



Town of Wayland Massachusetts

Finance Committee

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

Meeting Minutes February 4, 2016 Final

Attendance: Committee members B. Steinberg, C. Martin, D. Watkins (by phone) G. Cliff, and N. Funkhouser. B. Keveny (Finance Director) also attended.

7:00 Call to Order

The meeting was called to order in the Senior Center meeting room at Town Building. N. Funkhouser announced that the meeting was being recorded. G. Cliff volunteered to prepare draft meeting minutes. D. Watkins participated by phone due to geographic distance.

7:01 Public Comment & Members' Response to Public Comment

None

7:02 CIP write-ups Status Update

D. Watkins stated that the CIP write-up process is going well and he has first drafts of everything he needs.

7:04 Finance Director's report

B. Keveny distributed an updated Draft-Recap of FY 17 Budget Requests report (see attachments). He focused on page 3, which shows the changes since the version FinCom voted on Feb 1. He stated that he has asked for more details on a number of items. The net change is a reduction in the omnibus operating budget from \$79,680,397 voted on Feb 1 to a new total of \$79,644,117. C. Martin stated that we still need to get the updated water enterprise fund budget that we had requested. B. Keveny explained that the expenses of the new engineer position in DPW has been split 60%/40% between the general fund and the water fund. G. Cliff asked for an additional review of the health insurance line given that the current projection is

for \$300 k of turnback in 2016. C. Martin asked that we have additional discussion on the Reserve Fund Budget of \$300 k. G. Cliff asked for more information on the Pension line. B. Keveny explained that the amount for Pension comes straight from Middlesex Retirement. B. Steinberg suggested an idea to fund some or all of the cost of the new engineer position by transfer pricing. B. Keveny suggested a way to accomplish it by transferring in unbudgeted revenue and FinCom members agreed that we should investigate it further. B. Keveny explained that Finance staff is reviewing the indirect cost methodologies. Since FinCom voted to take user fees to rent fields as a general fund revenue item, indirect costs of the general fund allocated to the Recreation revolving fund should probably be reduced by \$36 k.

7:28 IT Review and Discussion – Nan Balmer

B. Keveny distributed copies of the Information Technology FY 17 Proposed Budget document and IT Operating Budget Request spreadsheet (see attachments). N. Balmer took FinCom through the document. She explained that she presented the materials to the Board of Selectmen on Feb 1, and the BoS were inclined to keep the same proposed budget amount. Nan introduced Lea Anderson (BoS liaison for IT), Beth Doucette, Mike McCann (a contractor working on the project), and Rajiv Shritter a Wayland resident who works in Northeastern's IT department, who have helped in developing the proposed IT plan and budget. The proposed FY17 budget is about \$920 k which is almost a \$600 k increase over the approved amount for FY 16. The Town IT budget is meant to cover both town needs plus shared infrastructure needs that would also support the schools. In reconfiguring the budgets about \$30 k of expense was moved from the school budget to the town IT department so it could be managed centrally. N. Balmer explained that of the \$600 k increase at least \$400k is likely to be recurring/also needed in FY18 and beyond. B. Steinberg asked if the amount that we should expect to see in future years is likely to be in the \$700-750 k range, and N. Balmer agreed.

N. Balmer reminded FinCom of the history of the cyber-attack in January 15 and the work done since then by town staff, and various consultants and advisors concluding that we have significant gaps in terms of technical skills, town systems, and aging IT infrastructure. Key components of the recommended solution that is driving the budget increase are a new IT Master Plan, a new IT organization based on combined town and school approach, bringing in a new IT Director and a business systems analyst, and new accounting and budgeting practices for better tracking and monitoring. She described FY 17 as a transition year, with a number of significant uncertainties particularly on timing of when actions can be implemented. N. Balmer summarized the major factors driving the large increase in non-personnel expenses. She then described some possible options to cut expenses by as much as \$228 k.

C. Martin thanked N. Balmer for a very clear and thorough presentation. There was some discussion about whether there was duplication between the proposed operating budget and the two approved IT projects in the capital budget.

D. Watkins expressed some doubt about whether the proposed budget could all be spent well in FY 2017. He suggested that we should consider cutting some of the proposed budget and if things go faster than expected supplement by allocating money from FinCom's Reserve Fund Budget. B. Steinberg asked Mr. McCann to provide his input on the ability of the town to execute the proposed program in FY 2017. M. McCann agreed with D. Watkins that the program was very aggressive and that many of the steps are serial in nature with some steps being required to be completed before other steps can be started. The group discussed pros and cons of possible budget reductions based on the list in the presentation. B. Steinberg asked if the program in whole was what the town needed to do. M. McCann agreed that the program is a great step in terms of addressing the town's IT deficiencies. G. Cliff asked that we get more input from our peer towns in terms of what they are doing on IT, particularly since the proposed budget would put us at much higher spending rate than most of our peer towns. G. Cliff also asked that we be clear on what spending should be in the capital budget vs. the operating budget in terms of our policies. B. Keveny explained that there is some judgment and leeway involved in what types of spending is treated as capital (not all "capital" budget projects are capitalizable) and operating (some operating spending results in assets that are capitalized). C. Martin asked for an update on the one-time spending that was approved at the Special Town Meeting in November 2015. B. Doucette provided the update, and N. Balmer provided some additional information.

The group again discussed the pros and cons of a variety of potential cuts, not to the program overall, but to the amount needed for the FY 2017 budget. FinCom members discussed cutting amounts ranging from \$100 k to \$228 k and tentatively agreed on \$130 k. N. Balmer and M. McCann agreed that a cut of that magnitude was reasonable as long as they would be able to request additional budget authority during the year if the program was going faster than expected.

8:50 Amended 2017 Omnibus Operating Budget

G. Cliff moved that we reduce the amount of the Town IT budget to \$797,273. C. Martin seconded. Roll call vote. D. Watkin yes, B. Steinberg yes, N. Funkhouser yes, C. Martin yes, G. Cliff yes. FinCom discussed and agreed that we should vote the amended budget including all the agreed changes since the budgeted we voted on Feb 1. N. Funkhouser moved that we approve an amended FY 2017 omnibus operating budget: General Fund \$74,978,813, Enterprise Funds \$4,535,304, Total \$79,514,117. G. Cliff seconded. Roll call vote. D. Watkin yes, B. Steinberg yes, N. Funkhouser yes, C. Martin yes, G. Cliff yes. FinCom discussed items for further investigation and timing to finalize and agreed we should finalize with one more vote if needed by our meeting on Feb 22.

9:01 FY 2017 Omnibus Budget Presentation: Discussion and Preparation

N. Funkhouser distributed copies of the latest version of the operating budget presentation (see attachments). N. Funkhouser walked through each of the pages and requested input. FinCom members discussed and agreed on a number of minor edits.

B. Keveny distributed copies of the latest version of the capital budget presentation (see attachments). D. Watkins walked through each of the pages and requested input. FinCom members discussed and agreed on a number of minor edits.

9:35 Annual Town Meeting

-Article Order Review

- Warrant article preparation – Discussion & Progress Report

N. Funkhouser provided an update on the schedule including several proposed articles that have been pulled. G. Cliff volunteered that most of his articles could be ready for review at the next meeting. C. Martin said several of hers would be ready as well.

C. Martin asked B. Keveny several questions about the Mainstone Farm article. FinCom members discussed a number of questions about this article.

N. Funkhouser said Board of Selectmen had asked if FinCom had any input on order of articles. FinCom members made a number of suggestions about articles that should probably come before the omnibus budget.

FinCom discussed timeline and FinCom meetings needed to complete all the write-ups. Members agreed FinCom should meet on the 11th before and after STM, a meeting during the following week, and a meeting on the 25th.

9:55 Liaison & Members' Reports, Concerns and Topics

G. Cliff provided an update on maps for petitioners' articles. The agreement is that a FinCom member can request a map if he/she believes it would be helpful, that all requests for maps should be directed to John Senchyshyn, and that the map provided will be simple and should take no more than one iteration.

10:14 Chair's Update and Items the chair did not reasonably anticipate would be discussed at the meeting

Review and Approve Outstanding Minutes: 1/21, 1/25, 1/28

Future Meeting Schedule: 2/8 (Fincom FY 2017 budget presentation), 2/11, 2/22, 2/29

FinCom reviewed draft minutes for Jan 21 (see attachments). G. Cliff moved that we approve the minutes as drafted including any minor edits provided to C. Martin. B. Steinberg seconded. Roll call vote. D. Watkin yes, B. Steinberg yes, N. Funkhouser yes, C. Martin yes, G. Cliff yes.

10:01 Adjourn

C. Martin made a motion to adjourn the meeting. B. Steinberg seconded. Roll call vote. D. Watkin yes, B. Steinberg yes, N. Funkhouser yes, C. Martin yes, G. Cliff yes.

