



# Town of Wayland Massachusetts

## **Finance Committee**

G. Cliff  
N. Funkhouser  
J. Gorke  
C. Martin (Vice Chair)  
K. Shigley  
G. Uveges  
D. Watkins (Chair)

## **Finance Committee Meeting Minutes August 29, 2016 -FINAL**

Attendance: G. Cliff, N. Funkhouser, C. Martin, K. Shigley, G. Uveges, D. Watkins (Chair), and Finance Director Brian Keveny.

### **1. Call to Order**

The meeting was called to order at 7:00 PM in the Selectmen's Meeting Room. D. Watkins announced that the meeting was being taped. He reviewed the meeting agenda. There were no announcements.

### **2. Public Comment (7:04)**

Molly Upton, Bayfield Road, thanked the committee for getting an early start on the budget. She suggested that while last year's 2.5% guideline/request was good we should consider a goal of 2.25% increase for this year. She noted that Social Security increase this year is expected to be zero.

David Moran, Lincoln Road, urged that in order to make the town attractive to new residents that we ensure that we are being prudent in terms of the size of our budget.

Tom Sciacca, Rolling Lane, said he was also speaking as a retiree and that the biggest single item of his expenses are his tax bill. He said his tax bill has gone up almost 30% in real terms over the past 10 years. He felt that a 2.5% increase now, given how low inflation has been, is contrary to the original goals of proposition 2.5. He urged us to contain our budget increases.

Alice Boelter, Lake Shore Drive, urged us to keep the budget down, particularly the school budget.

Linda Segal, Aqueduct Road, pointed out that we need to avoid the "death spiral" of taxing retired residents out of town.

N. Funkhouser read/summarized a number of public comment emails we had received (see attachments).

### **3. Executive Session (6:45)**

D. Watkins moved that we enter into a Joint Executive Session with the School Committee Pursuant to Massachusetts General Laws Chapter 30A, Section 21(a)(3) to Discuss Strategy with Respect To Health Insurance and Successor Bargaining in regards to the AFSCME Clerical Union, the AFSCME Professional Union, the Teamsters, the Library Association, the Police Union, the Fire Union, the Wayland Teachers Association, the Wayland Educational Secretarial Association, the School

Custodians Union, and the Food Service Association and to discuss potential declassification of executive session minutes pursuant to M.G.L. Ch. 30(a) § 22: and also Vote to Release Previously Considered Minutes for 5-9-2016. C. Martin seconded. Roll call vote: Cliff-yes, Uveges-yes, Shigley-yes, Martin-yes, Funkhouser-yes, Watkins-yes. The Chair declared that we would move into Executive Session and the following people were invited to attend: FinCom members G. Cliff, N. Funkhouser, C. Martin, K. Shigley, G. Uverges, D. Watkins, and Finance Director B. Keveny. Also Asst Town Administrator/HR Director J. Senchyshyn, Town Administrator N. Balmer, Benefits Manager D. Lemoyne, School Committee members J. Downs, B. Fletcher, E. Greico, K. Reichelt, K. Steinberg, Superintendent P. Steinberg, Asst Superintendent B. Crozier and Recording Secretary D. Marobella.

At 6:50 D. Watkins announced that we were moving into executive session.

At 7:26 D. Watkins announced that our ordinary public meeting was resuming.

4. **Report from Finance Director (7:28)**

B. Keveny provided an update on the process of the internal auditor for approval of the town's 2016 financial statements. He reported that we are in good shape, and the process is expected to be completed ahead of schedule compared to recent years.

B. Keveny took the committee through the Fiscal 2016 Budget Status Report (see attachments). FinCom members asked a number of questions to get clarification on some of the details. Property taxes collected were over 99.5% of budget; some small shortfall is typical and collections of the remaining amounts will get included as unbudgeted revenue in future years. Motor vehicle excise is well over plan; it has been growing rapidly in the past several years. Mr. Keveny recommends some increase in our projection for overall local receipts, but he cautioned that if we are too aggressive in our projections that the state could challenge our projected amount and require that we increase property taxes to offset it as part of the tax recap process where our property tax rate is finalized.

Mr. Keveny noted that we have dramatically reduced the amount of expense that gets unspent but encumbered and rolled over into future years, which FinCom members agreed is very good. Turnbacks (unspent appropriations) have also come down significantly as a result of better budgeting. N. Funkhouser agreed that turnbacks have come down substantially though effort from all involved. Free Cash is projected to be about \$4.8 m (6.3% of expenditures); this is as expected but free cash is lower than it has been in the past several years. The rating agencies care about total fund balances being at least 20% of revenues and preferably in the mid 20s or more. G. Cliff asked that Mr. Keveny provide more details in a future meeting about how the rating agencies calculate that ratio. Mr. Keveny also reviewed status of the enterprise funds and the revolving funds, which are all good. G. Cliff asked that Mr. Keveny consider adding the current budget year as a column on these reports.

5. **Report Debt Analysis – Treasurer/Collector (8:03)**

Treasurer/Collector Zoe Pierce took the FinCom through a number of handouts (see attachments). The 10 year projections for outstanding debt and debt service assume no new debt is issued. FinCom members asked a number of clarifying questions. K. Shigley observed that it was interesting that it seemed that outstanding debt was coming down faster than debt service. Zoe indicated that we have probably done all the debt refunding that it makes sense to do. She asked FinCom members to provide any questions to D. Watkins so he can collect them and we can provide them to UniBank when we meet with them at the next meeting. G. Cliff asked that we make sure any information that Zoe provides in terms of run-off of current debt gets incorporated into the debt projections Mr. Keveny provides the FinCom, which make assumptions about what borrowing we are likely to do in

future years to get a total view of what our actual debt service is likely to be. Zoe agreed that we can do that, but that FinCom should also get more involved in understanding our actual debt outstanding and our plans for issuing new debt and managing our outstanding debt.

**6. Review FY18 Budget Guidelines, Recommendation & Five Year Projection – Town Administrator and Finance Director (8:15)**

Town Administrator Nan Balmer took the FinCom through the Considerations for FY 18 Budget Planning presentation (see attachments). FinCom members asked a number of clarifying questions. Overall the presentation recommends a guideline goal of a 2.5% increase for 2018. C. Martin and other FinCom members complemented Nan and the rest of the staff on the quality and quantity of the work.

Mr. Keveny took the FinCom through the FY18 Budget Data Analysis – Considerations presentation (see attachments). The schedules are based on an assumption of a 2.5% increase in the operating budget. Mr. Keveny emphasized that any increase in the budget greater than 2.5% will likely need to come from increasing taxation, as other sources are much smaller and are hard to increase. He pointed some categories of expense are likely to grow quickly, particularly insurance and retirement. Mr. Keveny said the current insurance estimate of a 10% increase might be too high. The analysis implies that an overall general fund increase of 2.5% would require that growth in Town departments and School Department budgets would need to be less than 2%. FinCom members asked questions about Mr. Keveny's assumptions and analysis to better understand the details.

**7. Discussion and possible vote on FY18 Budget Guidelines (9:00)**

D. Watkins opened the discussion as a deliberation about what our budget guidelines should be. G. Cliff asked Mr. Keveny if he had reviewed the operating budget process memo that FinCom and he sent last year (see attachments) and whether that memo would provide a good starting point to work from. Mr. Keveny said he thought it would with some minor modifications. He observed that last year's memo worked well in that it resulted in initial budget submissions that were quite close to the final approved budget for most departments and overall. FinCom members discussed whether we should finalize guidelines at tonight's meeting (vs. waiting for the next meeting) and what the overall guideline and other information should be. G. Uveges motioned that we set the target at 2.25% recognizing there might be some need for pushback. C. Martin seconded. C. Martin argued that she was more comfortable with 2.5%. G. Cliff agreed. FinCom members voted 2-4 (no votes were Martin, Cliff, Funkhouser, and Shigley). N. Funkhouser moved that we make our FY18 guideline 2.5% and that we modify the rest of the memo per Mr. Keveny's earlier suggestions and that Mr. Keveny and Dave work to produce a final version that would be sent out. C. Martin seconded. Motion passed 6-0.

**8. Review Issues & Actions List – Finance Chair (9:55)**

D. Watkins distributed an updated list (see attachments). He asked for a progress report on each item by the next meeting. C. Martin provided an updated on FinCom submitting material for the Town of Wayland Annual Reports document. The deadline is Sept 30. C. Martin pointed out that some of the tables from the Report of the Finance Committee were already included. The FinCom agreed to discuss on the 12<sup>th</sup>.

**9. Chair and Vice Chair's Update (10:00)**

D. Watkins provided an update on the upcoming ATFC meeting. He asked that we provide questions/requests for UniBank to him. G. Uveges said he would follow up with Mr. Keveny on OPEB Valuation. K. Shigley wondered if we could get an early estimate on the impact of changes on our financial statements. G. Uveges requested information on audit and bank accounts. G. Cliff requested that we make sure anything we do doesn't overlap with what the Audit Committee may already be doing. C. Martin asked for information on who might not be able to attend department budget meetings for their liaison areas scheduled from Sep 6-12. C. Martin provided an update on closeouts of capital projects and ClearGov.

#### **10. Topics Not Reasonably Anticipated**

None.

#### **11. Meeting Minutes (10:08)**

N. Funkhouser moved that Finance Committee release the minutes from the 5/9/16 Executive Session. D. Watkins seconded. Vote 3 yes, 0- no, 3 - abstain. D. Watkins suggested that we may need to revisit to make sure the release is OK with just 3 members voting in favor.

