



Draft Capital Improvement Plan Fiscal 2022 – Fiscal 2026

Town of Wayland

December 7, 2020

Financial Indicators

Moody's Aaa Bond Rating – Reaffirm Rating

- Town Management Commitments
 - **Return to Structurally Balanced Operations**
 - **Recurring Revenue for Recurring Expenses**
 - Increase Available Fund Balance as Percent of Revenue
 - **Conservative Revenue Assumptions**
 - Expenditure Controls
 - **Stable Debt Burden**
 - Stable Long-Term Liability Outlook
 - Pension- Fully Funded Goal – 2039 / OPEB-Fully Funding Goal - 2040
 - **Five -Year Capital Plan Rather Than One-Year Rolling Plan**
 - **Five - Year Financial Plan for Capital**
 - **Five - Year Projected Projects**

Capital Improvement Plan Assumptions

Capital Maintenance of Town's Existing Capital Assets

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

Capital Improvement 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 Improvement 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
- Capital Stabilization or Other Funds
- Debt Excluded From the Levy
 - Requires Taxpayers' Approval

Revenue- Historical / Recommended

Capital Improvement Plan

Development Process

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

Financial Indicators

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

Capital Plan Budget

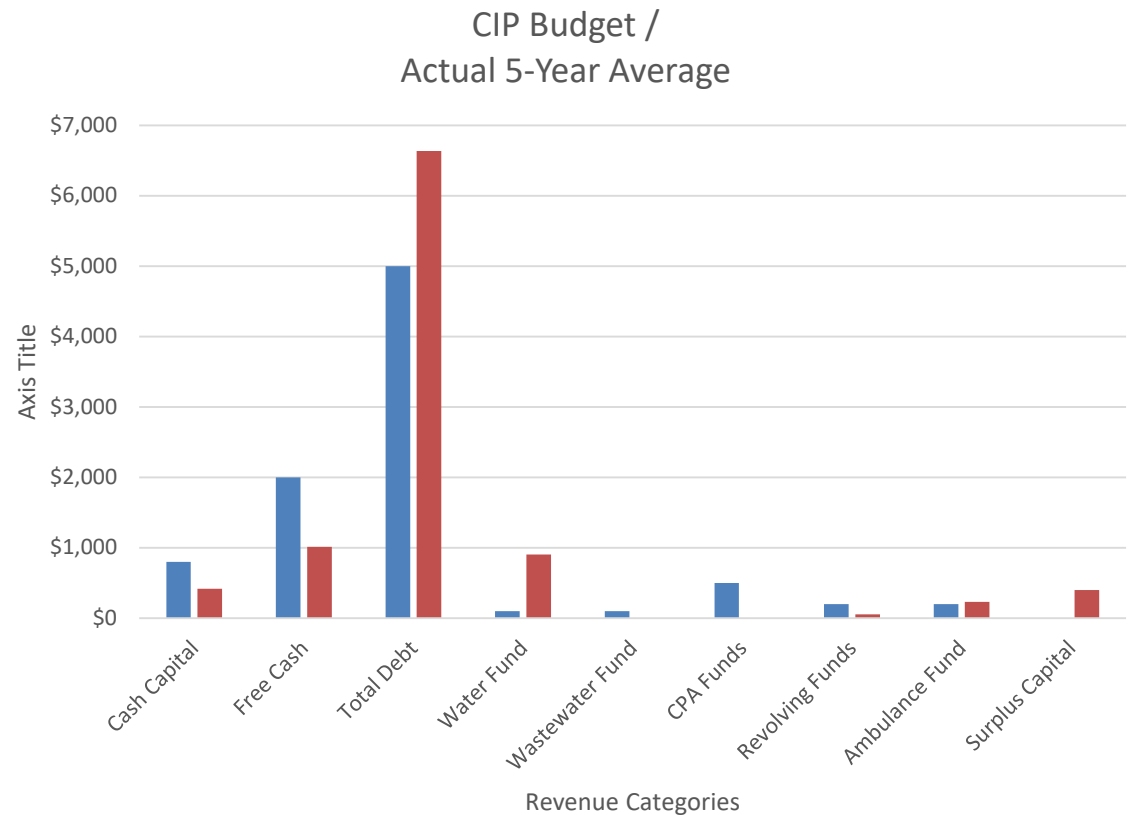
<i>Annual CIP Budgets Ranges</i>		
Cash Capital	\$600,000	\$800,000
Free Cash	\$1,500,000	\$2,000,000
Total Debt	\$3,000,000	\$5,000,000
Water Fund	\$50,000	\$100,000
Wastewater Fund	\$50,000	\$100,000
CPA Funds	\$100,000	\$500,000
Revolving Funds	\$100,000	\$200,000
Ambulance Fund	\$100,000	\$200,000
Surplus Capital	TBD	TBD
		\$8,900,000

Historical CIP Budgets

CIP Budget / FY-17-21 Avg.