Attachments

Draft-Recap of FY 17 Budget Requests report
Information Technology FY 17 Proposed Budget
Information Technology Operating Budget Request FY 17
FY 17 Omnibus Budget presentation
FY 17 Proposed Capital Budget presentation
Finance Committee Minutes January 21.

Respectfully Submitted,
Gordon Cliff

**DRAFT- RECAP OF FY 17 BUDGET REQUESTS
REVENUE AND EXPENDITURES-DRAFT**

2/4/2016	DRAFT ONLY			
EXPENDITURES	Payroll	Expenses	Omnibus Total	All Budgets
Town	11,831,527.00	4,416,048.00	16,247,575.00	16,247,575.00
School	30,874,683.00	6,848,150.00	37,722,833.00	37,722,833.00
Debt	-	7,539,351.00	7,539,351.00	7,539,351.00
Retirement	-	4,235,414.00	4,235,414.00	4,235,414.00
Unclassified-Other	-	2,043,000.00	2,043,000.00	2,043,000.00
Health Insurance	-	7,320,640.00	7,320,640.00	7,320,640.00
Cash Capital - Capital Projects	-	-	-	305,000.00
Total Departmental	42,706,210.00	32,402,603.00	75,108,813.00	75,413,813.00
Water Enterprise	778,470.00	3,020,907.00	3,799,377.00	3,799,377.00
Wastewater Enterprise	23,494.00	703,382.00	726,876.00	726,876.00
Septage Enterprise	-	9,051.00	9,051.00	9,051.00
Total Enterprise	-	3,733,340.00	4,535,304.00	4,535,304.00
Total-Omnibus Budget	42,706,210.00	36,135,943.00	79,644,117.00	79,949,117.00
Unappropriated				
Overlay	-	-	-	600,000.00
State Assessments	-	-	-	110,000.00
Cherry Sheet Offset	-	-	-	17,500.00
Transfer to Other Funds	-	-	-	-
Total Other	-	-	-	727,500.00
Total	42,706,210.00	36,135,943.00	79,644,117.00	80,676,617.00
REVENUES				
Taxation	-	-	62,575,521.00	63,608,021.00
State Aid	-	-	4,741,957.00	4,741,957.00
Local Receipts	-	-	4,300,404.00	4,300,404.00
Free Cash - Operating	-	-	1,500,000.00	1,500,000.00
Free Cash - Capital				
Transfers from other funds				
Ambulance Fund	-	-	360,000.00	360,000.00
Overlay	-	-	300,454.00	300,454.00
Bond Premium	-	-	90,291.00	90,291.00
Council on Aging	-	-	1,373.00	1,373.00
Water Fund	-	-	338,601.00	338,601.00
Septage Fund	-	-	9,051.00	9,051.00
Wastewater Fund	-	-	24,669.00	24,669.00
Recreation Revolving	-	-	36,405.00	36,405.00
Transfer Station	-	-	71,961.00	71,961.00
BASE	-	-	220,101.00	220,101.00
Childrens Way	-	-	233,506.00	233,506.00
Food Service	-	-	270,401.00	270,401.00
Full Day Kindergarden	-	-	34,118.00	34,118.00
Water Enterprise Revenues			3,799,377.00	3,799,377.00
Wastewater Revenues			726,876.00	726,876.00
Septage Retained Earnings			9,051.00	9,051.00
Total			79,644,117.00	80,676,617.00

Fiscal 2017 Budget-DRAFT 2/4/2016		GF / Enterprise Omnibus Budget		GF / Other Budget	Total Budget
<i>Expenses</i>					
General Fund		75,108,813.00		75,413,813.00	75,108,813.00
Enterprise Funds		4,535,304.00			4,535,304.00
Unappropriated		-		727,500.00	600,000.00
		-			110,000.00
		-			17,500.00
		-			-
Total		79,644,117.00		76,141,313.00	80,371,617.00
<i>Revenues</i>					
Taxation					
Real Estate	62,575,521.00		63,608,021.00		63,608,021.00
State Aid	4,741,957.00		4,741,957.00		4,741,957.00
Local Receipts	4,300,404.00		4,300,404.00		4,300,404.00
Total		71,617,882.00		72,650,382.00	72,650,382.00
Ambulance		360,000.00		360,000.00	360,000.00
Premium on Bond		90,291.00		90,291.00	90,291.00
Other funds		1,238,813.00		1,238,813.00	1,238,813.00
Overlay		300,454.00		300,454.00	300,454.00
Unreserved Fund Balance		1,500,000.00		1,500,000.00	1,500,000.00
					-
Water Enterprise		3,799,377.00			3,799,377.00
Wastewater Enterprise		726,876.00			726,876.00
Septage		9,051.00			9,051.00
Total Revenues:		79,642,744.00		76,139,940.00	80,675,244.00

OMNIBUS BUDGET CROSSWALK - 02/01/16 TO 02/04/16					
	Budget	2/1/2016 Adjustments	Adjusted Budget	2/4/2016 Adjustments	Net Adjustments
General Fund Budget	74,668,652	0	74,668,652	0	74,668,652
IT expense increases	0	395,414	395,414	0	395,414
Debt increase	0	15,000	15,000	0	15,000
Benefits for Engineer	0	34,400	34,400	0	34,400
Engineer salary	0	80,000	80,000	0	80,000
Removal of IT salary counted twice	0	0	0	(80,000)	(80,000)
Net change in Salary Reserve	0	0	0	55,190	55,190
GF Debt reduction	0	0	0	(57,583)	(57,583)
Water Fund Debt reduction	0	0	0	(9,987)	(9,987)
Wastewater Debt increase	0	0	0	12,600	12,600
Add Recreation Utilities				13,500	13,500
Add DPW new hire				30,000	30,000
Enterprise Fund Budget	4,486,931		4,486,931		4,486,931
Omnibus Draft Budget	79,155,583				
Omnibus Budget-voted 02/01/16			79,680,397		
Omnibus Budget - new amount					79,644,117

FISCAL YEAR 2017 BUDGET		EXPENDED FY 2014	EXPENDED FY 2015	APPROVED FY 2016	REQUESTED FY 2017
SELECTMEN					
	<i>Total FTEs</i>	0.00	0.00	0.00	0.00
	PURCHASE OF SERVICES	\$23,463	\$20,760	\$24,000	\$24,000
	SUPPLIES	\$7,253	\$3,015	\$6,000	\$6,000
1	TOTAL EXPENSES	\$30,716	\$23,775	\$30,000	\$30,000
	TOTAL SELECTMEN	\$30,716	\$23,775	\$30,000	\$30,000
TOWN OFFICE					
	<i>Total FTEs</i>	4.50	5.00	5.00	5.00
2	PERSONNEL SERVICES	\$497,230	\$468,322	\$435,000	\$435,000
	PURCHASE OF SERVICES	\$13,620	\$14,842	\$10,000	\$10,000
	SUPPLIES	\$66,238	\$66,139	\$71,500	\$71,500
3	TOTAL EXPENSES	\$79,858	\$80,981	\$81,500	\$81,500
	TOTAL TOWN OFFICE	\$577,088	\$549,303	\$516,500	\$516,500
PERSONNEL BOARD					
	<i>Total FTEs</i>	0.00	0.00	0.00	0.00
4	PERSONNEL SERVICES	\$0	\$2,100	\$5,000	\$5,000
	PURCHASE OF SERVICES	\$4,157	\$8,540	\$10,000	\$10,000
5	TOTAL EXPENSES	\$4,157	\$8,540	\$10,000	\$10,000
	TOTAL PERSONNEL BOARD	\$4,157	\$10,640	\$15,000	\$15,000
FINANCE					
	<i>Total FTEs</i>	4.43	4.54	4.54	4.54
6	PERSONNEL SERVICES	\$274,089	\$296,257	\$318,301	\$338,618
	PURCHASE OF SERVICES	\$64,946	\$60,909	\$48,700	\$53,700
	SUPPLIES	\$991	\$1,563	\$3,000	\$3,000
7	TOTAL EXPENSES	\$65,937	\$62,472	\$51,700	\$56,700
	TOTAL FINANCE	\$340,026	\$358,729	\$370,001	\$395,318
ASSESSOR					
	<i>Total FTEs</i>	4.00	4.00	4.00	4.00
8	PERSONNEL SERVICES	\$238,932	\$243,751	\$244,460	\$259,626
	PURCHASE OF SERVICES	\$78,663	\$53,361	\$49,850	\$49,150
	SUPPLIES	\$1,705	\$3,025	\$3,000	\$3,100
9	TOTAL EXPENSES	\$80,368	\$56,386	\$52,850	\$52,250
	TOTAL ASSESSOR	\$319,300	\$300,137	\$297,310	\$311,876
TREASURER					
	<i>Total FTEs</i>	3.26	3.26	3.26	3.26
10	PERSONNEL SERVICES	\$196,076	\$208,554	\$199,000	\$190,104
	PURCHASE OF SERVICES	\$37,824	\$72,609	\$115,700	\$99,900
	SUPPLIES	\$0	\$0	\$200	\$200
11	TOTAL EXPENSES	\$37,824	\$72,609	\$115,900	\$100,100
	TOTAL TREASURER	\$233,900	\$281,163	\$314,900	\$290,204