At 10:12 C. Martin moved to adjourn the meeting. D. Wakins seconded. The vote to adjourn was 6-0 in favor.

Respectfully submitted,

G. Cliff

Attachments:

Public comment emails

Fiscal 2016 Budget Status Report

Treasurer handouts

Considerations for FY 18 Budget Planning

FY18 Budget Data Analysis – Considerations

FY 2017 Operating Budget Process

Issues and Actions List

**From:** [Carol](#)  
**To:** [dave@davewatkins.com](mailto:dave@davewatkins.com); [carolbmartin@verizon.net](mailto:carolbmartin@verizon.net); [Ellen\\_Grieco@wayland.k12.ma.us](mailto:Ellen_Grieco@wayland.k12.ma.us)  
**Cc:** [Brad\\_Crozier@wayland.k12.ma.us](mailto:Brad_Crozier@wayland.k12.ma.us)  
**Subject:** Fw: Finance Committee, School Committee  
**Date:** Monday, August 29, 2016 3:26:11 PM

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Dear Committee Members,

We have read Phillip Radoff's letter to you (see below) since we are neighbors, and as Seniors living in Wayland, we are in complete agreement.

Carol and Terry Shirey  
46 High Rock Road

-----Original Message-----

From: phillip radoff  
Sent: Monday, August 29, 2016 3:08 PM  
To: [dave@davewatkins.com](mailto:dave@davewatkins.com) ; [carolbmartin@verizon.net](mailto:carolbmartin@verizon.net) ;  
[Ellen\\_Grieco@wayland.k12.ma.us](mailto:Ellen_Grieco@wayland.k12.ma.us)  
Cc: [Brad\\_Crozier@wayland.k12.ma.us](mailto:Brad_Crozier@wayland.k12.ma.us)  
Subject: Finance Committee, School Committee

Dear Committee Members,

I am writing to request that the Finance Committee and the School Committee both lower their respective target increases below the announced 2.5% (Finance Committee budget) and 1% (School Committee COLA).

I do not make it a practice to attend Wayland Committee meetings or to write to Committee officials. Indeed, this may be my first such communication. I do, however, read the Wayland e-news and Wayland Voters Network emails and try to stay current on key events.

As you probably know, the WVN has disclosed that Wayland has experienced a 56% budgetary increase in the past decade. This increase, which kept pace with the increase in my real estate taxes, significantly outpaced inflation of less than 20% during the same period. Yet, I certainly cannot say that the benefits of residence that my wife and I have experienced have justified such an increase over inflation. Since inflation continues to be very low, I have difficulty in seeing how the Finance Committee can justify a proposed budgetary increase of 2.5%—merely because the Town has the power to do it without seeking specific approval of the residents.

Similarly, it is difficult to understand why the School Committee should be budgeting a COLA that exceeds inflation indices.

I urge both Committees to lower their targets. Do a little belt-tightening; take a firmer line in negotiations. Particularly for the benefit of those of us who have reached retirement status, the constant, seemingly unbounded growth in budgets and the corresponding growth in real estate taxes are both painful and discouraging.

Phillip L. Radoff  
21 Fox Meadow Lane=



**From:** [Cynthia Lavenson](#)  
**To:** [Dave Watkins](#); [carolbmartin@verizon.net](mailto:carolbmartin@verizon.net); Nancy; [Gordon Cliff](#); [jen.gorke@gmail.com](mailto:jen.gorke@gmail.com); [kshigley@verizon.net](mailto:kshigley@verizon.net); [tallwoodgroup@comcast.net](mailto:tallwoodgroup@comcast.net)  
**Subject:** Public comment for Finance Committee  
**Date:** Sunday, August 28, 2016 8:01:46 PM

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Dear Members of the Wayland Finance Committee:

While I am unfortunately not able to attend your meeting Monday night, I would like to offer this public comment. As the budget cycle begins, I realize it can be challenging to balance the citizens' demands and expectations for quality services with fiscal realities. Having watched this process for the past 10+ years, I appreciate the hard work done by the Finance Committee as well as the other town boards. Often there are vociferous and relentless appeals to limit spending - the school budget in particular. As the process unfolds this year, I ask you to bear in mind that this group is not representative of the town. Rather it reflects a small, vocal minority. The silent majority is simply too occupied leading busy lives to engage much in this process. Time and time again, Wayland voters express their preference for quality schools and town services.

Thank you in advance for your consideration.

Best regards,

Cynthia Lavenson  
Mitchell Street

**From:** [phillip\\_radoff](mailto:phillip_radoff)  
**To:** [dave@davewatkins.com](mailto:dave@davewatkins.com); [carolbmartin@verizon.net](mailto:carolbmartin@verizon.net); [Ellen\\_Grieco@wayland.k12.ma.us](mailto:Ellen_Grieco@wayland.k12.ma.us)  
**Cc:** [Brad\\_Crozier@wayland.k12.ma.us](mailto:Brad_Crozier@wayland.k12.ma.us)  
**Subject:** Finance Committee, School Committee  
**Date:** Monday, August 29, 2016 3:08:51 PM

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Dear Committee Members,

I am writing to request that the Finance Committee and the School Committee both lower their respective target increases below the announced 2.5% (Finance Committee budget) and 1% (School Committee COLA).

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I urge both Committees to lower their targets. Do a little belt-tightening; take a firmer line in negotiations. Particularly for the benefit of those of us who have reached retirement status, the constant, seemingly unbounded growth in budgets and the corresponding growth in real estate taxes are both painful and discouraging.

Phillip L. Radoff  
21 Fox Meadow Lane



**From:** [Jean Milburn](#)  
**To:** [dave@davewatkins.com](mailto:dave@davewatkins.com)  
**Subject:** Finance committee meeting  
**Date:** Monday, August 29, 2016 4:57:34 PM

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Dave, I am sorry that I can't be at the Fin Con meeting to say a few words of appreciation to the committee. The Wayland Voters Network needs to be reminded that the citizens voted in favor of increased taxes, the Fin Com cannot foist increased budgets on TM, the citizens have chosen to make costly improvements in the town themselves.

Best regards from Belgium, Jean Milburn

Sent from my iPad



# TOWN OF WAYLAND

41 COCHITUATE ROAD  
WAYLAND, MASSACHUSETTS 01778

BRIAN KEVENY  
FINANCE DIRECTOR  
TEL. (508) 358-3610  
www.wayland.ma.us

To: Finance Committee

Nancy Funkhouser   Dave Watkins-( Chair )   Jen Gorke   Carol Martin  
Gordon Cliff   George Uveges   Klaus Shigley

From: Brian Keveny, Finance Director

Date: August 8, 2016

Subject: Fiscal 2016 Budget Status Report

Please find enclosed the budget status reports for the General Fund, Enterprise Funds and Revolving Funds as of June 30, 2016 for the Town of Wayland. The reports detail actual revenues and expenditures to budget as well as a year to year comparison to Fiscal 2015. We closed the accounting system on August 2<sup>nd</sup> and the annual financial audit will commence on August 9<sup>th</sup>. Free Cash is expected to be certified in September by the Massachusetts Department of Revenue.

### *General Fund Expenditures:*

Town Departments including unclassified and state assessments expended and encumbered \$35,591,888 or 94% of budget. The School Department has expended and encumbered \$36,462,311 or 99% of budget. The total Fiscal 2016 net-appropriation turn back is \$1,847,747 or 2.5% of budget and the Fiscal 2015 rollover turn back is \$241,035. For your review I have prepared an analysis of the Town and School turn backs. The total combined turn back amounts to \$2,088,782 which is less than last fiscal year. I am encouraged that both the total turn back dollar amount and percentage of budget are less than the previous two fiscal years. Additionally the Fiscal 2016 rollover amount of \$535,926 is less than last year. State Assessment charges exceeded budget by \$63,000. The Finance Committee transferred funds from the Reserve Fund in anticipation of the June 2016 assessment. The actual assessment was \$88,000 due to increased assessments in School Choice and MBTA charges. This variance does not need to be raised on the Fiscal 2017 Tax Recap as an unappropriated budget.

### *General Fund Revenues:*

The Town has collected approximately 100% of Property Tax-net of overlay, Local Receipts, Transfers from Other Fund and State Aid budgeted revenue. The Local Receipts category achieved 113% of budget and surplus revenue in the amount of \$571,061. Strong collections were achieved in Motor Vehicle Excise, Fees and Building Permit revenue. Collection of unbudgeted revenue amounted to \$741,981 which includes collections of prior year Real Estate and Personal Property receivables. This amount is less than last year total of \$2,051,865. During Fiscal 2016 the town issued a subsequent tax billing in the amount of \$90,000. The town received state aid receipts greater than budget in the amount of \$25,318.

### *Free Cash*

At the annual town meeting in the spring free cash was estimated to be approximately \$4.4M or 5.9% of the Fiscal 2017 budget. I am estimating that the free cash pre Department of Revenue certification will be \$4.7M or 6.3% of the Fiscal 2017 budget. Factors that contributed to the variance were total turn backs greater than the 2% projection. Insurance 32B, Fire Department, Debt Service and the School Budget contributed to this variance. Additionally local aid revenue greater than budgeted was collected. I have prepared for your review a free cash analysis showing uses and sources of free cash.