Budget / Actual		
Revenue Category	Annual Budget	Actual Avg. FY-17-FY-21
0000's		
Cash Capital	\$800	\$416
Free Cash	\$2,000	\$1,011
Total Debt	\$5,000	\$6,635
Water Fund	\$100	\$904
Wastewater Fund	\$100	-
CPA Funds	\$500	-
Revolving Funds	\$200	\$54
Ambulance Fund	\$200	\$231
Surplus Capital	-	\$399
	\$8,900	\$9,650

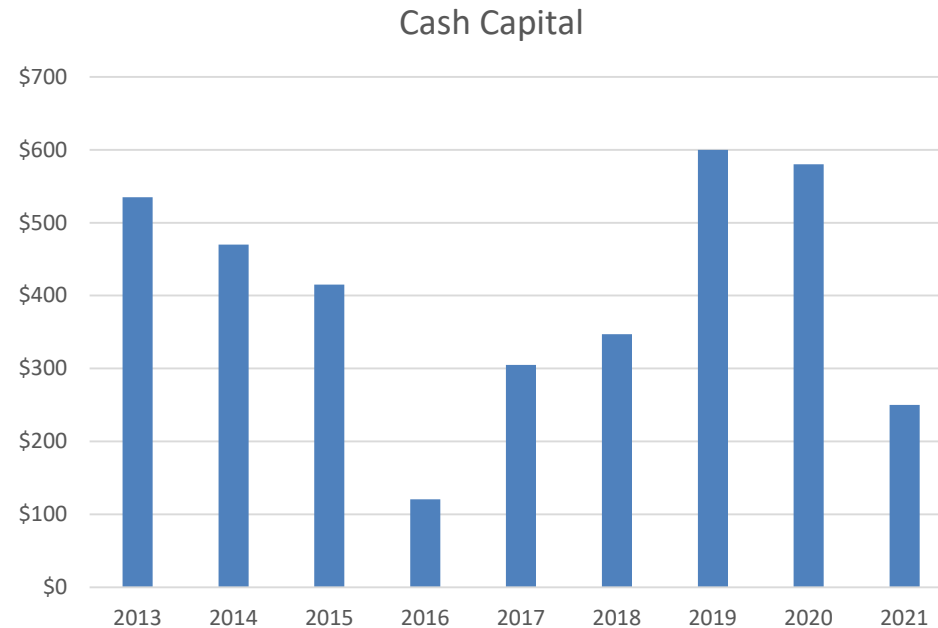
Budget to Historical 5-Year



Past Financing – Cash Capital

- Historically Fluctuating Use of Cash Capital

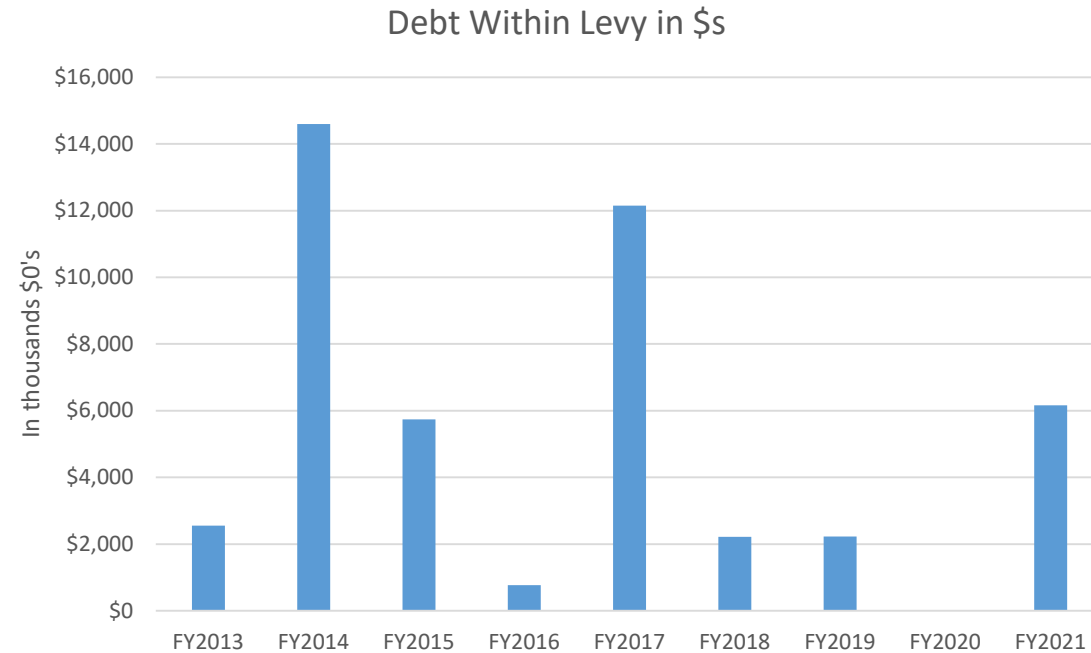
- FY2013: \$535,000
- FY2014: \$470,000
- FY2015: \$415,000
- FY2016: \$120,439
- FY2017: \$305,000
- FY2018: \$347,128
- FY2019: \$600,000
- FY2020: \$580,000
- FY2021: \$250,000