FISCAL YEAR 2017 BUDGET		EXPENDED FY 2014	EXPENDED FY 2015	APPROVED FY 2016	REQUESTED FY 2017
TOWN COUNSEL					
	<i>Total FTEs</i>	0.00	0.00		0.00
	PURCHASE OF SERVICES	\$170,312	\$142,088	\$175,000	\$175,000
	SUPPLIES	\$4,334	\$0	\$0	
12	TOTAL EXPENSES	\$174,646	\$142,088	\$175,000	\$175,000
	TOTAL TOWN COUNSEL	\$174,646	\$142,088	\$175,000	\$175,000
INFORMATION TECHNOLOGY					
	<i>Total FTEs</i>	1.00	1.00	1.00	1.00
13	PERSONNEL SERVICES	\$84,085	\$84,693	\$83,842	\$287,669
	PURCHASE OF SERVICES	\$147,743	\$197,706	\$91,890	\$97,890
	SUPPLIES	\$52,351	\$52,308	\$146,300	\$541,714
14	TOTAL EXPENSES	\$200,094	\$250,014	\$238,190	\$639,604
	TOTAL INFORMATION TECHNOLOGY	\$284,179	\$334,707	\$322,032	\$927,273
TOWN CLERK					
	<i>Total FTEs</i>	2.00	2.00	2.00	2.00
15	PERSONNEL SERVICES	\$124,327	\$119,529	\$120,584	\$125,781
	PURCHASE OF SERVICES	\$7,598	\$13,829	\$15,643	\$15,930
	SUPPLIES	\$1,269	\$1,104	\$1,400	\$1,400
16	TOTAL EXPENSES	\$8,867	\$14,933	\$17,043	\$17,330
	TOTAL TOWN CLERK	\$133,194	\$134,462	\$137,627	\$143,111
ELECTIONS					
	<i>Total FTEs</i>	0.00	0.00	0.00	0.00
17	PERSONNEL SERVICES	\$19,966	\$22,522	\$22,608	\$37,908
	PURCHASE OF SERVICES	\$361	\$4,704	\$2,500	\$1,000
	SUPPLIES	\$7,680	\$3,714	\$9,130	\$9,170
18	TOTAL EXPENSES	\$8,041	\$8,418	\$11,630	\$10,170
	TOTAL ELECTIONS	\$28,007	\$30,940	\$34,238	\$48,078
REGISTRAR					
	<i>Total FTEs</i>	0.00	0.00	0.00	0.00
19	PERSONNEL SERVICES	\$275	\$275	\$275	\$275
	PURCHASE OF SERVICES	\$3,901	\$3,799	\$4,050	\$5,000
20	TOTAL EXPENSES	\$3,901	\$3,799	\$4,050	\$5,000
	TOTAL REGISTRAR	\$4,176	\$4,074	\$4,325	\$5,275
CONSERVATION					
	<i>Total FTEs</i>	1.83	1.83	2.37	2.37
21	PERSONNEL SERVICES	\$135,052	\$132,862	\$169,457	\$177,902
	PURCHASE OF SERVICES	\$9,711	\$7,941	\$23,000	\$23,000
	SUPPLIES	\$6,233	\$6,767	\$14,400	\$18,200
22	TOTAL EXPENSES	\$15,944	\$14,708	\$37,400	\$41,200
	TOTAL CONSERVATION	\$150,996	\$147,570	\$206,857	\$219,102
PLANNING					
	<i>Total FTEs</i>	1.40	1.40	1.40	1.40
23	PERSONNEL SERVICES	\$103,703	\$104,254	\$105,000	\$105,000
	PURCHASE OF SERVICES	\$2,746	\$2,702	\$3,000	\$3,000
	SUPPLIES	\$42	\$222	\$1,500	\$1,500
24	TOTAL EXPENSES	\$2,788	\$2,924	\$4,500	\$4,500
	TOTAL PLANNING	\$106,491	\$107,178	\$109,500	\$109,500

<u>FISCAL YEAR 2017 BUDGET</u>		EXPENDED FY 2014	EXPENDED FY 2015	APPROVED FY 2016	REQUESTED FY 2017
SURVEYOR					
	<i>Total FTEs</i>	2.00	2.00	2.00	2.00
25	PERSONNEL SERVICES	\$160,605	\$162,411	\$160,778	\$168,118
	PURCHASE OF SERVICES	\$12,519	\$21,520	\$22,800	\$23,000
	SUPPLIES	\$2,578	\$1,136	\$4,150	\$4,150
26	TOTAL EXPENSES	\$15,097	\$22,656	\$26,950	\$27,150
	TOTAL SURVEYOR	\$175,702	\$185,067	\$187,728	\$195,268
FACILITIES					
	<i>Total FTEs</i>	3.54	3.54	3.54	3.54
27	PERSONNEL SERVICES	\$270,837	\$263,107	\$279,722	\$277,932
28	PURCHASE OF SERVICES	\$196,617	\$207,285	\$263,450	\$277,000
	Contract Services				
	Repairs & Other Expenses				
29	UTILITIES	\$575,564	\$458,885	\$529,000	\$560,500
30	SUPPLIES	\$26,782	\$35,109	\$39,500	\$43,000
	TOTAL FACILITIES	\$1,069,800	\$964,386	\$1,111,672	\$1,158,432
MISC COMMITTEES					
<i>Historic Commission, Surface Water Quality Commission, Historic District Commission, Public Ceremonies Committee</i>					
	<i>Total FTEs</i>	0.00	0.00	0.00	0.00
	PURCHASE OF SERVICES	\$48,307	\$19,546	\$47,275	\$47,275
31	TOTAL EXPENSES	\$48,307	\$19,546	\$47,275	\$47,275
	TOTAL MISC COMMITTEES	\$48,307	\$19,546	\$47,275	\$47,275
POLICE					
	<i>Total FTEs</i>	25.33	25.59	25.59	25.59
32	PERSONNEL SERVICES	\$2,105,446	\$2,192,172	\$2,231,344	\$2,281,883
	PURCHASE OF SERVICES	\$132,761	\$138,688	\$138,890	\$140,710
	SUPPLIES	\$181,950	\$167,962	\$181,400	\$169,400
33	TOTAL EXPENSES	\$314,711	\$306,650	\$320,290	\$310,110
	TOTAL POLICE	\$2,420,157	\$2,498,822	\$2,551,634	\$2,591,993
JOINT COMMUNICATIONS					
	<i>Total FTEs</i>	8.00	8.00	8.00	8.00
34	PERSONNEL SERVICES	\$462,562	\$449,983	\$475,400	\$496,675
	PURCHASE OF SERVICES	\$16,186	\$11,774	\$11,600	\$11,600
	UTILITIES	\$13,724	\$11,019	\$10,000	\$10,000
	SUPPLIES	\$6,005	\$4,362	\$5,500	\$5,500
35	TOTAL EXPENSES	\$35,915	\$27,155	\$27,100	\$27,100
	TOTAL JOINT COMMUNICATIONS	\$498,477	\$477,138	\$502,500	\$523,775
EMERGENCY MANAGEMENT					
	<i>Total FTEs</i>	0.00	0.00	0.00	0.00
	PURCHASE OF SERVICES	\$13,447	\$15,202	\$16,000	\$16,000
	SUPPLIES	\$9,125	\$7,001	\$7,000	\$7,000
36	TOTAL EXPENSES	\$22,572	\$22,203	\$23,000	\$23,000
	TOTAL EMERGENCY MANAGEMENT	\$22,572	\$22,203	\$23,000	\$23,000