### *Wastewater Enterprise Fund:*

#### Revenue:

The Wastewater Enterprise fund obtained budgeted revenue collections of \$668,144 or 89% of budget. Although there is an unfavorable variance to budget, actual collections exceeded prior year by \$115,314. Additionally the fund received unbudgeted revenue of \$603,621 which includes the PILOB agreement. The June 2016 ending fund balance is \$1,327,879. This amount includes the PILOB funds and prior year receipts of betterments. The Wastewater Commission has engaged the services of the Abrahams Group to review past collections of prepaid betterments and possible changes to the presentation of the balance sheet

#### Expenditures:

Total expenses were \$674,327 or 89% of budget which is consistent with prior year. All of the Fiscal 2016 liabilities have been paid. Debt service payments annually account for approximately 70% of the expense budget.

### *Water Enterprise Fund:*

#### Revenue:

The Water Fund collected 96% of direct budgeted revenue or \$3,568,870 and unbudgeted revenue of \$122,452. Actual budgeted revenue collections were less than prior year in the amount of \$160,089 in large part collections of Water Meter Charges and Misc Revenue. Total of all revenue was less than prior year by \$170,725.

#### Expenditures:

The Water Fund has expended \$3,415,861 in operation expenses and \$310,000 capital appropriations. Total fund balance in the fund is \$2,897,528 compared to \$2,989,387. Total all expenditures was less than prior year by \$818,567 due to expenditures related to capital projects. In Fiscal 2015 total transfers out to other funds amounted to \$1,075,000 where as in Fiscal 2016 that amount was \$310,000.

Respectfully submitted,

  
Brian Keveny

Finance Director

Town of Wayland  
Fiscal 2016  
June 30, 2016

**General Fund**

<u>8/29/2016</u>	Fiscal 2016 Budget	Fiscal 2016 Actual / Encumbered	% Budget Spent
<i>Revenue</i>			
Taxation	57,850,595	57,582,181	99.54%
State Aid	4,649,334	4,674,652	100.54%
Local Receipts	4,180,404	4,751,465	113.66%
Transfers from Other Funds	1,598,947	1,598,947	100.00%
Other Sources	0	0	
<b>Total</b>	<b>68,279,280</b>	<b>68,607,245</b>	<b>100.48%</b>
Non Budgeted	0	741,981	n/a
<b>Total Revenue</b>	<b>68,279,280</b>	<b>69,349,226</b>	<b>101.57%</b>
<i>Expenditures</i>			
Town Budget	37,706,982	35,591,881	94.39%
School Budget	36,719,239	36,462,311	99.30%
<b>Total Expense</b>	<b>74,426,221</b>	<b>72,054,192</b>	<b>96.81%</b>

**Water Enterprise Fund**

	Fiscal 2016 Budget	Fiscal 2016 Actual	% Budget Spent
<i>Revenue</i>			
Operating revenue	3,682,946	3,568,870	96.90%
Use of Water Capital	310,000	0	0.00%
Unbudgeted Revenue	0	122,452	0.00%
<b>Total Revenue</b>	<b>3,992,946</b>	<b>3,691,322</b>	<b>92.45%</b>
<i>Expenditures</i>			
Operating expenses	3,682,946	3,415,861	92.75%
Use of Water Capital	310,000	310,000	100.00%
<b>Total Expense</b>	<b>3,992,946</b>	<b>3,725,861</b>	<b>93.31%</b>
Unbudgeted Expense	0	0	0.00%
<b>Total Expenses</b>	<b>3,992,946</b>	<b>3,725,861</b>	<b>93.31%</b>

**Wastewater Enterprise Fund**

	Fiscal 2016 Budget	Fiscal 2016 Actual	% Budget Spent
<i>Revenue</i>			
Operating revenue	750,153	668,144	89.07%
Unbudgeted Revenue	0	603,621	0.00%
<b>Total Revenue</b>	<b>750,153</b>	<b>1,271,765</b>	<b>169.53%</b>
<i>Expenditures</i>			
Operating expenses	750,153	674,327	89.89%
<b>Total Expense</b>	<b>750,153</b>	<b>674,327</b>	<b>89.89%</b>

Town of Wayland, Massachusetts  
General Fund Revenue Report  
Fiscal 2016  
June 30, 2016

	Fiscal 2015 YTD-Actual	Fiscal 2016 YTD-Actual	Fiscal 2016 Budget	\$ Variance 2016 / 2015	B / A Fiscal 2016 \$ Variance	% of Budget Collected
<i>Taxation:</i>						
Real Estate	57,952,892	56,844,073	57,624,463	(1,108,819)	(780,390)	98.65%
Personal Property	735,332	738,108	750,414	2,776	(12,306)	98.36%
Overlay	-	-	(524,282)	-	524,282	0.00%
<b>Total</b>	<b>58,688,224</b>	<b>57,582,181</b>	<b>57,850,595</b>	<b>[1,106,043]</b>	<b>[268,414]</b>	<b>99.54%</b>
<i>State Aid:</i>						
Local Aid : Cherry Sheet						
Chapter 70	3,644,813	3,710,313	3,743,474	65,500	(33,161)	99.11%
Charter Tuition Assessment	-	14,734	751	14,734	13,983	1961.92%
Unrestricted Aid	804,349	833,306	801,292	28,957	32,014	104.00%
Veterans Benefits Chapter 115	6,731	40,817	8,049	33,286	31,968	497.17%
Exemption : Vets, Blind, Surviving Spouse	34,474	5,522	31,702	(28,952)	(26,180)	17.42%
State Owned Land Reimbursement	57,115	61,759	64,066	4,644	(2,307)	96.40%
Unknown	-	9,001	-	9,001	9,001	0.00%
<b>Total</b>	<b>4,547,482</b>	<b>4,674,652</b>	<b>4,649,334</b>	<b>127,170</b>	<b>25,318</b>	<b>100.54%</b>
<i>Local Receipts:</i>						
Motor Vehicle Excise	2,380,605	2,519,190	2,045,000	138,585	474,190	123.19%
Other Excise-meals tax	217,287	220,634	170,000	3,347	50,634	129.78%
Penalties and Interest	223,338	254,304	215,000	30,966	39,304	118.28%
Payment in Lieu of Taxes	26,092	63,049	25,000	36,957	38,049	252.20%
Fees	471,561	590,166	535,000	118,605	55,166	110.31%
Licenses and Permits	999,261	945,107	1,060,000	(54,154)	(54,893)	94.51%
Special Assessments	6,604	7,780	10,000	1,176	(2,220)	77.80%
Fines and Forfeits	61,781	62,452	80,000	671	(17,548)	78.07%
Investment Income	127,262	88,782	95,000	(38,480)	(6,218)	93.45%
Miscellaneous Recurring	-	-	5,404	-	(5,404)	0.00%
Miscellaneous Non Recurring	5,404	-	-	(5,404)	-	0.00%
<b>Total</b>	<b>4,519,195</b>	<b>4,751,465</b>	<b>4,180,404</b>	<b>232,270</b>	<b>571,061</b>	<b>113.66%</b>
<i>Transfers from other funds:</i>						
Ambulance	360,000	360,000	360,000	-	-	100.00%
Fund 61-Water	348,583	331,725	331,725	(16,858)	-	100.00%
Fund 24-Transfer Station	42,895	47,726	47,726	4,831	-	100.00%
Fund 24-Recreation	88,027	91,215	91,215	3,188	-	100.00%
Fund 25-Food Service	225,017	239,966	239,966	14,949	-	100.00%
Fund 25-BASE	191,105	213,828	213,828	22,723	-	100.00%
Fund 25-TCW	200,741	217,702	217,702	16,961	-	100.00%
Fund 25-Full Day Kinder	43,377	38,129	38,129	(5,248)	-	100.00%
Fund 62-Septage	39,502	34,368	34,368	(5,134)	-	100.00%
Fund 63-Wastewater	-	24,288	24,288	24,288	-	100.00%
<b>Total</b>	<b>1,539,247</b>	<b>1,598,947</b>	<b>1,598,947</b>	<b>59,700</b>	<b>-</b>	<b>100.00%</b>
<b>Total Budgeted Revenue</b>	<b>69,294,148</b>	<b>68,607,245</b>	<b>68,279,280</b>	<b>(686,904)</b>	<b>327,865</b>	<b>100.48%</b>
<i>Unbudgeted Revenue:</i>						
Capital Closeouts	9,780	-	-	(9,780)	-	-
Tax Title Liens	390,423	225,210	-	(165,213)	-	-
School Revolving PY payments	218,860	-	-	-	-	-
Prior Year RE collections	375,757	384,236	-	8,479	-	-
OPEB Retro payments	594,835	115,018	-	(479,817)	-	-
Septage ATM 2016 Transfer	-	17,517	-	17,517	-	-
Bond Premium	462,210	-	-	(462,210)	-	-
<b>Total Unbudgeted Revenue</b>	<b>2,051,865</b>	<b>741,981</b>	<b>-</b>	<b>(1,091,024)</b>	<b>741,981</b>	<b>0.00%</b>
<b>Total All Revenue</b>	<b>71,346,013</b>	<b>69,349,226</b>	<b>68,279,280</b>	<b>(1,777,928)</b>	<b>1,069,846</b>	<b>101.57%</b>