Past Financing –Debt Service Within the Levy

- Historically Fluctuating Debt Within the Levy

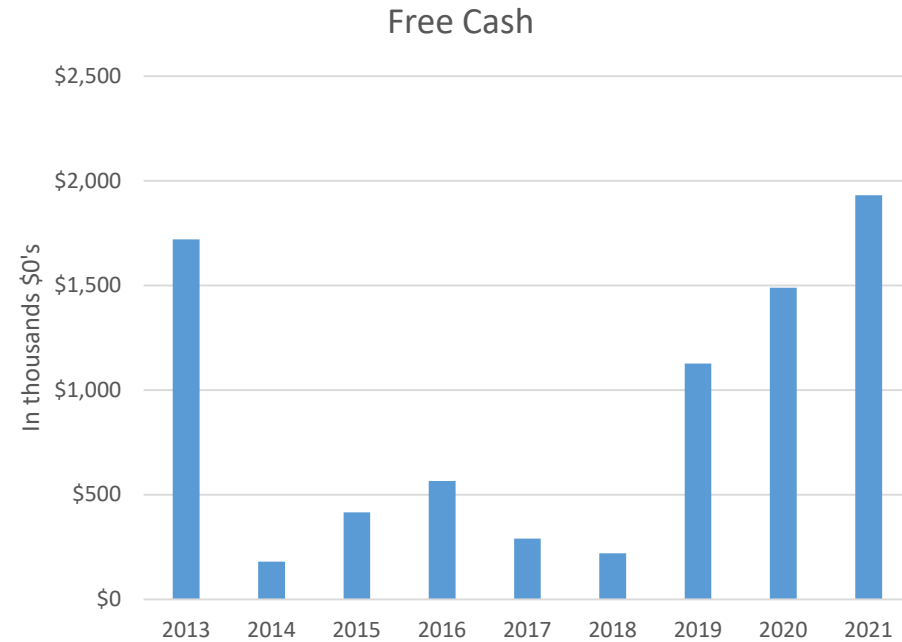
- FY2013: \$2,555,000
- FY2014: \$14,599,816
- FY2015: \$5,741,320
- FY2016: \$769,986
- FY2017: \$12,145,000
- FY2018: \$2,215,360
- FY2019: \$2,222,376
- FY2020: \$0
- FY2021: \$6,165,000