FISCAL YEAR 2017 BUDGET		EXPENDED FY 2014	EXPENDED FY 2015	APPROVED FY 2016	REQUESTED FY 2017
DOG OFFICER					
	<i>Total FTEs</i>	0.00	0.00	0.00	0.00
	PURCHASE OF SERVICES	\$22,962	\$21,228	\$21,500	\$21,500
	SUPPLIES	\$0	\$0	\$0	\$0
37	TOTAL EXPENSES	\$22,962	\$21,228	\$21,500	\$21,500
	TOTAL DOG OFFICER	\$22,962	\$21,228	\$21,500	\$21,500
FIRE & ALS					
	<i>Total FTEs</i>	28.87	27.87	27.87	27.87
38	PERSONNEL SERVICES	\$2,204,981	\$2,122,359	\$2,305,349	\$2,492,921
	PURCHASE OF SERVICES	\$34,528	\$39,073	\$77,500	\$74,500
	SUPPLIES	\$161,762	\$188,058	\$175,608	\$183,900
39	TOTAL EXPENSES	\$196,290	\$227,131	\$253,108	\$258,400
	TOTAL FIRE	\$2,401,271	\$2,349,490	\$2,558,457	\$2,751,321
BUILDING & ZONING					
	<i>Total FTEs</i>	4.63	4.63	4.63	4.63
40	PERSONNEL SERVICES	\$271,999	\$278,199	\$293,767	\$311,497
	PURCHASE OF SERVICES	\$12,539	\$7,875	\$12,000	\$12,000
	SUPPLIES	\$1,705	\$1,366	\$2,501	\$2,501
41	TOTAL EXPENSES	\$14,244	\$9,241	\$14,501	\$14,501
	TOTAL BUILDING & ZONING	\$286,243	\$287,440	\$308,268	\$325,998
SCHOOLS					
	<i>Total FTEs</i>	374.64	392.35	393.58	0.00
42	TOTAL SCHOOLS	\$33,516,931	\$35,194,711	\$36,719,239	\$37,722,833
REGIONAL VOCATIONAL SCHOOLS					
	<i>Total FTEs</i>	0.00	0.00	0.00	0.00
43	TOTAL REGIONAL VOC SCHOOLS	\$212,417	\$203,026	\$110,045	\$73,027
DPW					
	<i>Total FTEs</i>	28.37	29.41	29.41	29.41
44	PERSONNEL SERVICES	1,304,211	1,270,236	1,465,479	1,616,848
HIGHWAY					
	<i>PERSONNEL SERVICES</i>	\$925,976	\$869,973	\$960,145	\$1,060,407
45	PURCHASE SERVICES	\$265,702	\$172,131	\$227,700	\$227,700
46	SUPPLIES	\$65,005	\$76,888	\$74,800	\$74,800
PARK AND CEMETERY					
	<i>PERSONNEL SERVICES</i>	\$378,235	\$400,263	\$505,334	\$556,441
47	PURCHASE SERVICES	\$101,809	\$65,832	\$185,500	\$185,500
48	SUPPLIES	\$93,289	\$96,241	\$107,500	\$107,500
LANDFILL					
49	PURCHASE SERVICES	\$55,457	\$29,143	\$65,000	\$65,000
	TOTAL DPW	\$1,885,473	\$1,710,471	\$2,125,979	\$2,277,348
SNOW					
	<i>Total FTEs</i>	0.00	0.00	0.00	0.00
50	PERSONNEL SERVICES	\$154,947	\$229,040	\$125,000	\$125,000
	PURCHASE OF SERVICES	\$146,689	\$333,983	\$110,000	\$110,000
	SUPPLIES	\$333,189	\$381,118	\$215,000	\$215,000
51	TOTAL EXPENSES	\$479,878	\$715,101	\$325,000	\$325,000
	TOTAL SNOW	\$634,825	\$944,141	\$450,000	\$450,000

FISCAL YEAR 2017 BUDGET		EXPENDED FY 2014	EXPENDED FY 2015	APPROVED FY 2016	REQUESTED FY 2017
BOARD OF HEALTH					
	<i>Total FTEs</i>	9.15	9.29	9.29	9.29
52	PERSONNEL SERVICES	\$589,601	\$589,158	\$637,877	\$672,884
	PURCHASE OF SERVICES	\$130,144	\$138,943	\$158,290	\$167,656
	SUPPLIES	\$13,447	\$9,716	\$15,700	\$15,700
53	TOTAL EXPENSES	\$143,591	\$148,659	\$173,990	\$183,356
	TOTAL BOARD OF HEALTH	\$733,192	\$737,817	\$811,867	\$856,240
VETERANS SERVICES					
	<i>Total FTEs</i>	0.00	0.00	0.00	0.00
54	PERSONNEL SERVICES	\$0	\$0	\$0	\$0
	PURCHASE OF SERVICES	\$26,400	\$37,004	\$41,600	\$44,000
	SUPPLIES	\$2,826	\$4,938	\$3,000	\$4,000
55	TOTAL EXPENSES	\$29,226	\$41,942	\$44,600	\$48,000
	TOTAL VETERANS SERVICES	\$29,226	\$41,942	\$44,600	\$48,000
COUNCIL ON AGING					
	<i>Total FTEs</i>	2.83	2.83	3.34	3.34
56	PERSONNEL SERVICES	\$166,009	\$172,252	\$195,776	\$207,486
	PURCHASE OF SERVICES	\$44,759	\$43,752	\$46,700	\$46,700
	SUPPLIES	\$9,028	\$7,762	\$8,800	\$9,300
57	TOTAL EXPENSES	\$53,787	\$51,514	\$55,500	\$56,000
	TOTAL COUNCIL ON AGING	\$219,796	\$223,766	\$251,276	\$263,486
YOUTH SERVICES					
	<i>Total FTEs</i>	2.11	2.17	3.50	3.50
58	PERSONNEL SERVICES	\$157,401	\$167,101	\$205,053	\$222,400
	PURCHASE OF SERVICES	\$2,734	\$2,807	\$2,850	\$2,850
	SUPPLIES	\$907	\$789	\$1,225	\$1,225
59	TOTAL EXPENSES	\$3,641	\$3,596	\$4,075	\$4,075
	TOTAL YOUTH SERVICES	\$161,042	\$170,697	\$209,128	\$226,475
LIBRARY					
	<i>Total FTEs</i>	14.74	14.74	14.74	14.74
60	PERSONNEL SERVICES	\$757,017	\$771,670	\$802,800	\$823,000
	PURCHASE OF SERVICES	\$44,123	\$40,851	\$47,700	\$47,700
	SUPPLIES	\$184,164	\$177,447	\$180,500	\$185,500
61	TOTAL EXPENSES	\$228,287	\$218,298	\$228,200	\$233,200
	TOTAL LIBRARY	\$985,304	\$989,968	\$1,031,000	\$1,056,200
RECREATION					
	<i>Total FTEs</i>	1.83	2.11	2.54	2.54
	PERSONNEL SERVICES	\$244,885	\$320,364	\$160,500	\$172,000
	SUPPLIES	\$0	\$0	\$0	\$0
	TOTAL EXPENSES			\$160,500	\$172,000
62	TOTAL RECREATION	\$244,885	\$233,043	\$160,500	\$172,000

FISCAL YEAR 2017 BUDGET		EXPENDED FY 2014	EXPENDED FY 2015	APPROVED FY 2016	REQUESTED FY 2017
DEBT AND INTEREST					
	<i>Total FTEs</i>	0.00			
63	TOTAL DEBT AND INTEREST	\$7,308,513	\$7,692,910	\$7,751,620	\$7,539,351
RETIREMENT					
	<i>Total FTEs</i>	0.00	0.00	0.00	0.00
	PURCHASE OF SERVICES	\$3,507,480	\$3,740,468	\$3,971,988	\$4,235,414
64	TOTAL RETIREMENT	\$3,507,480	\$3,740,468	\$3,971,988	\$4,235,414
UNCLASSIFIED					
	<i>Total FTEs</i>	0.00	\$0		\$0
	HEALTH & LIFE INSURANCE				
	Employee Health Insurance (439)	\$5,506,933		\$5,094,300	\$5,574,595
	Retiree Health Insurance (443)			\$1,619,918	\$1,511,945
	Employee HRA Accounts (0)	\$218,712	\$0	\$0	\$0
	Health Insurance Incentive Waiver (53)	\$165,978	\$154,592	\$150,000	\$176,600
	Employee & Retiree Life Insurance (667)	\$15,464	\$14,596	\$16,000	\$16,000
	Other Expenses	\$17,424	\$52,325	\$45,000	\$41,500
65	TOTAL HEALTH/LIFE INSURANCE	\$5,924,511	\$6,057,649	\$6,925,218	\$7,320,640
	OTHER INSURANCE				
66	PROPERTY, CASUALTY & LIABILITY INSURANCE	\$479,048	\$573,611	\$615,000	\$615,000
67	MEDICARE TAX - 1.45%	\$557,986	\$561,962	\$570,000	\$580,000
68	UNEMPLOYMENT COMPENSATION	\$48,914	\$32,465	\$75,000	\$75,000
69	NON CONTRIBUTORY RETIREMENT	\$16,772	\$17,537	\$18,000	\$0
70	POLICE/FIRE DISABILITY	\$6,729	\$3,082	\$15,000	\$15,000
71	OCCUPATIONAL HEALTH	\$5,091	\$1,918	\$8,000	\$8,000
	TOTAL OTHER INSURANCE	\$1,114,540	\$1,190,575	\$1,301,000	\$1,293,000
72	SICK LEAVE BUYBACK	\$7,500	\$7,500	\$40,000	\$40,000
73	RESERVE FOR SALARY SETTLEMENT	\$0	\$300,000	\$374,000	\$180,000
74	TOWN MEETING	\$89,999	\$65,289	\$90,000	\$100,000
75	STREET LIGHTING	\$114,982	\$122,538	\$130,000	\$130,000
76	RESERVE FUND BUDGET	\$0	\$0	\$300,000	\$300,000
	TOTAL UNCLASSIFIED	\$7,251,532	\$7,743,551	\$9,160,218	\$9,363,640
	TOTAL GENERAL FUND BUDGET	\$66,022,983	\$68,876,597	\$72,642,784	\$75,108,813