Town of Wayland, Ma  
8/29/2016

DEPARTMENT	FINAL FISCAL 2016 BUDGET	FISCAL 2016 ACTUAL	FISCAL 2016 ENCUMBRANCE	FISCAL 2016 VARIANCE BUDGET / ACTUAL
SELECTMEN	30,000.00	10,877.00	10,956.00	8,167.00
TOWN OFFICE	540,315.00	523,292.00	408.00	16,615.00
PERSONNEL BOARD	15,000.00	8,030.00	105.00	6,865.00
FINANCE	394,013.00	390,916.00	-	3,097.00
ASSESSOR	308,225.00	294,406.00	5,980.00	7,839.00
TREASURER	329,714.00	287,655.00	-	42,059.00
LEGAL	175,000.00	157,843.00	2,975.00	14,182.00
INFORMATION TECHNOLOG	514,738.00	343,174.00	117,597.00	53,967.00
TOWN CLERK	139,386.00	138,231.00	-	1,155.00
ELECTIONS	34,238.00	29,329.00	-	4,909.00
REGISTRAR	4,325.00	3,950.00	-	375.00
CONSERVATION	208,303.00	182,798.00	-	25,505.00
PLANNING	112,100.00	109,309.00	-	2,791.00
SURVEYOR	192,658.00	181,256.00	677.00	10,725.00
FACILITIES	1,111,672.00	967,000.00	27,123.00	117,549.00
MISC COMMITTEES	47,275.00	23,976.00	22,505.00	794.00
				-
<b>TOTAL GENERAL GOVERNMENT</b>	<b>4,156,962.00</b>	<b>3,652,042.00</b>	<b>188,326.00</b>	<b>316,594.00</b>
POLICE	2,610,834.00	2,530,953.00	5,569.00	74,312.00
JOINT COMMUNICATIONS	520,870.00	505,682.00	-	15,188.00
EMERGENCY MANAGEMENT	23,000.00	22,622.00	-	378.00
DOG OFFICER	21,701.00	21,652.00	-	49.00
FIRE	2,665,004.00	2,481,079.00	3,008.00	180,917.00
BUILDING & ZONING	311,748.00	304,438.00	-	7,310.00
				-
<b>TOTAL PUBLIC SAFETY</b>	<b>6,153,157.00</b>	<b>5,866,426.00</b>	<b>8,577.00</b>	<b>278,154.00</b>
WAYLAND PUBLIC SCHOOLS	36,719,239.00	36,165,595.00	296,716.00	256,928.00
MINUTEMAN REGIONAL SC	110,045.00	109,056.00		989.00
<b>TOTAL EDUCATION</b>	<b>36,829,284.00</b>	<b>36,274,651.00</b>	<b>296,716.00</b>	<b>257,917.00</b>
HIGHWAY	1,269,113.00	1,141,599.00	11,689.00	115,825.00
SNOW REMOVAL	450,000.00	421,319.00	-	28,681.00
TRANSFER STATION	65,000.00	18,870.00	411.00	45,719.00
PARKS	809,167.00	766,038.00	18,298.00	24,831.00
<b>TOTAL PUBLIC WORKS</b>	<b>2,593,280.00</b>	<b>2,347,826.00</b>	<b>30,398.00</b>	<b>215,056.00</b>

	FINAL FISCAL 2016 BUDGET	FISCAL 2016 ACTUAL	FISCAL 2016 ENCUMBRANCE	FISCAL 2016 VARIANCE BUDGET / ACTUAL
BOARD OF HEALTH	832,832.00	805,334.00	-	27,498.00
VETERANS SERVICES	44,600.00	42,418.00	-	2,182.00
C.O.A.	258,404.00	243,900.00	2,864.00	11,640.00
YOUTH SERVICES	222,941.00	221,878.00	-	1,063.00
	-	-		-
TOTAL HEALTH / HUMAN SERVICES	1,358,777.00	1,313,530.00	2,864.00	42,383.00
LIBRARY	1,042,996.00	1,034,126.00	-	8,870.00
RECREATION	163,979.00	163,184.00	-	795.00
TOTAL CUTURAL	1,206,975.00	1,197,310.00	-	9,665.00
DEBT	7,751,620.00	7,653,109.00	-	98,511.00
RETIREMENT ASSESSMENT	3,971,988.00	3,971,988.00	-	-
UNCLASSIFIED	8,780,741.00	8,078,712.00	9,045.00	692,984.00
TOTAL UNCLASSIFIED / OTHER	20,504,349.00	19,703,809.00	9,045.00	791,495.00
TRANSFER TO OTHER FUNDS-Capital				
WAYLAND CARES	-	-	-	-
Cash Capital	169,000.00	169,000.00	-	-
Use of Free Cash for Capital	580,943.00	580,943.00	-	-
OVERLAY	524,282.00	-	-	524,282.00
TRANSFER TO OPEB	209,114.00	209,114.00	-	-
TOTAL TRANSFERS	1,483,339.00	959,057.00	-	524,282.00
STATE ASSESSMENTS & CHARGES	140,098.00	203,615.00	-	(63,517.00)
	-	-		-
TOTAL UNAPPROPRIATED	140,098.00	203,615.00	-	(63,517.00)
Totals	74,426,221.00	71,518,266.00	535,926.00	2,372,029.00





Town of Wayland  
Fiscal 2016  
Health Insurance Report  
June 30, 2016

8/29/2016

	2016 Budget	12-Month Actual	Estimated Turnback	% of Total Turnback
<i>Fiscal 2016</i>				
Health Insurance	6,714,218.00	6,370,389.00	343,829.00	5.12%
Incentive Waiver	150,000.00	176,175.00	(26,175.00)	-17.45%
Life Insurance	16,000.00	13,984.00	2,016.00	12.60%
Other Expenses	45,000.00	26,930.00	18,070.00	40.16%
	6,925,218.00	6,587,478.00	337,740.00	4.88%
	2015 Budget	12-Month Actual	Estimated Turnback	% of Total Turnback
<i>Fiscal 2015</i>				
Health Insurance	6,117,710.00	5,836,134.00	281,576.00	4.60%
Incentive Waiver	150,000.00	154,592.00	(4,592.00)	-3.06%
Life Insurance	17,000.00	14,596.00	2,404.00	14.14%
Other Expenses	55,000.00	52,325.00	2,675.00	4.86%
	6,339,710.00	6,057,647.00	282,063.00	4.45%
\$ Change	585,508.00	529,831.00	55,677.00	0.43%

Town of Wayland, Ma  
 June 30, 2016  
 8/29/2016  
 DEPARTMENTAL BUDGETS

	FINAL FISCAL 2016 BUDGET	FISCAL 2016 Actual / Encumbered	FISCAL 2016 VARIANCE BUDGET / ACTUAL	Turnback as % of Budget
INSURANCE 32B	6,925,218	6,587,478	337,740	4.88%
WAYLAND PUBLIC SCHOOLS	36,719,239	36,462,311	256,928	0.70%
RESERVE FUND	300,000	113,154	186,846	62.28%
FIRE	2,665,004	2,484,087	180,917	6.79%
FACILITIES	1,111,672	994,123	117,549	10.57%
HIGHWAY	1,269,113	1,153,288	115,825	9.13%
DEBT	7,751,620	7,653,109	98,511	1.27%
POLICE	2,610,834	2,536,522	74,312	2.85%
RESERVE FOR SAL ADJUSTMENTS	374,000	311,177	62,823	16.80%
INFORMATION TECHNOLOG	514,738	460,771	53,967	10.48%
TRANSFER STATION	65,000	19,281	45,719	70.34%
TREASURER	329,714	287,655	42,059	12.76%
INSURANCE GENERAL	615,000	576,157	38,843	6.32%
SNOW REMOVAL	450,000	421,319	28,681	6.37%
BOARD OF HEALTH	832,832	805,334	27,498	3.30%
CONSERVATION	208,303	182,798	25,505	12.24%
PARKS	809,167	784,336	24,831	3.07%
NON-CONTRIBUTORY RETIREMENT	18,000	225	17,775	98.75%
TOWN OFFICE	540,315	523,700	16,615	3.08%
RETIREMENT/BUYBACK	40,000	23,740	16,260	40.65%
JOINT COMMUNICATIONS	520,870	505,682	15,188	2.92%
LEGAL	175,000	160,818	14,182	8.10%
UNEMPLOYMENT	75,000	61,327	13,673	18.23%
C.O.A.	258,404	246,764	11,640	4.50%
SURVEYOR	192,658	181,933	10,725	5.57%
LIBRARY	1,042,996	1,034,126	8,870	0.85%
STREET LIGHTING	130,000	121,422	8,578	6.60%
SELECTMEN	30,000	21,833	8,167	27.22%
ASSESSOR	308,225	300,386	7,839	2.54%
BUILDING & ZONING	311,748	304,438	7,310	2.34%
PERSONNEL BOARD	15,000	8,135	6,865	45.77%
ELECTIONS	34,238	29,329	4,909	14.34%
POLICE/FIRE DISABILITY	15,000	10,173	4,827	32.18%
MEDICARE	599,000	595,337	3,663	0.61%
FINANCE	394,013	390,916	3,097	0.79%
PLANNING	112,100	109,309	2,791	2.49%
VETERANS SERVICES	44,600	42,418	2,182	4.89%
OCCUPATIONAL HEALTH	8,000	6,046	1,954	24.43%
TOWN CLERK	139,386	138,231	1,155	0.83%
YOUTH SERVICES	222,941	221,878	1,063	0.48%
MINUTEMAN REGIONAL SC	110,045	109,056	989	0.90%
RECREATION	163,979	163,184	795	0.48%
MISC COMMITTEES	47,275	46,481	794	1.68%
EMERGENCY MANAGEMENT	23,000	22,622	378	1.64%
REGISTRAR	4,325	3,950	375	8.67%
DOG OFFICER	21,701	21,652	49	0.23%
TOWN MEETING	105,854	105,853	1	0.00%
RETIREMENT ASSESSMENT	3,971,988	3,971,988	-	0.00%
STATE ASSESSMENTS & CHARGES	140,098	203,615	-63,517	-45.34%
Totals	73,367,213	71,519,467	1,847,746	2.52%