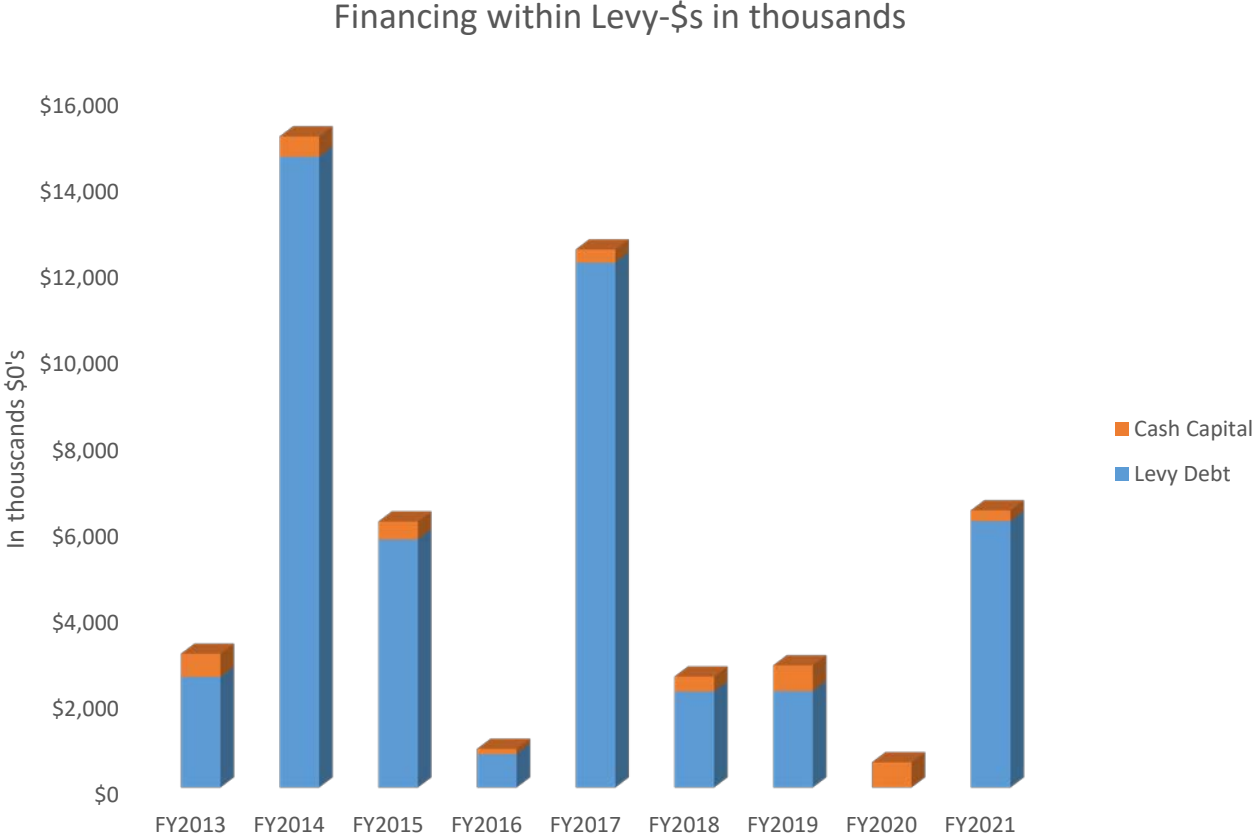
Past Financing – Free Cash

- 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



Past Capital Budgets – Annual Levied Tax Dollars Spent on Capital



Impact of Past Financing

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

Five Year Capital Improvement Recommendation

Capital Improvement Plan Financing Goals FY2022-FY2026

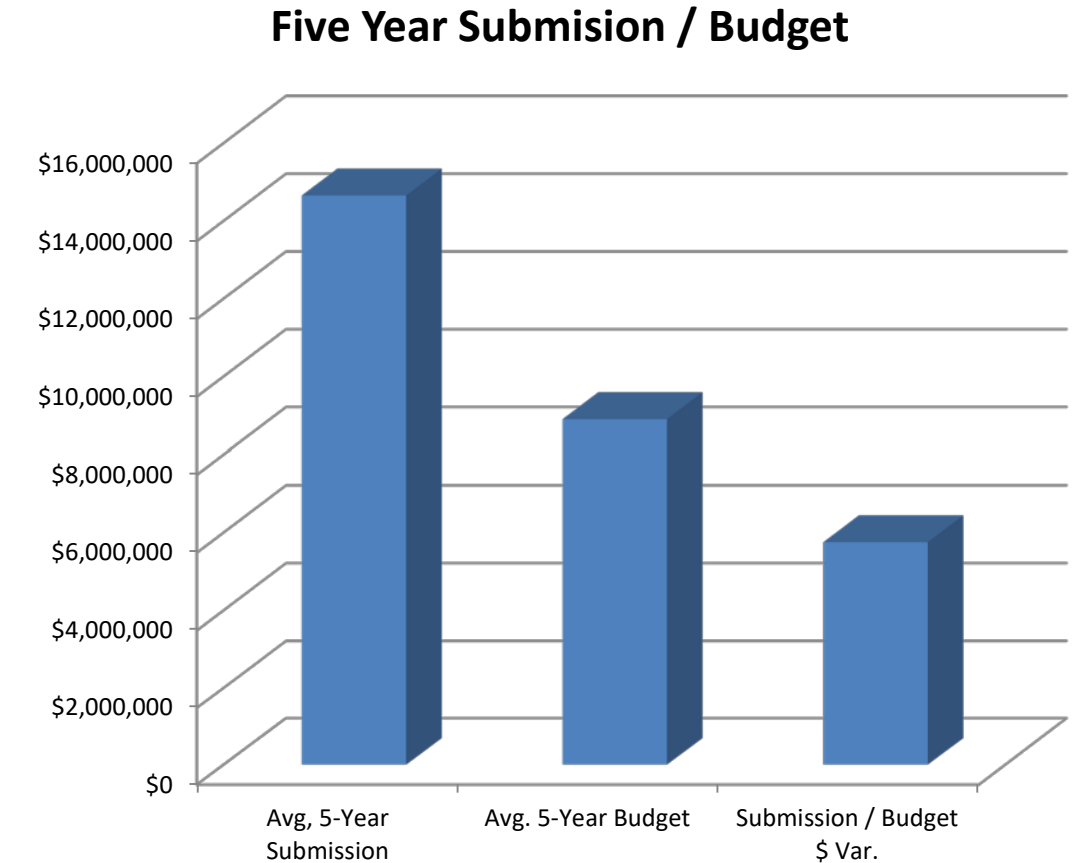
- Cash Capital Budget
 - \$600,000 / Up to \$800,000 by 2026
- Debt Service Within Levy- 2 Options
 - \$3,050,000 ±
 - Excess Debt Service Transferred to Capital Stabilization Fund
 - Appropriated \$200,000 annual by Taxation, increasing every two years
- Planned Free Cash
 - \$1,500,000 - \$2,000,000 annually
- Use of CPA, Revolving Funds, Enterprise Funds, Stabilization Funds, Grants, etc.

Preliminary Departmental Capital Requests FY2022-FY2026 Summary

DEPARTMENTAL REQUESTS BY FISCAL YEAR						
Department	FY22	FY23	FY24	FY25	FY26	Dept. Total
DPW	\$1,405,000	\$2,107,000	\$2,460,000	\$1,305,000	\$1,737,000	\$9,014,000
BOS	\$127,600	\$0	\$0	\$0	\$0	\$127,600
POLICE	\$50,000	\$45,000	\$21,000	\$42,500	\$37,000	\$195,500
JCC	\$350,000	\$150,000	\$100,000	\$100,000	\$0	\$700,000
CONSERVATION	\$0	\$925,000	\$480,000	\$25,000	\$119,000	\$1,549,000
FACILITIES/CONSTR.	\$6,465,618	\$9,476,000	\$2,505,000	\$1,065,000	\$760,000	\$20,271,618
IT Dept.	\$605,000	\$622,000	\$425,000	\$180,000	\$280,000	\$2,112,000
FIRE	\$572,000	\$155,000	\$290,000	\$197,000	\$1,220,000	\$2,434,000
RECREATION	\$3,388,618	\$1,075,000	\$1,260,000	\$815,000	\$425,000	\$6,963,618
SCHOOL	\$5,180,101	\$1,988,550	\$1,737,000	\$2,311,500	\$416,392	\$11,633,543
Total	\$18,143,937	\$16,543,550	\$9,278,000	\$6,041,000	\$4,994,392	\$55,000,879
WATER	\$300,000	\$1,790,000	\$5,200,000	\$9,095,000	-	\$16,385,000
WASTEWATER	-	-	\$300,000	\$1,650,000	\$50,000	\$2,000,000
Total all:	\$18,443,937	\$18,333,550	\$14,778,000	\$16,786,000	\$5,044,392	\$73,385,879

Five Year Departmental Submissions \$73.2M

<i>Total Five Year Submissions by Departments- Total / Avg.</i>		
Department	5-Year	5-Year
Total 170	Total	Avg
Town Departments	\$43,239,736	\$8,647,947
School Department	\$11,633,543	\$2,326,709
Water Fund	\$16,385,000	\$3,277,000
Wastewater Fund	\$2,000,000	\$400,000
Totals	\$73,258,279	\$14,651,656