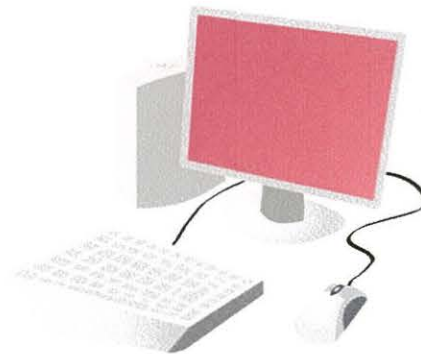
FISCAL YEAR 2017 BUDGET		EXPENDED	EXPENDED	APPROVED	REQUESTED
		FY 2014	FY 2015	FY 2016	FY 2017
WATER FUND					
	<i>Total FTEs</i>	9.00	8.00		8.00
	SALARIES	\$658,358	\$713,880	\$731,834	\$778,470
	PURCHASE OF SERVICES	\$474,673	\$450,117	\$565,117	\$580,117
	UTILITIES	\$290,915	\$363,271	\$365,000	\$414,500
	SUPPLIES	\$499,600	\$470,000	\$570,000	\$570,000
	OTHER FINANCING USES	\$1,543,213	\$348,583	\$331,725	\$352,361
	DEBT SERVICE	\$1,167,749	\$1,086,203	\$1,115,703	\$1,103,929
78	TOTAL WATER DEPARTMENT	\$4,634,508	\$3,432,054	\$3,679,379	\$3,799,377
SEPTAGE FUND					
	<i>Total FTEs</i>	0.00	0.00		0.00
	SALARIES - RETIREE CHARGES	\$33,205	\$39,502	\$34,369	\$9,051
	PURCHASE OF SERVICES				
78	TOTAL SEPTAGE DEPARTMENT	\$33,205	\$39,502	\$34,369	\$9,051
WASTEWATER MGMT DISTRICT COMM					
	<i>Total FTEs</i>	0.00	0.00		0.50
	SALARIES	\$22,864	\$0	\$22,000	\$23,494
	PURCHASE OF SERVICES	\$130,434	\$145,725	\$159,275	\$115,078
	UTILITIES	\$42,766	\$57,400	\$52,200	\$48,563
	SUPPLIES	\$22,870	\$0	\$30,000	\$25,000
	OTHER FINANCING USES	\$15,919			\$24,669
	DEBT SERVICE	\$450,644	\$451,780	\$486,680	\$490,072
80	TOTAL WASTEWATER MGMT COMM	\$662,633	\$654,905	\$750,155	\$726,876
	<i>Grand Total FTEs</i>	537.46	555.56	551.60	166.52
	TOTAL ENTERPRISE FUNDS	\$5,330,346	\$4,126,461	\$4,463,903	\$4,535,304
	GRAND TOTAL OMNIBUS BUDGET	\$71,353,329	\$73,003,058	\$77,106,687	\$79,644,117



TOWN OF WAYLAND

INFORMATION TECHNOLOGY

FY 17 PROPOSED BUDGET





FY 17 BUDGET REQUEST

TOWN / SCHOOL IT INFRASTRUCTURE AND TOWN ONLY FUNCTIONS:

- **FY 17 BUDGET REQUEST:** **\$917,446***
- **FY 16 APPROVED BUDGET:** **\$322,032**
- **INCREASE – IT BUDGET - TOWN:** **\$595,414****

**Excludes the cost of 2 shared employees funded in school budget.*

***Less than \$30,000 are costs transferred from school IT budget – Impact on total budget \$565,000.*

*** At least \$400,000 is estimated to be recurring cost.*

WHY IS SUCH A LARGE INCREASE IN THE IT BUDGET REQUESTED?



- *After a cyber-attack in January 2015 on the Town Treasurer's Office, the Town initiated a thorough examination of the shared town / school IT systems through a third party, with an emphasis on IT security. The conclusion was:*
 - **TECHNICAL SKILLS:** *To meet the new requirements, additional technical skill sets are needed to provide a stable and secure IT system,*
 - **TOWN SYSTEMS:** *Few resources are allocated to allow Town departments to make efficient use of modern technology,*
 - **AGING INFRASTRUCTURE:** *Key components of the IT infrastructure are no longer supported by manufacturers and must be replaced.*

APPROACH TO FY 17 IT BUDGET DEVELOPMENT



- 2015 IT MASTER PLAN: *The Town contracted with RSM to provide IT Recommendations and Roadmap.*
- NEW ORGANIZATION: *Town and School officials worked with RSM and agreed that a new IT Director employed by the Town and reporting to both the Town Administrator and Superintendent is the best basis for development of a new Town – School IT organization.*
- TRANSITION YEAR: *FY 17 is a transition year during which personnel and expenses will be evaluated by the new IT Director.*
- ACCOUNTING / BUDGETING / SHARED COSTS: *New account codes break out expenses and identify shared costs, 2 shared employees are funded in school budget, new shared IT Director is budgeted and employed by town, shared expenses are budgeted in town budget.*

Why a \$595,414 Increase?



COST DRIVERS - KEY COMPONENTS OF INCREASE:

1. PERSONNEL (SALARY ONLY):

- **NEED FOR IT LEADERSHIP POSITION** **\$120,000**
The new position of IT Director is recommended to provide technical expertise and leadership to manage and develop the town / school infrastructure, complete IT projects and supervise Town only IT functions.
- **NEED FOR SUPPORT POSITION TO MODERNIZE TOWN BUSINESS SYSTEMS** **\$80,000**
The new town only position of Business Systems Analyst is recommended so that town offices can efficiently and securely serve the public through multiple existing and new software applications designed for the many functions of the town.

Why a \$595,414 Increase?



COST DRIVERS - KEY COMPONENTS OF INCREASE:

2. NEW OPERATING EXPENSES OVER \$25,000:

- **\$30,625** HOSTING OF MUNIS OFF-SITE BY VENDOR
- **\$35,000** NETWORK PENETRATION TESTING
- **\$40,000** RECONFIGURATION OF VIRTUAL DESKTOP SYSTEM
- **\$55,500** MANAGED SERVICES: 2 – 2.5 DAYS PER WEEK OF ON-SITE TECHNICAL SUPPORT / CALL CENTER BACK-UP
- **\$90,000** REPLACEMENT OF NON-SUPPORTED HARDWARE (OR EQUIVALENT OUTSOURCED SOLUTION)
- **\$251,125** TOTAL NEW OPERATING EXPENSES OVER \$25,000
- *Remaining new non-personnel operating costs of approx. \$125,000 include anti-virus software appropriate to Virtual Desktop systems (after system reconfiguration) hosting e-mail off-site vendor, technical training for IT staff, staff training in upgraded business systems, new problem reporting software to allow analysis of user problems.*

APPROACH TO POSSIBLE BUDGET REDUCTION:



- HIRING OF AN IT DIRECTOR IS IN PROCESS. AFTER THE DIRECTOR SPENDS TIME ON THE JOB, THE DIRECTOR WILL PROVIDE FURTHER RECOMMENDATIONS ON THE PERSONNEL, SERVICES AND EQUIPMENT REQUIRED TO RUN A STABLE, SECURE IT SYSTEM. THE LIST BELOW SUGGESTS ITEMS THAT COULD BE PHASED IN OR RECONSIDERED WHEN TECHNICAL ADVICE FROM THE NEW IT DIRECTOR IS AVAILABLE.