FREE CASH ESTIMATE August 29, 2016	Projected FY 2016
Estimated total budget: ( 2.5% annual increase)	
Free Cash Balance beginning year:	6,479
<i>Uses of Free Cash</i>	
<i>Net change in year to year overlay</i>	
<i>FY 16 Current year increase-Fall TM</i>	(190)
Energy Fall TM	(29)
FY 16 Fall TM	(150)
Overlay to support subsequent year budget	(301)
Additional use to support CY budget- FY 16	(2,000)
Support subsequent year operating budget-FY 17	(1,500)
OPEB Funding subsequent year	(215)
Capital Projects subsequent year	(410)
Recreation Revolving Transfer GF to Rec	(482)
Article 19 ATM	(56)
	<b>Total</b>
	<b>(5,333)</b>
<i>Sources of Free Cash</i>	
<i>Net change in Overlay</i>	17
<i>Amortization of MSBA FY 2014</i>	5
Prior year recovery	462
<i>Current year unbudgeted revenue</i>	
OPEB Art-4 ATM 2015-M-b	115
Prior Year Real Estate / PP revenue	513
January 2016 Bond Premium	113
Current year excess revenue over budget	327
Prior year rollover appropriation turnback	241
Turnbacks-Current Year	1,847
	<b>Total</b>
	<b>3,640</b>
Net annual source & use change:	<b>(1,693)</b>
Free Cash Balance Beginning Of Next Fiscal Year	4,786
Free Cash as % of next year budget- \$75,563M	6.33%

Town of Wayland, Massachusetts  
Wastewater Enterprise Fund  
Fiscal 2016  
June 30, 2016

	Fiscal 2016 Budget	Fiscal 2016 Actual	% Budget Collected / Expended	\$ Variance Budget / Actual	Fiscal 2015 Actual	\$ Variance FY 16 / FY 15
<b>REVENUE:</b>						
<b>Operating Revenue:</b>						
Wastewater User Charges	263,475	257,233	97.63%	(6,242)	298,518	(41,285)
Betterments	38,441	23,661	61.55%	(14,780)	26,721	(3,060)
Betterment Interest	11,522	5,915	51.34%	(5,607)	7,508	(1,593)
WW Betterment TC	240,000	199,332	83.06%	(40,668)	207,494	(8,162)
WW Betterment TC Int	196,715	182,003	92.52%	(14,712)	12,589	169,414
<b>Total</b>	<u>750,153</u>	<u>658,144</u>	<u>89.07%</u>	<u>(82,009)</u>	<u>552,830</u>	<u>115,314</u>
<b>Unbudgeted Revenue:</b>						
PILOB agreement with BOS	-	500,671	0.00%	-	-	500,671
Liens	-	3,880	0.00%	-	16,879	(12,999)
Penalties and Interest	-	1,032	0.00%	-	3,391	(2,359)
Unapportioned WW betterment TC	-	90,904	0.00%	-	523,768	(432,864)
Unapportioned WW betterment TC-Int	-	2,451	0.00%	-	1,311	1,140
Interest on Savings	-	4,683	0.00%	-	2,806	1,877
Transfer from other funds	-	-	-	-	8,693	(8,693)
<b>Total</b>	<u>0</u>	<u>603,621</u>	<u>0.00%</u>	<u>0</u>	<u>556,848</u>	<u>46,773</u>
<b>EXPENDITURES:</b>						
<b>Operating Expenditures</b>						
Personal Services	22,000	28,283	0.00%	(6,283)	16,534	11,749
Expenditures	216,841	178,443	82.29%	38,398	197,545	(19,102)
Funded Debt	486,678	467,601	96.08%	19,077	464,385	3,216
<b>Total</b>	<u>725,519</u>	<u>674,327</u>	<u>92.94%</u>	<u>51,192</u>	<u>678,464</u>	<u>(4,137)</u>
<b>Other Financing Sources / ( Uses )</b>						
Transfers to General Fund	24,634	-	0.00%	24,634	-	-
Use of Retained Earnings	-	-	0.00%	-	-	-
<b>Total</b>	<u>24,634</u>	<u>-</u>	<u>0.00%</u>	<u>24,634</u>	<u>-</u>	<u>-</u>
<b>Total YTD Revenues</b>	<u>750,153</u>	<u>1,271,765</u>	<u>169.53%</u>	<u>(82,009)</u>	<u>1,109,678</u>	<u>162,087</u>
<b>Total YTD Expenditures</b>	<u>750,153</u>	<u>674,327</u>	<u>89.89%</u>	<u>51,192</u>	<u>678,464</u>	<u>(4,137)</u>
<b>FUND BALANCE</b>						
Undesignated Fund balance		1,303,230				
Reserve for expenditure- Fiscal 2016		24,669.00				
<b>Balance</b>		<u>1,327,899</u>				

Town of Wayland, Massachusetts  
Water Enterprise Fund  
Fiscal 2016  
Quarterly Report, 06/30/2016

	Fiscal 2016 Budget	Fiscal 2016 Actual	% Budget Collected / Expended	\$ Variance Budget / Actual	Fiscal 2015 Actual	\$ Variance FY 16 / FY 15
<b>REVENUES</b>						
<i>Operating Revenues:</i>						
Penalties and Interest	25,000	24,808	99.23%	(192)	23,289	1,519.00
Water Meter Charges	3,359,346	3,161,786	94.12%	(197,560)	3,268,487	(106,701.00)
Water Administration Fee	200,600	304,738	151.91%	104,138	295,865	8,773.00
Water Service Order	40,000	28,269	70.67%	(11,731)	23,594	4,675.00
Misc. Revenue	50,000	42,541	85.08%	(7,459)	110,700	(68,159.00)
Interest on Savings	8,000	6,728	84.10%	(1,272)	6,924	(196.00)
<b>Total</b>	<b>3,682,946</b>	<b>3,568,870</b>	<b>96.90%</b>	<b>(114,076)</b>	<b>3,728,959</b>	<b>(160,089.00)</b>
<i>Unbudgeted Revenue:</i>						
Liens	-	122,452	n/a	122,452	133,088	(10,636.00)
<b>EXPENDITURES</b>						
<i>Operating Expenditures:</i>						
Personal Services	731,834	675,805	92.34%	56,029	655,093	(20,732.00)
Expenditures	1,500,117	1,340,710	89.37%	159,407	1,224,924	(115,786.00)
Funded Debt	1,115,703	1,064,054	95.37%	51,649	1,086,453	22,399.00
Indirect Fringe Transfers to GF	331,725	331,725	100.00%	0	348,583	16,858.00
Indirect Fringe Transfers to GF and OPEB	3,567	3,567	100.00%	0	154,405	150,838.00
<b>Total</b>	<b>3,682,946</b>	<b>3,415,861</b>	<b>92.75%</b>	<b>(267,085)</b>	<b>3,469,458</b>	<b>53,597.00</b>
<b>OTHER FINANCING TRANSFERS TO WATER CAPITAL</b>						
<i>Other Financing Uses:</i>						
Transfers to Capital Projects / Unbudgeted expense	310,000	310,000.00	100.00%	0	1,075,000	765,000.00
<i>Other Financing Sources:</i>						
Water Surplus to Fund 42	310,000	-	0.00%	-	-	-
Transfer to Trust Fund						
Water Revenue to General Fund						
<b>Total YTD Revenues</b>	<b>3,992,946</b>	<b>3,691,322</b>	<b>92.45%</b>	<b>8,376</b>	<b>3,862,047</b>	<b>(170,725.00)</b>
<b>Total YTD Expenditures</b>	<b>3,992,946</b>	<b>3,725,861</b>	<b>93.31%</b>	<b>(267,085)</b>	<b>4,564,458</b>	<b>(838,597.00)</b>
<b>FUND BALANCE</b>						
		2,016				
Undesignated Fund balance		2,339,465				
Reserve for expenditure- Fiscal 2016		342,258				
Reserve for encumbrance- Fiscal 2016		215,807				
<b>Balance</b>		<b>2,897,530</b>				

Town of Wayland, Massachusetts  
Major Town Revolving Funds  
Comparison Report: Q4 2016  
June 30, 2016