Five Year Recommendation by Department

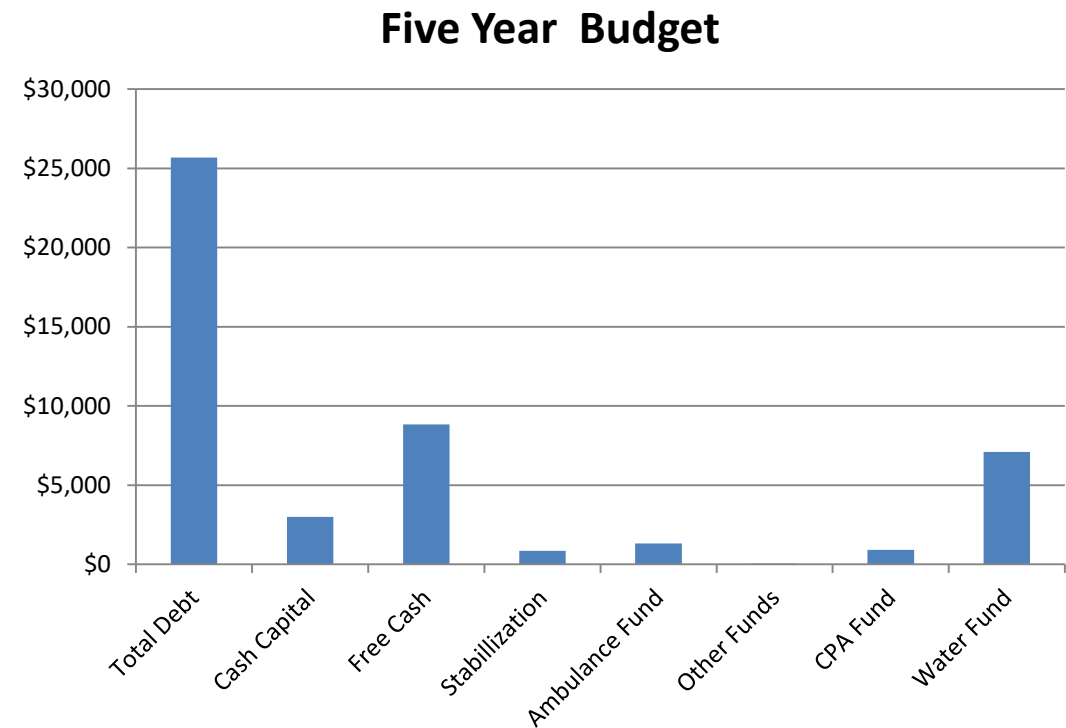
SUMMARY DEPARTMENTAL RECOMMENDATION BY FISCAL YEAR						
Department	FY22	FY23	FY24	FY25	FY26	Dept. Total
DPW	\$975,000	\$1,395,000	\$1,900,000	\$1,575,000	\$960,000	\$6,805,000
Police	\$50,000	-	-	-	-	\$50,000
JCC	\$350,000	\$150,000	\$100,000	\$100,000	-	\$700,000
Fire	\$572,000	\$155,000	\$220,000	\$267,000	\$1,220,000	\$2,434,000
Conservation	\$0	\$25,000	\$30,000	\$900,000	-	\$955,000
Facilities	\$4,110,618	\$8,216,000	\$3,270,000	\$3,065,000	\$310,000	\$18,971,618
IT Dept.	\$605,000	\$277,000	\$295,000	\$300,000	\$280,000	\$1,757,000
Recreation	\$75,000	\$200,000	\$200,000	\$200,000	\$200,000	\$875,000
School	\$1,297,400	\$2,650,250	\$2,613,600	\$499,400	\$1,127,892	\$8,188,542
	\$8,035,018	\$13,068,250	\$8,628,600	\$6,906,400	\$4,097,892	\$40,736,160
Water	\$300,000	\$1,790,000	\$0	\$0	\$5,000,000	\$7,090,000
Wastewater	\$0	\$0	\$0	\$0	\$0	\$0
	\$300,000	\$1,790,000	\$0	\$0	\$5,000,000	\$7,090,000
Totals	\$8,335,018	\$14,858,250	\$8,628,600	\$6,906,400	\$9,097,892	\$47,826,160