➤ ITEMS FOR DISCUSSION

- REDUCE SOME NEW EXPENSES TO THE LOW END OF RSM'S RECOMMENDATIONS:
- PLAN FULL FUNDING OF BUSINESS ANALYST POSITION FOR 12/31/16 :
- PLAN FULL FUNDING FOR MANAGED SERVICES FOR 12/31/16:
- PLAN PENETRATION TESTING UNTIL FY 18:
- PLAN IMPROVED PATCH MANAGEMENT UNTIL FY 18:
- PLAN ACQUISITION OF NEW PROBLEM REPORTING TOOL IN FY 18:
- TOTAL POTENTIAL CUTS TO FY 17 BUDGET:
- FY 17 IT BUDGET INCREASE REDUCED TO:

RSM
PRIORITY

	(\$51,000)	
	(\$40,000)	MED
	(\$50,000)	HI
	(\$35,000)	HI
	(\$40,000)	HI
	(\$12,000)	MED
	(\$228,000)	
	\$367,414	

25
0200900

FINALLY: AN UPDATE ON WORK IN PROGRESS



TOWN MEETING IN APRIL AND NOVEMBER 2015 ACKNOWLEDGED THE NEED FOR INCREASED IT RESOURCES AND PROVIDED \$275,000 IN ONE TIME RESOURCES FOR PROJECTS, IT LEADERSHIP AND TECHNICAL SUPPORT (NOT IN FY 17 BUDGET)

- PROJECTS COMPLETED:

- COMPLETED A SECURITY EVALUATION
- ADDRESSED HIGH PRIORITY SECURITY RISKS
- PROVIDED SECURITY TRAINING TO EMPLOYEES
- UPGRADED AND MOVED MUNIS TO THE CLOUD
- COMPLETION OF IT MASTER PLAN

- PROJECTS IN PROGRESS:

- HIRING OF IT DIRECTOR (CONTRACTOR OR REGULAR EMPLOYEE)
- SECURITY FIREWALL UPGRADE TO NEXT GENERATION TECHNOLOGY
- ANALYSIS OF STORAGE HARDWARE AND AUTOMATED PATCH MANAGEMENT
- E-MAIL UPGRADE AND OFF-SITE VENDOR HOSTING

**Town of Wayland
Fiscal Year 2017 Operating Budget**

DEPARTMENT			INFORMATION TECHNOLOGY					
BUDGET SUMMARY								
			FY15	FY16	FY17	FY17	FY17	DESCRIPTION
			EXPENDED	APPROVED	REQUESTED	REQUESTED	REQUESTED	
					(without new costs)	(new costs)	(with new costs)	PROPOSED NEW COSTS IN RED
10155001	Salaries							
	51001	SALARIES	83842	83842	87,669		87,669	Existing Town IT Support Position
	51001	SALARIES - NEW POSITIONS (2)				200,000	200,000	New: IT Director and Business Systems Analyst
		Salaries Subtotal	83842	83842	87,669	200,000	287,669	
10155002	Expenses							
	54125	HARDWARE			35,000		35,000	\$20,000 - Replace Library Hardware, \$8,000 Complete Virtual Desktop Deployment, To be reduced by \$7,000 to reflect recent public safety expenses.
	54126	HARDWARE WARRANTIES/MAINTENANCE			7,487		7,487	\$7,487 - Warranties and service agreements for departmental data storage hardware - Networking for Town Building, Public Safety, and DPW, and Public Safety storage and Library server.
	54124	SOFTWARE		111,300	0		0	<i>This item was re-allocated to account codes below for tracking purposes</i>
	55536	SOFTWARE LICENSES/AGREEMENT			45,000	42,000	87,000	\$45,000 Existing departmental software, \$17,000 - Contract to host e-mail off site, \$15,000 for Business System upgrades, \$10,000 for anti-virus software (Virtual Desktop).
	52100	CONTRACTUAL SERVICES	171,484	84,890	2,510		2,510	\$2,510 E-fax to provide data security
	52101	PROFESSIONAL SERVICES			10,000		10,000	\$10,000 for emergency repair - Example: Networking line to fire station not working.
	52112	TRAINING	7,000	7,000	5,780	25,000	30,780	\$5,780 Employee software training and data center security training, \$10,000 business system upgrade training for users - MUNIS, \$15,000 IT Staff Training for new equipment (- New technologies - firewall, automated patch management)
	52113	TRAVEL			500		500	\$500 Travel
	52114	DUES			3,000		3,000	\$3,000 Dues, memberships for IT Director
	54100	SUPPLIES		1,000	500		500	\$500 Office supplies
	54102	COMPUTER SUPPLIES	5,000	4,000	1,000		1,000	\$1,000 - Ink, disks, flash drive, cables, adaptors
	55535	COMPUTER ACCESSORIES			500		500	\$500 - Mice, keyboards, speakers
	54500	SMALL EQUIPMENT	38,000	30,000	15,000		15,000	\$15,000 - Small equipment replacement as needed -
		Expenses Subtotal	221,484	238,190	126,277	67,000	193,277	

**Town of Wayland
Fiscal Year 2017 Operating Budget**

			FY15 EXPENDED	FY16 APPROVED	FY17 REQUESTED	FY17 REQUESTED	FY17 REQUESTED	DESCRIPTION
					(without new costs)	(new costs)	(with new costs)	PROPOSED NEW COSTS IN RED
10155003	Data Center (DC) / Infrastructure Expenses (Shared)							
	54126	DC HARDWARE WARRANTIES/MAINTENANCE			8,250	13,750	22,000	<u>\$22,000</u> for warranty and service agreement for current data storage (SAN) and bladeserver (server) - This cost was split between town and school and is now consolidated in town budget. <u>\$13,750</u> costs now in town budget.
	55536	DC SOFTWARE LICENSES/AGREEMENTS			82,650	36,850	119,500	<u>\$82,650</u> - cost for MUNIS and other DC software, <u>\$30,625</u> ongoing cost to take vendor-host MUNIS, plus \$20,438 for software licences for data center. Includes <u>\$6,225</u> in town budget previously paid by school.
	52100	DC CONTRACTUAL SERVICES			3,000	190,000	193,000	<u>\$35,000</u> network penetration testing, <u>\$40,000</u> to reconfigure Virtual Desktop system (one time cost - System was not set up properly and must be reconfigured to allow additional security including automated patching and correct anti-virus software.) Increase from <u>\$54,500</u> to <u>\$110,000</u> the technical support and back-up personnel needed to operate a secure, stable IT system. Would include 2 to 2.5 days per week at a blended rate of \$155 / hr. including on-site call center technical back-up. \$5,000 Test and document Policies and Procedures.
	54124	DC SOFTWARE			0	12,000	12,000	<u>\$12,000</u> to bring in improved problem reporting. Currently use "School Dude". Newer systems provide better reporting so that there is better problem analysis.
	54125	DC HARDWARE			0	90,000	90,000	<u>\$90,000</u> Data center hardware (servers, networking hardware) was purchased in 2009-2012 and reached end of life in 2015 and is no longer supported by manufacturer. A list of this hardware is included on p. 53 of Master Plan. Upon development of a full inventory of this equipment, a planned average annual cost will be provided.
		Data Center Expenses Subtotal			93,900	342,600	436,500	
		TOTAL	305,326	322,032	307,846	609,600	917,446	

FY 17 Omnibus Budget :
Operating and Capital
Improvement Plan

February 8, 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 permanent debt service benefits
- Assess Capital Improvement Plan (CIP) submissions – with a focus one year out
- Maintain 5010% 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
- Information from meeting with Town departments and boards.

Budget Timeline

- Early October Fincom Issues Budget Process memo
- Oct-Dec Boards and Committees Prepare and Recommend Budgets to FinCom
- Dec-Feb FinCom Reviews and Recommends Budget to Town Meeting
- April Town Meeting Votes Budget

FY17 Budget Challenges

- Diverse demands on and for town services
- Working within uncertain economic times
- Higher than anticipated free cash balance
- Measured use of free cash over time
- Reconciliation of capital requests with debt policy
- Two Special Town Meetings

FY17 Proposed Operating Budget

FY17 Operating Budget Process

- Overall increase of FY2017 Omnibus Operating Budget is 2.5%

Gordon's slide

TABLE 2: General Fund Expenses and Revenues including Cash Capital

<i>Thousands of Dollars</i>	Approved FY 2015	Approved FY 2016	Proposed FY 2017
Operating Budget	70,303	72,643	75,079
Change Over Prior Year	3.43%	3.33%	3.35%
Other Expenses	1,263	771	1,032
Total Amount to be Raised (1+2)	71,566	73,414	76,111
Total Revenues	71,566	73,414	76,111
Property Tax Revenue	59,503	58,376	63,545
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	6,466
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	1,274

TABLE 3: EXPENSE BUDGET SUMMARY BY FUNCTION

<i>Thousands of Dollars</i>	FY 2014	FY 2015	FY 2016	FY 2017	Percent
	Expended	Expended	Adopted	Proposed	Change
General Government	3,247,496	3,153,958	3,375,879	4,049,842	19.96%
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	2,247,348	5.71%
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	9,377,400	2.37%
TOTAL - GENERAL FUND	66,022,983	68,876,552	72,642,783	75,079,073	3.35%
Water Fund	4,634,508	3,432,054	3,679,379	3,785,617	2.89%
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	4,521,544	1.29%
TOTAL - OMNIBUS BUDGET	71,353,329	73,003,013	77,106,686	79,600,617	3.23%

TABLE 4: REAL ESTATE TAX RATE FORECAST

<i>Thousands of Dollars</i>	Approved 2015	Approved 2016	Proposed 2017
Real Property Tax Rate Forecast			
Property Tax Revenue	59,503	58,376	63,545
Divided by Total Assessed Valuation	3,240,146	3,366,486	3,366,486
Equals Tax Rate (Mils)	18.36	17.34	18.88
Percent Change in Tax Rate from Prior Year	0.19%	-5.58%	8.86%
Average Annual Change from FY15	0.19%	-5.40%	6.79%
Average Residential Real Property Tax Bill (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%