	24220900			24494000			24652000		
	Amubulance Revolving Fund			Transfer Station Fund			Recreation Revolving Fund		
	FY 2016 Actual	FY 2015 Actual	FY 16 / FY 15 Variance	FY 2016 Actual	FY 2015 Actual	FY 16 / FY 15 Variance	FY 2016 Actual	FY 2015 Actual	FY 16 / FY 15 Variance
Beginning Fund Balance-7/01/15	1,182,177	1,157,409	24,768	305,269	331,826	(26,557)	658,755	534,858	123,897
Audit adjustment							5,752		
<b>REVENUE:</b>									
Revenue from services :	616,865	484,333	132,532	409,071	418,164	(9,093)			
Revenue from programs:	0	0		0	0				
Sudbury Recreation	0	0		0	0		0	4,150	(4,150)
Beach	0	0		0	0		138,745	15,845	122,900
Field Permits	0	0		0	0		119,714	171,817	(52,103)
Summer Camps	0	0		0	0		249,022	9,478	239,544
Youth Programs	0	0		0	0		236,405	4,324	232,081
Adult Programs	0	0		0	0		74,397	29,640	44,757
Misc revenue	0	0		0	0		(34,954)	573,780	(608,744)
Pre K Programs	0	0		0	0		22,213	634	21,579
Ski Programs	0	0		0	0		32,109	298	31,811
Other programs	0	0		0	0		2,115	0	2,115
Seasonal events	0	0		0	0		4,413	7,427	(3,014)
<b>Total</b>	<b>616,865</b>	<b>484,333</b>	<b>132,532</b>	<b>409,071</b>	<b>418,164</b>	<b>(9,093)</b>	<b>844,169</b>	<b>817,393</b>	<b>26,776</b>
<b>EXPENDITURES:</b>									
Operating Expenditures									
Personal Services	0	0		144,898	134,443	10,455	154,930	131,611	23,319
Expenses	77,113	40,621	36,492	290,097	225,158	64,939	316,391	411,186	(94,795)
<b>Total</b>	<b>77,113</b>	<b>40,621</b>	<b>36,492</b>	<b>434,995</b>	<b>359,601</b>	<b>75,394</b>	<b>471,321</b>	<b>542,797</b>	<b>(71,476)</b>
Other Financing Sources / ( Uses )									
Transfers to Other Funds	479,000	510,000	(31,000)	48,110	58,563	(10,453)	92,749	150,699	0
<b>Total</b>	<b>479,000</b>	<b>510,000</b>	<b>(31,000)</b>	<b>48,110</b>	<b>58,563</b>	<b>(10,453)</b>	<b>92,749</b>	<b>150,699</b>	<b>(57,950)</b>
<b>Total YTD Revenues</b>	<b>616,865</b>	<b>484,333</b>	<b>132,532</b>	<b>409,071</b>	<b>418,164</b>	<b>(9,093)</b>	<b>844,169</b>	<b>817,393</b>	<b>26,776</b>
<b>Total YTD Expenditures</b>	<b>556,113</b>	<b>550,621</b>	<b>5,492</b>	<b>483,105</b>	<b>418,164</b>	<b>64,941</b>	<b>564,070</b>	<b>693,496</b>	<b>(129,426)</b>
<b>Year to date Fund Balance total:</b>									
Beginning Fund Balance-7/01/15	1,182,177	1,157,409	24,768	305,269	331,826	(26,557)	664,507	534,858	129,649
Total YTD Revenues	616,865	484,333	132,532	409,071	418,164	(9,093)	844,169	817,393	26,776
Total YTD Expenditures	556,113	550,621	5,492	483,105	418,164	64,941	564,070	693,496	(129,426)
Encumbrance							10,710		
<b>Balance</b>	<b>1,242,929</b>	<b>1,091,121</b>	<b>151,808</b>	<b>231,235</b>	<b>331,826</b>	<b>(100,591)</b>	<b>944,606</b>	<b>658,755</b>	<b>285,851</b>

05-04-2016

## LONG-TERM DEBT SUMMARY - 0315 - Wayland, Massachusetts

Issue Number	Date of Issue	Type	Purpose	Amount Issued	Interest Rates	Outstanding 07/01/16	Issued This FY	Financial Advisor
(1)	09/28/01	WPR	Septic System Betterment T5-97-1083 (O) (E)	5 189,468	5.5-5.75 %	41,684	\$	Lanont Financial Services
(2)	10/21/02	WPR	Sewer 98-108 REFUNDING (I) (SS)	612,778	5.25-5.625	206,624		Lanont Financial Services
(3)	07/01/04	WPR	Septic System Betterment T5-97-1083-1 (O) (E)	111,575	5.0	41,138		Lanont Financial Services
(4)	07/01/06	GOB	Building Construction - Public Works (I)	424,000	4.0-4.3	200,000		Eastern Bank
(5)	07/01/06	GOB	Building Remodeling (I)	310,000	4.0-4.3	150,000		Eastern Bank
(6)	01/15/07	GOB	Building Remodeling - Library (I) (E)	375,000	4-4.125	195,000		Eastern Bank
(7)	01/15/07	GOB	Building Remodeling - Municipal (I) (E)	240,000	4-4.125	110,000		Eastern Bank
(8)	01/15/07	GOB	Building Remodeling - School (I) (E)	700,000	4-4.125	385,000		Eastern Bank
(9)	01/15/07	GOB	Building Remodeling - School (I)	100,000	4-4.125	55,000		Eastern Bank
(10)	01/15/07	GOB	Water (O)	1,500,000	4-4.125	825,000		Eastern Bank
(11)	02/01/08	GOB	Building Remodeling (I) (E)	100,000	3.25	20,000		Eastern Bank
(12)	02/01/08	GOB	Building Remodeling - School (I) (E)	250,000	3.25	50,000		Eastern Bank
(13)	02/01/08	GOB	Building Remodeling - School (I) (E)	735,000	3.25	140,000		Eastern Bank
(14)	02/01/08	GOB	Building Remodeling - School (I) (E)	100,000	3.25	20,000		Eastern Bank
(15)	02/01/08	GOB	Water Treatment Facility (O)	6,000,000	3.25-4.00	3,601,000		Eastern Bank
(16)	02/01/08	GOB	Water Departmental Equipment (O)	75,000	3.25	14,000		Eastern Bank
(17)	02/01/09	GOB	Building Remodeling - Fire (I) (E)	50,000	2.5-3	15,000		Eastern Bank
(18)	02/01/09	GOB	Building Remodeling - Library (I) (E)	105,000	2.5-3	31,500		Eastern Bank
(19)	02/01/09	GOB	Building Remodeling - Public Safety (I) (E)	600,000	2.5-3	180,000		Eastern Bank
(20)	02/01/09	GOB	Building Remodeling - School (I) (E)	290,000	2.5-3	87,000		Eastern Bank
(21)	02/01/09	GOB	Building Remodeling - Town Hall (I) (E)	140,000	2.5-3	42,000		Eastern Bank
(22)	02/01/09	GOB	Outdoor Recreational Facility (I) (E)	200,000	2.5-3	60,000		Eastern Bank
(23)	02/01/09	GOB	Water Treatment Facility (O)	1,500,000	2.5-4.5	829,500		Eastern Bank
(24)	02/01/09	GOB	Building Construction - Public Safety REFUNDING (I) (E)	2,890,000	2.5-3	825,000		Eastern Bank
	02/01/10	GOB	MUNICIPAL PURPOSE LOAN OF 2010	12,960,000				
(25)	02/01/10	GOB	Surface Drain (I) (SS)	59,000	2.25	13,000		Eastern Bank
(26)	02/01/10	GOB	Building Remodeling (I) (E)	495,000	2.25-3	195,000		Eastern Bank
(27)	02/01/10	GOB	Building Remodeling - School (I) (E)	120,000	2.25-3	40,000		Eastern Bank
(28)	02/01/10	GOB	Appraisal of Taxable Property (I) (E)	200,000	2.25-3	80,000		Eastern Bank
(29)	02/01/10	GOB	Water Treatment Facility (O) (SS)	600,000	2.25-3	240,000		Eastern Bank
(30)	02/01/10	GOB	Water Departmental Equipment (O) (SS)	121,000	2.25	27,000		Eastern Bank
(31)	02/01/10	GOB	School Project (O) (E)	10,000,000	2.25-4.125	7,600,000		Eastern Bank
	02/01/11	GOB	MUNICIPAL PURPOSE LOAN OF 2011	42,370,000				
(32)	02/01/11	GOB	Surface Drain (I)	59,000	4-5	29,500		Eastern Bank
(33)	02/01/11	GOB	Building Remodeling (I) (E)	440,000	4	120,000		Eastern Bank
(34)	02/01/11	GOB	Outdoor Recreational Facility (I)	550,000	4-5	275,000		Eastern Bank