Five Year CIP Budget Recommendation

Budget by Fiscal Year

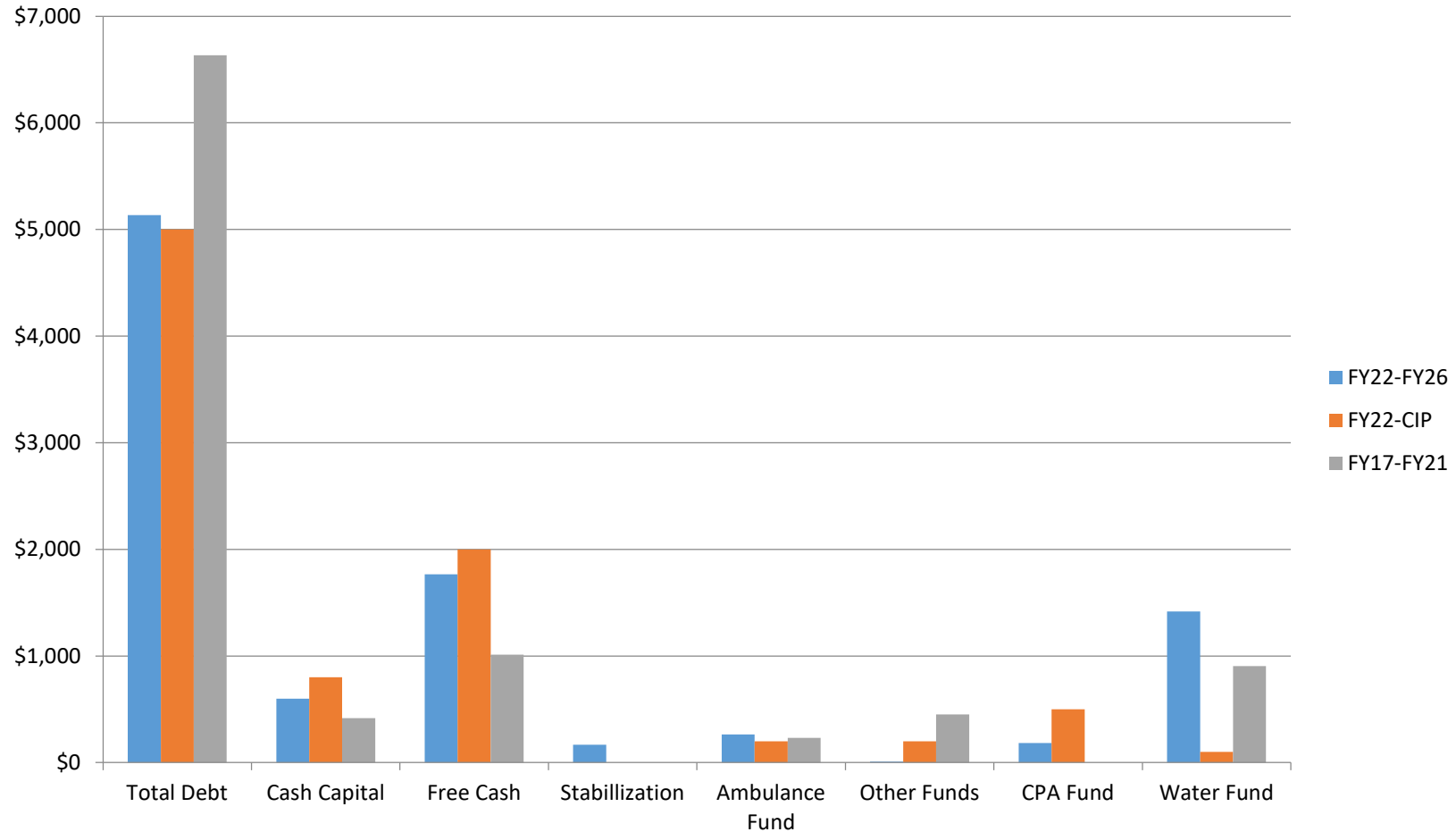
FIVE YEAR PROPOSED REVENUE BUDGET					
	FY2022	FY2023	FY2024	FY2025	FY2026
<i>Levy Taxation</i>	\$1,771,635	\$300,000	\$500,000	\$2,250,000	\$775,000
<i>Excluded Taxation</i>	\$3,288,618	\$9,561,300	\$4,975,000	\$2,000,000	\$0
<i>Total Debt</i>	<u>\$5,060,253</u>	<u>\$9,861,300</u>	<u>\$5,475,000</u>	<u>\$4,250,000</u>	<u>\$775,000</u>
<i>Cash Capital - Taxation</i>	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000
<i>Free Cash</i>	\$2,099,400	\$2,019,950	\$2,012,600	\$1,424,400	\$1,682,892
<i>Stabilization</i>	\$0	\$232,000	\$121,000	\$165,000	\$280,000
<i>Ambulance Fund</i>	\$227,000	\$155,000	\$220,000	\$267,000	\$445,000
<i>Other Funds</i>	\$48,365	\$0	\$0	\$0	\$0
<i>CPA Fund</i>	\$0	\$200,000	\$200,000	\$200,000	\$315,000
<i>Water Fund</i>	\$300,000	\$1,790,000	\$0	\$0	\$5,000,000
<i>Wastewater Fund</i>					
Total Annual Funding	\$8,335,018	\$14,858,250	\$8,628,600	\$6,906,400	\$9,097,892