Table 5: OTHER NON OPERATING EXPENSES

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

TABLE 6: TOTAL FY 2017 TOWN OPERATION EXPENSES

<i>Expense</i>	<i>Amount</i>
General Fund	\$75,079,073
Water Enterprise	\$3,785,617
Septage	\$9,051
Wastewater	\$714,276
Non-Appropriated	\$727,500
Cash Capital	\$305,000
Total	\$80,620,517



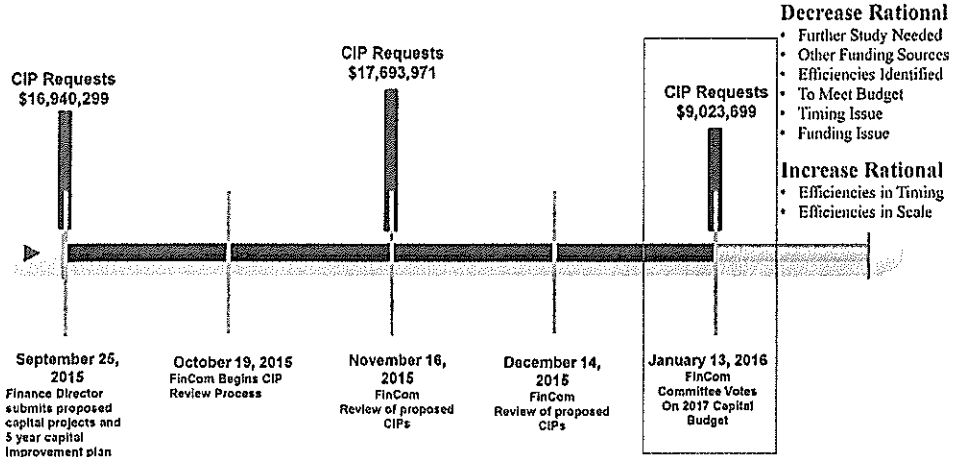
Town of Wayland
Massachusetts

FY17 Proposed Capital Budget

Slide # 1



FY17 Proposed Capital Budget Development Timeline



Decrease Rational

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

Increase Rational

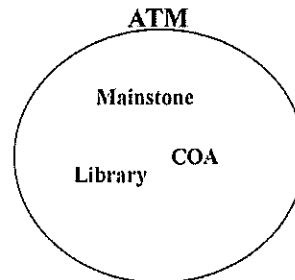
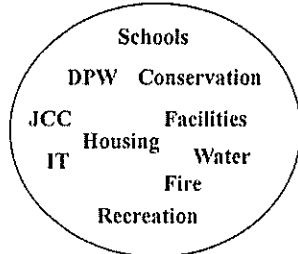
- Efficiencies in Timing
- Efficiencies in Scale

All requests went through the CIP process

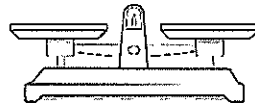


FY17 Proposed Capital Budget Guideline

FINCOM: \$9,023,699



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
 - We sought the support of sponsoring board/committee
- Capital requests within the tax levy or with cash
- Eliminate end of year turn back scenarios
 - We communicated to departments the importance of capital cost estimates approximating actual costs
- Funds created for a specific purpose are used accordingly
 - We have spent the last 10 years saving for fire equipment replacement.
 - We needed to execute a strategy that lives up to using the account balances for its specific purpose, the balance available in the account and our vote at ATM to deplete the funds this year
- Identify and remediate underfunding infrastructure
 - Roads and Information Technology



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FY17 Capital Budget Funding Sources

Source of Funds	Impact on Tax Levy	FY16 Actual	FY17 Budgeted	Increase/Decrease
Cash Capital		\$176,439	\$305,000	\$128,561
Free Cash	None	\$395,000	\$290,000	(\$105,000)
Surplus Bond Proceeds- Closed projects		\$859,100		(\$859,100)
Non-Exempt Capital (Operating)		\$2,167,904	\$4,569,699	\$2,401,795
CPA Funds	None	\$0		\$0
Ambulance Receipts	None	\$119,000	\$515,000	\$396,000
Enterprise Funds (Water, Transfer Station)	None	\$310,000	\$2,749,000	\$2,439,000
Cemetary Fund			\$50,000	\$50,000
DPW Real Estate Funds			\$545,000	\$545,000
Total Recommended Capital		\$4,028,100	\$9,023,699	\$4,995,599



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FY17 Capital Budget Funding Sources

Explanation	Cash Capital	Free Cash Items	Surplus Bond Proceeds	Non-Exempt Items	Water Items	Ambulance Receipts
Regularly occurring, replaceable equipment and vehicles with a short lifespan (< 5 years)	X					
No impact on tax rate		X	X	X	X	X
Extraordinary Item funded from the Town's cash reserve (Free Cash)		X				
Extraordinary Item funded from the remaining funds from the HS project borrowings			X			
Regularly occurring, replaceable equipment and vehicles < \$100,000				X		
Number of items limited to capacity within existing debt service						
CIPs for all items available on Town website	X	X	X	X		
Capital items proposed by DPW related to the Water Department						
Debt service paid through water revenues					X	
Some items paid through accumulated water reserves (no impact on water rates)					X	
Vehicles related to Fire Services						X



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FY 2017 CAPITAL PROJECTS BY DEPARTMENT - DPW

Type	Description	Budget
Infrastructure	Town wide road reconstruction	775,000.00
Infrastructure	Cemetery expansion	50,000.00
Equipment	Light Trucks-Replacement Schedule	90,000.00
Equipment	Light Trucks-various	-
Equipment	Small Equipment-schedule	70,000.00
Equipment	Heavy Equipment-various	225,000.00
Equipment	Heavy Truck-Small Swap Loader	220,000.00
Equipment	Transfer Station Trash Compactor	40,000.00



FY 2017 CAPITAL PROJECTS BY DEPARTMENT - Conservation

Type	Description	Budget
Building Repair	Shed and Office upgrades	30,000.00



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FY 2017 CAPITAL PROJECTS BY DEPARTMENT - JCC

Type	Description	Budget
Equipment	Radios	25,000.00



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FY 2017 CAPITAL PROJECTS BY DEPARTMENT - Facilities

Type	Description	Budget
Building repair	Transfer Station Building Improvement	48,000.00
Building repair	Demolition of old DPW Building	330,000.00



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FY 2017 CAPITAL PROJECTS BY DEPARTMENT - IT

Type	Description	Budget
Equipment	Town / School SAN upgrade	80,000.00
Equipment	Data Center Patch Management Software	40,000.00



FY 2017 CAPITAL PROJECTS BY DEPARTMENT - Fire

Type	Description	Budget
Vehicle	Ladder and Fire Truck	950,000.00
Vehicle	Rescue Pump Truck	490,000.00



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FY 2017 CAPITAL PROJECTS BY DEPARTMENT - Recreation

Type	Description	Budget
Land Imp	Happy Hollow Playground	100,000.00



Town of Wayland Massachusetts

FY 2017 CAPITAL PROJECTS BY DEPARTMENT - School

Department	Type	Description	Budget
Claypit School	Equipment	Furniture Replacement	25,000.00
Food Service	Equipment	Food Service Equipment	60,000.00
4 Locations	Equipment	Custodian Equipment	50,000.00
Happy Hollow	Building Repair	Floor Tile	65,000.00
Happy Hollow	Equipment	Furniture Replacement	25,000.00
Happy Hollow	Building Repair	Phone upgrade	50,000.00
Loker School	Building Repair	Tile Replacement	65,000.00
Loker School	Building Repair	Door and Windows	1,900,000.00
Loker School	Equipment	Furniture Replacement	35,000.00



FY 2017 CAPITAL PROJECTS BY DEPARTMENT - Housing

Type	Description	Budget
Building repair	Kochituate Apartments Fire Suppression	524,699.00



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FY 2017 CAPITAL PROJECTS BY DEPARTMENT - Water

Department	Type	Description	Budget
Water Fund	Building repair	Pump station upgrade	525,000.00
Water Fund	Infrastructure	Stonebridge water main- 5336K	935,000.00
Water Fund	Infrastructure	Water main replacement projects	750,000.00
		Completion of water meter replacement	200,000.00
Water Fund	Equipment	Water Tank Cleaning	250,000.00



Town of Wayland Massachusetts

Finance Committee

Nancy E. Funkhouser (Chair)

Thomas Abdella

Gordon Cliff

Carol Martin

Bill Steinberg

David Watkins

Gil Wolin

Finance Committee

Minutes

January 21, 2016

Attendance: N. Funkhouser, B. Steinberg, D. Watkins, G. Cliff, C. Martin and B. Keveny (Finance Director). T. Abdella & G. Wolin were not in attendance.

Call to Order: The meeting was called to order by Chair Funkhouser in the Senior Center at the Town Building at 7:00pm when a quorum was present. Ms. Funkhouser indicated the meeting was being recorded by WayCam and may be recorded by others.

