



TOWN OF WAYLAND

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To: Finance Committee

Nancy Funkhouser-(Chair)	Gordon Cliff	David Watkins	
Carol Martin	Bill Steinberg	Tom Abdella	Gil Wolin

From: Brian Keveny, Finance Director

Date: December 29, 2015

Subject: Debt Projections- (2017-2027)

I have prepared for your review the attached debt schedules that include the following assumptions. At our meeting on December 14th, we discussed looking at a debt model that would include various scenarios. These schedules are a useful tool in finalizing the Fiscal 2017 Capital Budget.

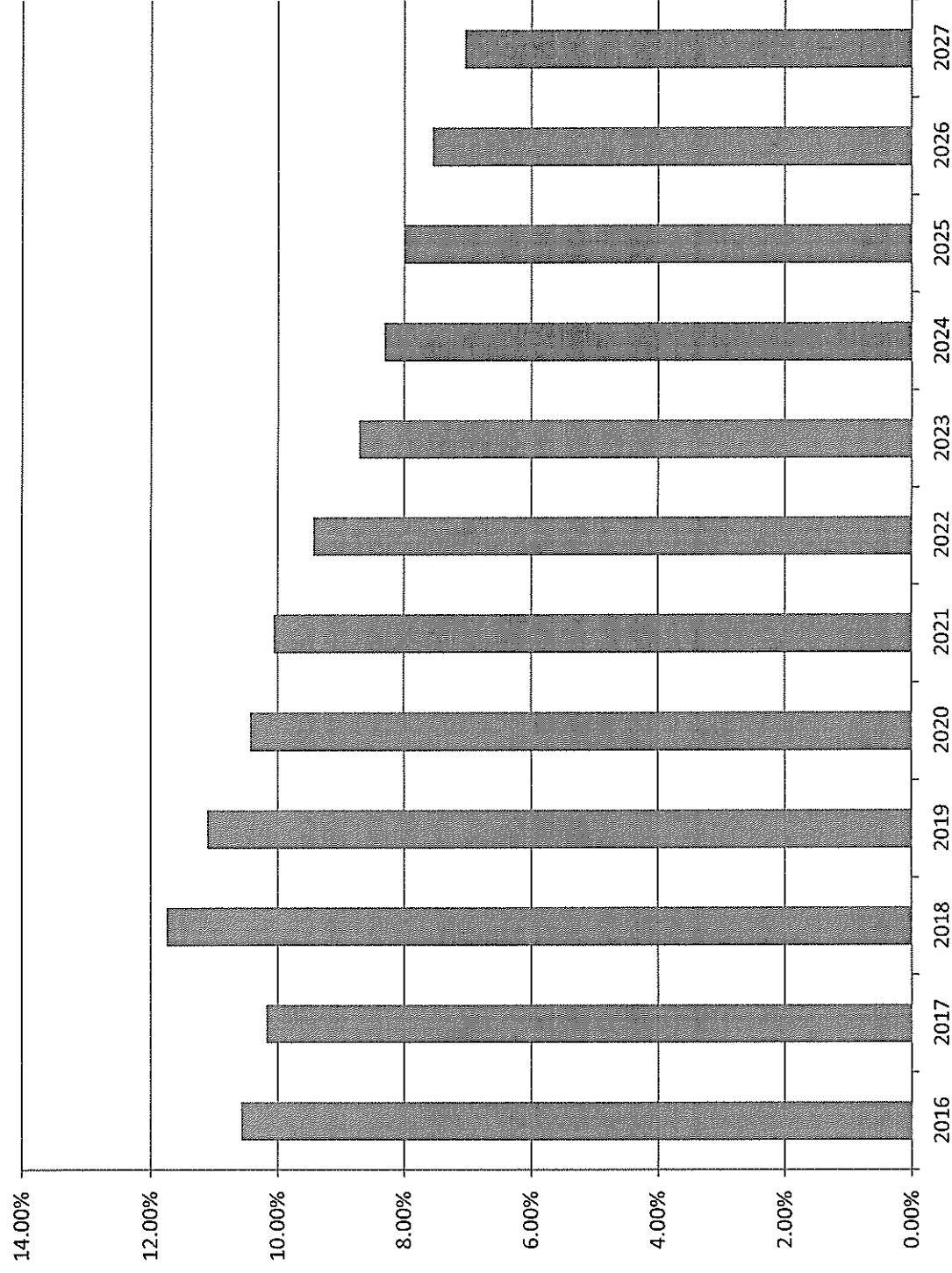
- 1) Assumptions: I have detailed 5 potential debt assumptions which included a new Council on Aging, Library and Mainstone Farm. Also included is the assumption that the town will authorized \$4M in debt and \$400K in debt service (2018-2027)
- 2) Projection of Debt Service: The schedule summarizes the effect of the proposed assumptions.
- 3) Projection Chart: The chart shows the effect of the change in debt service per year as a percentage of general fund budget
- 4) Debt Schedule: This schedule includes all assumptions which the other schedules are developed from.