Allocation of CIP Budget



Five Year CIP Budget Recommendation

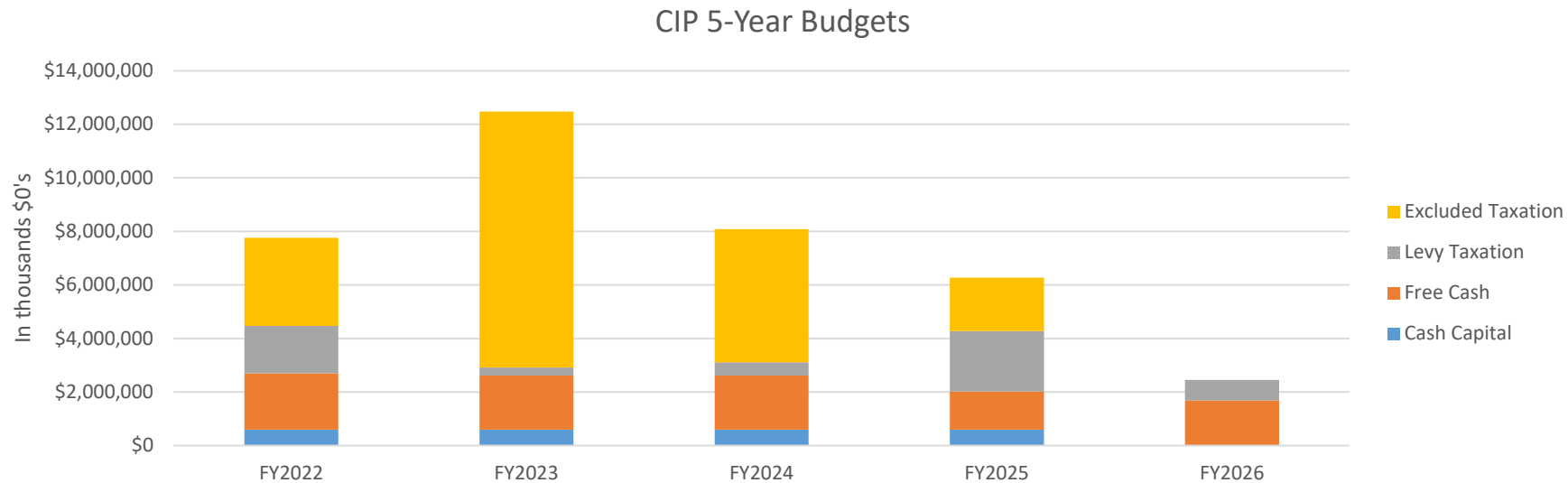
CIP Budgets



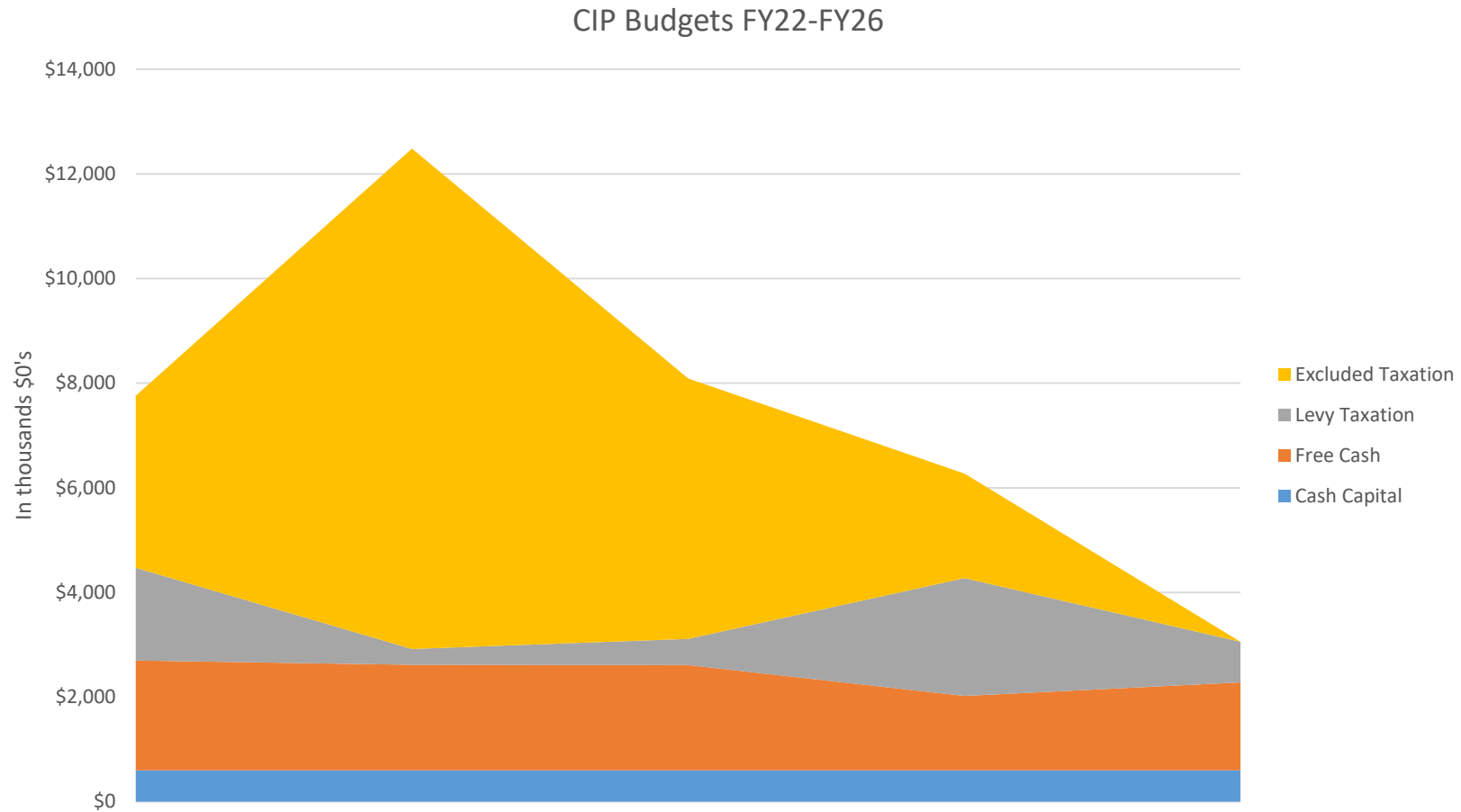
Capital Improvement Plan Financing Goals FY2022-FY2026

- Predictable Capital Financing Budget

- Stable Cash Capital Budget - \$600,000 annually + revenue growth rate
- Stable Debt Service Within Levy - \$3,050,000 + revenue growth / or Fund by Tax
- Planned Free Cash - \$1,500,000 to \$2,000,000 to be reviewed annually