Public Comment: Mark Hays of Sylvan Way inquired about the status of the report recommending the SAN size and/or Firewall patch management. He urged the FinCom to approve the proposed FY17 IT budget but exert caution in purchases. He wondered how the upgrades were being carried in the School budget.

Peggy Patton, Plain Road, expressed concern the water meter project was being considered, particularly since this project had been presented and rejected by Town Meeting on three separate occasions. Linda Segal, Aqueduct Road stated it would be beneficial if the documents being reviewed and discussed by the FinCom were posted. Frank Krasin of Edgewood Road stated in his professional opinion as a certified physicist that the water meters were unsafe.

Finance Committee Response to Public Comment: The Committee agreed its documents should be online and indicated it would determine how that could be accomplished. Concerning the IT budget, Mr. Watkins indicated funds were committed at the STM in November to determine the appropriate size and scope of the SAN, firewalls, patch management, etc.

FY2017 Operating Budget Request Discussion: Jessica Brodie, Recreation Director discussed the

Recreation Department's FY16 & FY17 financial models. To ensure FY16 budget will not exceed its \$595K cap, she stated no new programs would be added, enrollment would be managed and any one-time unforeseen expenses monitored.

For FY17, Ms. Brodie explained that if the special legislation to increase Rec's cap is not authorized before Annual Town Meeting, Recreation would again in FY17 have cap of under \$600K. As an interim measure, the Recreation Commission is proposing to create a 53D Revolving Fund for the Beach which would create more flexibility within the Rec. Revolving Fund as it would move approximately \$100K of expenses from the fund. To tackle the surplus, a Recreation Stabilization Fund is being proposed. Initial funding will be approximately \$300K. These fund will be used to fund future Recreation capital projects.

A discussion of the differences between an 53D and a 53E ½ followed during which Ms. Brodie indicated the major difference is at year end, only \$10,000 may remain in the fund. Any balance is "swept" to the General Fund. Finance Director, B. Keveny indicated there was additional reporting with a 53D. Brud Wright, Recreation Chair indicated the intent was not to enrich the general fund and would be looking for the swept funds to be returned to the 53D.

In discussing the Stabilization fund, Town Administrator Nan Balmer indicated that while more discussion with the Department of Revenue (DOR) needed to take place, the DOR has stated user fees are to be spent on the costs associated with the program from which they are derived. They are not to be "banked" for future projects. Ms. Brodie and Mr. Wright both indicated they wish to set aside surplus user fees in order to rebuild fields. Ms. Balmer reiterated user fees are to match costs as closely as possible.

In discussing the revolving fund surplus, Mr. Steinberg stated it appears we are winding up with excess user fees on an annual basis. He wondered if Wayland was unique in this area and would it be possible to lower program fees or spent these funds on field costs such as mowing. Ms. Balmer added these fees could be spent what is deemed "present costs". She stated her recommendation was to treat user fees as a local receipt. Then, use them to offset related expenses.

The Committee then discussed Recreation's operating budget request for salaries and personnel changes. Ms. Brodie explained the Recreation Commission had requested the Personnel Board change the current vacant position to Assistant Director and requested an additional FTE. The Committee noted the Personnel Board did approve both the change of duties and title of the vacant position as well the new position. The Committee also noted the Personnel Board felt the 2nd position should be funded from within the revolving fund.

Discussion with Town Administrator: Ms. Balmer, Town Administrator distributed a memo with her comments and recommendations on the FY17 operating and capital budget. She stated overall she felt the FY17 budget as submitted is modest. Ms. Balmer concurred with the Assistant Town Administrator that an additional \$10K was needed for Elections.

Regarding additional staff, Ms. Balmer added that although the Personnel Board agreed to add one position to DPW, she feels that department may still be somewhat understaffed. Expressing concern with the workload in the Facilities Department, she estimates an additional \$36-48K in contract services may be needed to clear the backlog.

Discussing the IT budget, Ms. Balmer agreed it was on the high side but added based on prior discussions and votes taken by both the FinCom and Town Meeting, it appeared the Town was looking

for a high end budget. She agreed to re-visit the budget and report back. The Committee wondered what was the best way or if at all possible to break out School IT costs. Mr. Watkins stated he felt the bigger issue is the Town is waiting for the arrival of new IT staff. Ms. Balmer replied the hiring process was taking shape.

Referring to the budget presentation made by the Recreation Director, Ms. Balmer agrees a new position is appropriate and should be funded via the Rec Revolving Fund. She also endorses the local receipts option for field user fees, reiterating the DOR does not allow present costs to be set aside for future use.

FY 2017 Capital Budget discussion and possible vote: Finance Director Brian Keveny distributed a draft FY17 Capital budget with suggested funding sources. The FinCom discussed outstanding capital requests which included a review of the prioritized list of road projects submitted by the DPW, noting approximately \$775K would be needed to complete road projects listed as either a 1 or 2 priority and reduced that CIP request to reflect the \$775K. Mr. Keveny confirmed the funds in the cemetery account could be used for the proposed cemetery road work and the funding source for that CIP was changed accordingly. Discussing the outstanding Water capital requests, the Committee found the water meter project CIP's to be confusing and removed the water meter project from the capital budget. Other adjustments including reducing the Wayland Housing Authority's request from \$528K to \$475K based on project bids received and the water main replacement request to \$750K.

The Committee then reviewed funding sources. Mr. Keveny stated the FY17 capital budget calls for \$4.5M in borrowing and at a 2.25% borrowing rate, the debt service would be approximately \$400K. After a brief discussion, Mr. Steinberg moved the FinCom accept the FY17 capital budget of \$6,180,699 as follows: \$4,569,669 from the general fund borrowing, \$1,611,00 water fund borrowing, \$305,00 from cash capital, \$250,00 from free cash, \$515,000 from ambulance receipts, \$88,000 from transfer station fund, \$50,000 from cemetery fund and \$545,00 from Real Estate Sale. Mr. Cliff seconded. Approved by a vote of 5-0.

Operating Budget Discussion: Mr. Keveny stated as the collective bargaining units settle their contracts, those salary adjustments will be made to the appropriate operating budgets. He added the FY17 borrowing is scheduled for next week and our updated FY17 Minuteman costs are expected early February.

The Committee discussed the additional operating budget personnel requests. Using the Personnel Board's recommendations, the Committee approved both positions in IT and an additional maintenance worker in DPW. The Committee did not approve the Engineering position in DPW, the additional Police Officer nor part-time clerks for the Board of Health and/or Town Clerk's office. The Committee did approve the additional FTE for Recreation provided it is funded outside the general fund and the Senior Foreman position in DPW provided these funds are confirmed to already exist within the DPW budget.

Ms. Funkhouser announced she hoped to vote a draft operating budget on January 28th after which the Committee would prepare for its annual budget presentation on February 8th.

Possible Debt exclusion discussion and vote: After a brief discussion, the Committee voted against recommending a debt exclusion for FY17. Vote: 5-0.

ATM Article Listing and Assignments: Mr. Keveny distributed the list of articles for 2016 Town Meeting.

The committee discussed and assigned article write ups as follows:

Abdella: Q, V, BB-EE
Cliff: D, R, X, Y, Z, WW, XX
Funkhouser: A-C, E-M
Martin: N, S, T, AA, FF-HH
Steinberg O, P, II-NN, UU, VV,
Watkins: U OO-TT

Committee Members' Reports, Concerns: Mr. Cliff expressed a concern over minute taking. He suggested rather than attribute comments to a specific member, the minutes be written to reflect a discussion took place. Mr. Watkins discussed preparing the Capital budget for the Warrant and indicated for FY17, the word template has been eliminated. The Capital budget will be prepared from the CIP's.

Chair's Update: Ms. Funkhouser stated she received feedback on the draft article checklist the FinCom is proposing that the date for maps and etc may place an undue burden on the staff. It was suggested and agreed that the date be changed from submission to a request. Ms. Funkhouser asked the Committee members to be respectful of staff time and to please defer to the department liaison before posing questions and requests to staff members.

Minutes: The Committee reviewed and approved minutes as follows:

December 14, 2015 - approved as amended: Motion: Martin. second: Steinberg. Vote 5-0.

January 4, 2016: approved as amended: Motion: Martin. Second: Steinberg. Vote 5-0.

January 11, 2016: Approved as amended: Motion: Martin. Second: Steinberg. Vote 5-0.

Adjourn: A motion was made to adjourn. Vote 5-0. Meeting adjourned at 11:02pm.

Respectfully Submitted,

Carol Martin

Documents:

Distributed by B. Keveny:

Recreation Projected FY17 Budgets for 53E ½, 53D & User Fees

2016 Special Town Meeting Warrant

Articles Submitted for Admission to Warrant for Annual Town Meeting

Draft Fy17 Capital Budget

Memo: New Budget for Town and School IT upgrades (source M. Hays)

Memo: Request for Town Administrator's Comments on FY17 Budget Submission (source N. Balmer)