Debt assumptions- FY 2017-FY 2027	
1)	Town adds \$4,000,000 in new debt each year (2018-2027)
2)	Town adds \$400,000 in debt service each year (2018-2027)
3)	Mainstone, COA and Library authorized for FY 2018- total \$23M
4)	Mainstone, COA and Library add \$1.3M in debt service (2018-2027)
5)	Total town budget annual growth 2.5% (2016-2027)

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- 2) Town adds \$400,000 in debt service each year (2018-2027)
- 3) Mainstone, COA and Library authorized for FY 2018- total \$23M
- 4) Mainstone, COA and Library add \$1.3M in debt service (2018-2027)
- 5) Total town budget annual growth 2.5% (2016-2027)

PROJECTION OF DEBT SERVICE 2016-2027									
INCLUDES ANNUAL \$400k INCREASE AND MAINSTONE, COA AND LIBRARY									
	2.5% growth		CDS		Current		Current		\$ difference (10 %) and CDS
FY Year	Projected GF budget	Debt Service	Current Debt Service	\$ change in DS Year to Year	DS as % of Projected budget	Actual 10% of Projected GF budget			
2016	73,294,542	7,751,620			10.58%	7,329,454.20	(422,165.78)		
2017	75,126,906	7,652,831		-98,788.57	10.19%	7,512,690.56	(140,140.86)		
2018	77,005,078	9,053,443		1,400,611.46	11.76%	7,700,507.82	(1,352,935.05)		
2019	78,930,205	8,776,013		-277,430.37	11.12%	7,893,020.51	(882,991.99)		
2020	80,903,460	8,444,151		-331,861.25	10.44%	8,090,346.03	(353,805.22)		
2021	82,926,047	8,346,703		-97,448.74	10.07%	8,292,604.68	(54,097.83)		
2022	84,999,198	8,023,096		-323,606.25	9.44%	8,499,919.79	476,823.53		
2023	87,124,178	7,598,115		-424,981.26	8.72%	8,712,417.79	1,114,302.79		
2024	89,302,282	7,428,449		-169,666.25	8.32%	8,930,228.23	1,501,779.48		
2025	91,534,839	7,313,861		-114,587.50	7.99%	9,153,483.94	1,839,622.69		
2026	93,823,210	7,091,524		-222,337.50	7.56%	9,382,321.04	2,290,797.29		
2027	96,168,791	6,781,106		-310,417.50	7.05%	9,616,879.06	2,835,772.81		

CHANGE IN DEBT SERVICE AS A PERCENTAGE OF GENERAL FUND BUDGET (2016- 2027)