Issue Number	Date of Issue	Type	Purpose	Amount		Interest Rate	Outstanding 07/01/16	Issued	
				Issued				This FY	Financial Advisor
(35)	02/01/11	GOB	Water (O) (SS)	\$	510,000	4-5	250,000		Eastern Bank
(36)	02/01/11	GOB	Water Treatment Facility (O) (SS)		700,000	4-5	450,000		Eastern Bank
(37)	02/01/11	GOB	Well (O) (SS)		41,000	4-5	20,500		Eastern Bank
(38)	02/01/11	GOB	Wastewater Treatment Facility (O) (SS)		5,000,000	4-5	4,050,000		Eastern Bank
(39)	02/01/11	GOB	Landfill Area - Closing-out (O)		850,000	4	240,000		Eastern Bank
(40)	02/01/11	GOB	School Project (O) (R)		33,000,000	4-5	26,400,000		Eastern Bank
	02/01/12	GOB	MUNICIPAL PURPOSE LOAN OF 2012		2,510,000				
(41)	02/01/12	GOB	Surface Drain (I)		200,000	2	40,000		Eastern Bank
(42)	02/01/12	GOB	Building Remodeling - School (I)		100,000	2	20,000		Eastern Bank
(43)	02/01/12	GOB	Dam Construction (I)		100,000	2	20,000		Eastern Bank
(44)	02/01/12	GOB	Outdoor Recreational Facility (I)		125,000	2	25,000		Eastern Bank
(45)	02/01/12	GOB	Wastewater Treatment Facility (O) (SS)		400,000	2-2.8	300,000		Eastern Bank
	02/01/13	GOB	MUNICIPAL PURPOSE LOAN OF 2013		4,087,000				
(46)	02/01/13	GOB	Sewer (I) (SS)		60,000	2	24,000		Eastern Bank
(47)	02/01/13	GOB	Building Remodeling - School (I)		2,500,000	2-3	394,000		Eastern Bank
(48)	02/01/13	GOB	Building Remodeling - School (I)		90,000	2-3	60,000		Eastern Bank
(49)	02/01/13	GOB	Public Way - School (I)		100,000	2-3	61,000		Eastern Bank
(50)	02/01/13	GOB	Departmental Equipment - Public Works (I)		145,000	2	55,000		Eastern Bank
(51)	02/01/13	GOB	Departmental Equipment - Public Works (I)		150,000	2	60,000		Eastern Bank
(52)	02/01/13	GOB	Fire Alarm Extension or Improvement (I)		55,000	2	20,000		Eastern Bank
(53)	02/01/13	GOB	Engineering Services (I)		65,000	2	26,000		Eastern Bank
(54)	02/01/13	GOB	Outdoor Recreational Facility (I)		75,000	2	30,000		Eastern Bank
(55)	02/01/13	GOB	Outdoor Recreational Facility (I)		130,000	2	50,000		Eastern Bank
(56)	02/01/13	GOB	Computer Hardware (I)		185,000	2	70,000		Eastern Bank
(57)	02/01/13	GOB	Land Acquisition REFUNDING (I) (R)		590,000	2-3	325,000		Eastern Bank
(58)	02/01/13	GOB	Surface Drain REFUNDING (I)		20,000	2	5,000		Eastern Bank
(59)	02/01/13	GOB	Building Construction - Public Safety REFUNDING (I)		696,000	2-3	445,000		Eastern Bank
(60)	02/01/13	GOB	Water Mains REFUNDING (O) (SS)		218,000	2-3	140,000		Eastern Bank
	02/13/14	GOB	MUNICIPAL PURPOSE LOAN OF 2014		12,795,000				
(61)	02/13/14	GOB	Building Construction - Public Works (I)		9,000,000	3-5	8,100,000		Eastern Bank
(62)	02/13/14	GOB	Building Remodeling - School (I)		95,000	4-5	70,000		Eastern Bank
(63)	02/13/14	GOB	Building Remodeling - School (I)		25,000	5	15,000		Eastern Bank
(64)	02/13/14	GOB	Building Remodeling - School (I)		85,000	5	55,000		Eastern Bank
(65)	02/13/14	GOB	Building Remodeling - School (I)		525,000	3-5	465,000		Eastern Bank
(66)	02/13/14	GOB	Public Way (I)		200,000	5	120,000		Eastern Bank
(67)	02/13/14	GOB	Off Street Parking Area (I)		160,000	3-5	130,000		Eastern Bank



Issue Number	Date of Issue	Type	Purpose	Amount		Interest Rates	Outstanding 07/01/16	Issued	
				Issued				This FY	Financial Advisor
(66)	02/13/14	GOB	Departmental Equipment - School (I)	\$ 30,000		5	\$ 15,000	\$	Eastern Bank
(69)	02/13/14	GOB	Departmental Equipment - School (I)	30,000		5	15,000		Eastern Bank
(70)	02/13/14	GOB	Departmental Equipment - Public Works (I)	80,000		5	45,000		Eastern Bank
(71)	02/13/14	GOB	Departmental Equipment - Public Works (I)	150,000		5	90,000		Eastern Bank
(72)	02/13/14	GOB	Sewer (O) (SS)	200,000		3-5	180,000		Eastern Bank
(73)	02/13/14	GOB	Refuse Transfer Facility Repair (O)	85,000		5	55,000		Eastern Bank
(74)	02/13/14	GOB	Refuse Transfer Facility Repair (O)	80,000		4-5	60,000		Eastern Bank
(75)	02/13/14	GOB	Refuse Transfer Facility Repair (O)	40,000		5	20,000		Eastern Bank
(76)	02/13/14	GOB	School Project (O) (E)	2,000,000		3-5	1,800,000		Eastern Bank
	02/12/15	GOB	MUNICIPAL PURPOSE LOAN OF 2015	6,917,000					
(77)	02/12/15	GOB	Surface Drain (I)	100,000		3	90,000		Eastern Bank
(78)	02/12/15	GOB	Building Construction - Public Works (I)	2,000,000		3-3.25	1,900,000		Eastern Bank
(79)	02/12/15	GOB	Building Remodeling (I)	70,000		3	60,000		Eastern Bank
(80)	02/12/15	GOB	Building Remodeling - School (I)	36,000		3	30,000		Eastern Bank
(81)	02/12/15	GOB	Building Remodeling - School (I)	20,000		3	15,000		Eastern Bank
(82)	02/12/15	GOB	Building Remodeling - School (I)	110,000		3	95,000		Eastern Bank
(83)	02/12/15	GOB	Building Remodeling - School (I)	70,000		3	55,000		Eastern Bank
(84)	02/12/15	GOB	Building Remodeling - School (I)	211,000		3	195,000		Eastern Bank
(85)	02/12/15	GOB	Building Remodeling - School (I)	100,000		3	75,000		Eastern Bank
(86)	02/12/15	GOB	Energy Conservation (I)	2,000,000		3-3.25	1,900,000		Eastern Bank
(87)	02/12/15	GOB	Public Way (I)	250,000		3	225,000		Eastern Bank
(88)	02/12/15	GOB	Public Way (I)	75,000		3	60,000		Eastern Bank
(89)	02/12/15	GOB	Departmental Equipment (I)	40,000		3	30,000		Eastern Bank
(90)	02/12/15	GOB	Departmental Equipment (I)	50,000		3	45,000		Eastern Bank
(91)	02/12/15	GOB	Departmental Equipment (I)	60,000		3	45,000		Eastern Bank
(92)	02/12/15	GOB	Departmental Equipment (I)	200,000		3	160,000		Eastern Bank
(93)	02/12/15	GOB	Departmental Equipment (I)	200,000		3	160,000		Eastern Bank
(94)	02/12/15	GOB	Departmental Equipment - School (I)	35,000		3	25,000		Eastern Bank
(95)	02/12/15	GOB	Departmental Equipment - School (I)	35,000		3	25,000		Eastern Bank
(96)	02/12/15	GOB	Departmental Equipment - School (I)	25,000		3	20,000		Eastern Bank
(97)	02/12/15	GOB	Cemetery (I)	200,000		3	160,000		Eastern Bank
(98)	02/12/15	GOB	Water Pumping Station (O)	1,000,000		3-3.25	950,000		Eastern Bank
(99)	02/12/15	GOB	Outdoor Recreational Facility (I)	30,000		3	25,000		Eastern Bank
	02/12/16	GOB	MUNICIPAL PURPOSE LOAN OF 2016	3,101,000					
(100)	02/12/16	GOB	Other Public Work - Library (I)	25,000		2-4	25,000		Eastern Bank
(101)	02/12/16	GOB	Public Way (I)	35,000		2-4	35,000		Eastern Bank