CIP Budgets FY22-FY26

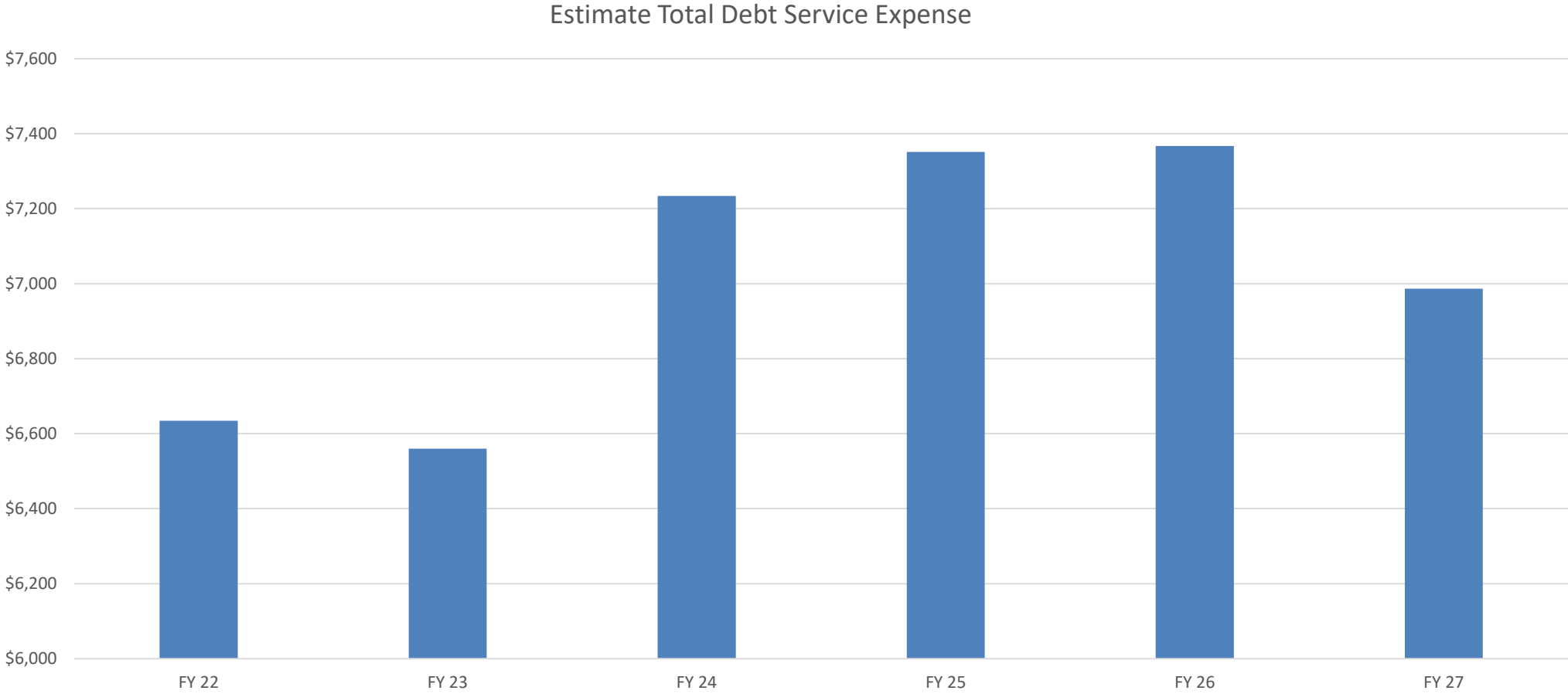


Total Debt Service and Project Value Within the Levy FY2022-FY2026 Targets

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

<i>Illustration of Level Funding (Levy Debt) to - \$3,050,000</i>							
	2021	2022	2023	2024	2025	2026	2027
Committed Levy Debt	\$2,718,227	\$2,977,920	\$2,451,614	\$2,311,124	\$2,209,484	\$2,014,444	\$1,912,617
New Debt Service	\$0	\$0	\$213,375	\$214,525	\$263,975	\$495,625	\$564,875
Total Debt	\$2,718,227	\$2,977,920	\$2,664,989	\$2,525,649	\$2,473,459	\$2,510,069	\$2,477,492
add Debt Maintenance		\$72,080	\$385,011	\$524,351	\$576,541	\$539,931	\$572,509
New Debt / plus Maintenance	\$2,718,227	\$3,050,000	\$3,050,000	\$3,050,000	\$3,050,000	\$3,050,000	\$3,050,000

Debt Service Estimate FY 22- FY 27



Financial Forecast FY 22 – FY 26

Financial Forecast					
Financial Indicators	FY 22	FY 23	FY 24	FY 25	FY 26
General Fund Y to Y \$ increase	\$2,767	\$2,770	\$3,445	\$2,981	\$3,158
General Fund Y to Y % increase	3.21%	3.12%	3.76%	3.13%	3.22%
Estimated Tax Levy	\$77,307	\$79,917	\$83,260	\$86,340	\$89,391
\$ increase to prior year	\$3,237	\$2,610	\$3,343	\$3,079	\$3,051
% increase to prior year	4.37%	3.38%	4.18%	3.70%	3.53%
Amount under levy limit	\$5,086	\$5,132	\$5,081	\$4,712	\$4,244
Estimated Tax Rate	19.14	19.59	20.21	20.75	21.27
Debt Service as % of Budget	7.46%	7.15%	7.60%	7.49%	7.27%
Estimated Total Assessments	\$4,039,444	\$4,079,839	\$4,120,637	\$4,161,844	\$4,203,462
Estimated \$ increase	\$39,994	\$40,394	\$40,798	\$41,206	\$41,618
Estimated % increase	1.00%	1.00%	1.00%	1.00%	1.00%

Establish Capital Improvement Stabilization Fund

- Finance Committee request to Board of Selectmen in FY2019
- Needs to be established by Town Meeting
- Board of Selectmen 2020 ATM Article
- 2/3 Vote of Town Meeting to Expend Funds
- Two options to fund Stabilization
- Fund with excess of appropriate debt service within the levy
- Raise \$200,000 by taxation with two year increases
- Supplements the CIP

Next Steps

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

Questions