GENERAL FUND	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Exempt Debt												
Beginning Balance	41,484,000	38,670,500	35,952,000	33,238,500	30,710,000	28,600,000	26,640,000	24,680,000	22,725,000	20,770,000	18,815,000	16,860,000
Principle payment	2,813,500	2,718,500	2,713,500	2,528,500	2,110,000	1,960,000	1,960,000	1,955,000	1,955,000	1,955,000	1,955,000	1,780,000
Interest payment	1,688,620	1,607,203	1,515,774	1,418,666	1,320,533	1,229,489	1,141,608	1,066,795	991,295	914,865	838,635	765,875
New Debt-Principle												
Ending Balance	38,670,500	35,952,000	33,238,500	30,710,000	28,600,000	26,640,000	24,680,000	22,725,000	20,770,000	18,815,000	16,860,000	15,080,000
Non-Exempt Debt												
Beginning Balance	23,572,000	21,150,000	22,722,096	46,012,096	46,212,096	46,152,096	45,882,096	45,787,096	45,987,096	46,242,096	46,497,096	46,867,096
New Debt-Principle	0	4,100,000	27,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Principle payment	2,422,000	2,190,000	2,035,000	1,730,000	1,590,000	1,410,000	1,325,000	1,050,000	1,000,000	1,000,000	890,000	855,000
Interest payment	827,500	752,509	674,369	595,446	526,419	466,214	411,289	363,820	325,554	288,596	258,689	232,331
New Debt Service-Beg-2017-4 (Prin)												
New Debt Service-Beg-2017-4 (Int)												
New Debt Service-Beg-2018-4 (Prin)												
New Debt Service-Beg-2019-4 (Prin)												
New Debt Service-Beg-2020-4 (Prin)												
New Debt Service-Beg-2021-4 (Prin)												
Mainstone-Principle	0	0	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Mainstone-Interest	0	0	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
COA-\$5.5M-Principle	0	0	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
COA-\$5.5M-Interest	0	0	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Library-\$12.5M-Principle	0	0	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000
Library-\$12.5M-Interest	0	0	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Total Principle Debt balance YE	21,150,000	22,722,096	46,012,096	46,212,096	46,152,096	45,882,096	45,787,096	45,987,096	46,242,096	46,497,096	46,867,096	47,272,096
Total Principle	5,235,500	5,246,404	6,423,500	6,328,500	6,170,000	6,230,000	6,055,000	5,755,000	5,700,000	5,700,000	5,585,000	5,375,000
Total Interest	2,516,120	2,406,427	2,629,943	2,447,513	2,274,151	2,116,703	1,968,096	1,843,115	1,778,449	1,613,861	1,506,524	1,406,106
Total Prin / Int	7,751,620	7,652,831	9,053,443	8,776,013	8,444,151	8,346,703	8,023,096	7,598,115	7,428,449	7,313,861	7,091,524	6,781,106
Ending Balance	59,820,500	58,674,096	79,250,596	76,922,096	74,752,096	72,522,096	70,467,096	68,712,096	67,012,096	65,312,096	63,727,096	62,352,096
Projected GF budget at (2.50% annual growth)	73,294,542	75,126,906	77,005,078	78,930,205	80,903,460	82,926,047	84,998,198	87,124,178	89,302,282	91,534,839	93,823,210	96,168,791
Annual debt budget as % of total annual budget	10.58%	10.19%	11.76%	11.13%	10.44%	10.07%	9.44%	8.72%	8.32%	7.99%	7.56%	7.05%
Current-Projected Debt -(CD) budget [10% of annual budget]	7,751,619.98	7,652,831.41	9,053,442.87	8,776,012.50	8,444,151.25	8,346,702.51	8,023,096.26	7,598,115.00	7,428,448.75	7,313,861.25	7,091,523.75	6,781,106.25
Variance, CD to 10%	(422,165.78)	(140,140.86)	(1,352,935.05)	(862,991.99)	(353,805.22)	(54,097.83)	(476,823.53)	(1,114,302.79)	(1,501,779.46)	(1,839,622.69)	(2,296,797.29)	(2,835,772.81)