund Y to Y \$ increase	\$2,916,871	\$3,377,770	\$4,784,535	\$3,056,547	\$3,250,831
General Fund Y to Y % increase	3.29%	3.69%	5.04%	3.06%	3.16%
Total Y to Y \$ increase	\$3,206,971	\$3,480,970	\$5,134,035	\$2,787,547	\$5,674,162
Total Y to Y % increase	3.49%	3.66%	5.21%	2.69%	5.33%
Taxation	\$79,986,287	\$83,266,786	\$88,101,232	\$91,110,672	\$94,334,375
\$ increase in taxation to prior year	\$2,851,561	\$3,280,499	\$4,834,446	\$3,009,440	\$3,223,704
% increase in taxation to prior year	3.70%	4.10%	5.81%	3.42%	3.54%
Amount under levy limit	\$4,674,531	\$4,249,112	\$3,393,428	\$2,736,789	\$1,981,638
Estimated Tax Rate	19.61	20.21	21.17	21.68	22.22
Debt Service as % of Budget	6.60%	7.52%	8.89%	8.41%	8.10%

Capital Improvement Stabilization Fund

- Supplements the CIP and helps smoothing capital expenditures
- Board of Selectmen policy
- Majority Vote of Town Meeting to Add Funds
- 2/3 Vote of Town Meeting to Expend Funds
- Some options to fund Stabilization
 - Fund with excess of appropriated debt service within the levy
 - Add a line to the operating budget
 - Fund with capital turnbacks (cash funding only)

FY 2023 – FY 2027 CIP CHALLENGES

- Too many unknowns re true costs and timelines
 - CoA / CC
 - School Projects
 - Fields Plan
- Projects will need to be vetted by review boards
- CIP Development timeline constraints on management for review and plan development

Next Steps

- Transmit Draft Five-Year CIP to Finance Committee
- Answer Questions
- Support Finance Committee in Review of Five-Year CIP

Questions