Issue Number	Date of Issue	Type	Purpose	Amount	Interest	Outstanding	Issued	
				Issued	Rates	07/01/16	This FY	Financial Advisor
(102)	02/12/16	GOB	Public Way (I)	\$ 300,000	2-4	\$ 300,000	\$	Eastern Bank
(103)	02/12/16	GOB	Public Way - school (I)	52,000	2-4	52,000		Eastern Bank
(104)	02/12/16	GOB	Departmental Equipment (I)	75,000	2-4	75,000		Eastern Bank
(105)	02/12/16	GOB	Departmental Equipment - Public Works (I)	54,986	2-4	54,986		Eastern Bank
(106)	02/12/16	GOB	Departmental Equipment (I)	70,000	2-4	70,000		Eastern Bank
(107)	02/12/16	GOB	Departmental Equipment - Public Safety (I)	50,000	2-4	50,000		Eastern Bank
(108)	02/12/16	GOB	Building Remodeling - School (I)	62,100	2-4	62,100		Eastern Bank
(109)	02/12/16	GOB	Building Remodeling - School (I)	195,000	2-4	195,000		Eastern Bank
(110)	02/12/16	GOB	Building Remodeling - School (I)	38,680	2-4	38,680		Eastern Bank
(111)	02/12/16	GOB	Building Remodeling - School (I)	225,138	2-4	225,138		Eastern Bank
(112)	02/12/16	GOB	Building Remodeling - School (I)	120,000	2-4	120,000		Eastern Bank
(113)	02/12/16	GOB	Building Remodeling - School (I)	431,000	2-4	431,000		Eastern Bank
(114)	02/12/16	GOB	Building Remodeling (I)	60,000	2-4	60,000		Eastern Bank
(115)	02/12/16	GOB	Surface Drain (I)	100,000	2-4	100,000		Eastern Bank
(116)	02/12/16	GOB	Energy Conservation (I)	507,096	2-4	507,096		Eastern Bank
(117)	02/12/16	GOB	Water Mains (O) (SS)	700,000	2-4	700,000		Eastern Bank
	03/03/16	GOB	MUNICIPAL PURPOSE LOAN OF 2016 REFUNDING	4,525,000				
(118)	03/03/16	GOB	Building Remodeling - Public Safety REFUNDING (I)	165,430	2-5	165,430		Eastern Bank
(119)	03/03/16	GOB	Building Remodeling - School REFUNDING (I)	64,405	2-5	64,405		Eastern Bank
(120)	03/03/16	GOB	Building Remodeling REFUNDING (I)	31,625	2-5	31,625		Eastern Bank
(121)	03/03/16	GOB	Building Addition - School REFUNDING (I) (E)	1,642,715	2-5	1,642,715		Eastern Bank
(122)	03/03/16	GOB	Building Remodeling - School REFUNDING (I)	468,500	2-5	468,500		Eastern Bank
(123)	03/03/16	GOB	Building Remodeling REFUNDING (I)	33,325	2-5	33,325		Eastern Bank
(124)	03/03/16	GOB	Water Mains REFUNDING (O) (SS)	474,000	2-5	474,000		Eastern Bank
(125)	03/03/16	GOB	Building Construction - Public Works REFUNDING (I)	168,000	2-5	168,000		Eastern Bank
(126)	03/03/16	GOB	Building Remodeling REFUNDING (I)	125,000	2-5	125,000		Eastern Bank
(127)	03/03/16	GOB	Building Remodeling - Library REFUNDING (I) (E)	165,000	2-5	165,000		Eastern Bank
(128)	03/03/16	GOB	Building Remodeling - Municipal REFUNDING (I) (E)	95,000	2-5	95,000		Eastern Bank
(129)	03/03/16	GOB	Building Remodeling - School REFUNDING (I) (E)	332,000	2-5	332,000		Eastern Bank
(130)	03/03/16	GOB	Building Remodeling - School REFUNDING (I)	48,000	2-5	48,000		Eastern Bank
(131)	03/03/16	GOB	Water REFUNDING (O) (SS)	712,000	2-5	712,000		Eastern Bank
	03/03/16	RFD	REFUNDED 07/01/06	-315,000				
(132)	03/03/16	RFD	Building Construction - Public Works REFUNDED 07/01/06 (I)	-180,000	4-4.3	-180,000		Eastern Bank
(133)	03/03/16	RFD	Building Remodeling REFUNDED 07/01/06 (I)	-135,000	4-4.3	-135,000		Eastern Bank
	03/03/16	RFD	REFUNDED 01/15/07	-1,425,000				
(134)	03/03/16	RFD	Building Remodeling - Library REFUNDED 01/15/07 (I) (E)	-175,000	4-4.125	-175,000		Eastern Bank

Issue Number	Date of Issue	Type	Purpose	Amount Issued	Interest Rates	Outstanding 07/01/16	Issued This FY	Financial Advisor
(135)	03/03/16	RFD	Building Remodeling - Municipal REFUNDED 01/15/07 (I) (S)	0	-100,000	4-4.125 %	\$ -100,000	\$ Eastern Bank
(136)	03/03/16	RFD	Building Remodeling - School REFUNDED 01/15/07 (I) (S)	-350,000	4-4.125	-350,000		Eastern Bank
(137)	03/03/16	RFD	Building Remodeling - School REFUNDED 01/15/07 (I)	-50,000	4-4.125	-50,000		Eastern Bank
(138)	03/03/16	RFD	Water REFUNDED 01/15/07 (O) (SS)	-750,000	4-4.125	-750,000		Eastern Bank
Total						\$ 74,390,446	\$ 0	

**LTD SUMMARY AS OF 6/30/2016:**

**10 YEAR PROJECTION\***

	<u>6/30/2016</u>	<u>6/30/2017</u>	<u>6/30/2018</u>	<u>6/30/2019</u>	<u>6/30/2020</u>	<u>6/30/2021</u>	<u>6/30/2022</u>	<u>6/30/2023</u>	<u>6/30/2024</u>	<u>6/30/2025</u>
General Fund	61,064,000	55,972,600	51,066,200	46,646,800	42,775,900	39,245,000	35,895,000	32,855,000	29,860,000	26,885,000
Water	8,507,000	7,692,400	6,898,800	6,133,200	5,379,100	4,690,000	4,055,000	3,440,000	2,825,000	3,420,000
WW	4,736,624	4,458,182	4,174,741	3,876,494	3,568,247	3,255,000	2,975,000	2,685,000	2,390,000	2,085,000
Title V	82,822	66,563	50,304	34,045	17,786	11,948	5,974			
<b>LTD Total</b>	<u><b>74,390,446</b></u>	<u><b>68,189,745</b></u>	<u><b>62,190,045</b></u>	<u><b>56,690,539</b></u>	<u><b>51,741,033</b></u>	<u><b>47,201,948</b></u>	<u><b>42,930,974</b></u>	<u><b>38,980,000</b></u>	<u><b>35,075,000</b></u>	<u><b>32,390,000</b></u>

\* ASSUMES NO FURTHER BORROWING

**DEBT SERVICE AS OF 6/30/2016:**

<b>10 YEAR PROJECTION*</b>	<u>6/30/2016</u>	<u>6/30/2017</u>	<u>6/30/2018</u>	<u>6/30/2019</u>	<u>6/30/2020</u>	<u>6/30/2021</u>	<u>6/30/2022</u>	<u>6/30/2023</u>	<u>6/30/2024</u>	<u>6/30/2025</u>
General Fund	7,644,281	7,453,668	7,108,712	6,444,713	5,722,490	5,222,495	4,891,200	4,454,950	4,298,225	4,171,775
Water	1,082,873	1,109,728	1,066,351	1,011,787	971,635	877,730	795,625	751,275	729,400	689,400
WW	486,680	477,472	471,055	474,267	470,130	460,347	413,065	412,265	405,990	404,515
Title V	21,106	20,241	19,350	18,459	17,581	6,581	6,422	6,123		
<b>Total</b>	<u>9,234,940</u>	<u>9,061,108</u>	<u>8,665,467</u>	<u>7,949,226</u>	<u>7,181,835</u>	<u>6,567,154</u>	<u>6,106,312</u>	<u>5,624,614</u>	<u>5,433,615</u>	<u>5,265,690</u>

\* ASSUMES NO FURTHER BORROWING

**AUTHORIZED, NOT ISSUED AS OF 6/30/2016:**

1) DPW Facility	\$1,124,816	Article 2 of 11/20/13. \$12,124,816 was authorized:\$9,000,000 bonded 2/13/14; \$2,000,000 bonded 2/1/15
2) Energy Improvements	\$306,824	Article 6 of 4/7/14. \$2,813,920 was authorized:\$2,000,000 bonded 2/1/15;\$507,096 bonded 2/1/16
3) Claypit School Remodel	\$579,000	Article 6 of 4/7/14. \$1,110,000 was authorized:\$100,000 bonded 2/1/15; \$431,000 bonded 2/1/16
4) Various Blg Repair	\$100,400	Article 6 of 4/7/14. \$617,400 was authorized:\$517,000 bonded 2/1/15
5) ATM-General Fund	\$4,510,000	Article 8 of 4/7/16. \$4,510,000 authorized.
-Water Fund	\$2,211,000	Article 8 of 4/7/16. \$2,211,000 authorized.
6) ATM-CPC Fund		
Mainstone Farm	\$7,000,000	Article 30 of 4/7/16. Up to \$7,000,000 authorized.
	<u>\$15,832,040</u>	

**BORROWING CAPACITY-ESTIMATED\***

<i>DEBT LIMIT:</i>	<i>EQV</i>		\$3,366,486,700
		X	5%
			<u>\$168,324,335</u>

<i>GROSS DEBT:</i>			
	<i>Current Debt 6/30/16</i>		\$74,390,446
	<i>Authorized/Unissued</i>		<u>\$15,832,040</u>
			<u>\$90,222,486</u>

<i>EXSISTING DEBT:</i>			
	<i>Gross Debt</i>		\$90,222,486
	<i>Less: Debt Outside Debt Limit</i>		<u>(\$49,270,822)</u>
			<u>\$40,951,664</u>

**CAPACITY FOR BORROWING:**

	<b>Debt Limit</b>		<b>\$168,324,335.00</b>
	<b>Exsisting Debt</b>		<b><u>(\$40,951,664.00)</u></b>
			<b><u>\$127,372,671.00</u></b>

\*Based on Fiscal 2016 EQV for Wayland

**FY18 BUDGET**  
**Data Analysis – Considerations**

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**TOWN OF WAYLAND**  
**Debt Management Policy**

Purpose:

- To establish a criteria for the issuance of debt obligations so as not to exceed acceptable levels of indebtedness,
- To provide consistency and continuity to public policy development through the Town's Capital Improvement Plan, a mechanism that provides evidence of a commitment to meet infrastructure needs through a planned program of future financing,
- To transmit a message to investors and rating agencies who value such evidence of a community's commitment to financial management, and
- To state the guiding principles and general policies related to debt management.
  1. Capital items must be \$10,000 or greater to issue debt to finance the project.
  2. Debt will not be issued for a term longer than the expected useful life of the asset.
  3. Total net debt service should not exceed ten percent of the total general fund expenditures.
  4. On an overall basis, all general obligation debt should be structured to retire approximately seventy five percent of the Town's indebtedness within 10 years.
  5. All street reconstruction, building repairs, improvements, design and related expenditures should be subject to a debt exclusion vote.
  6. All land purchases from the general fund should be subject to a debt exclusion vote.
  7. All equipment purchases/repairs \$100,000 or greater should be subject to a debt exclusion vote.
  8. Other items will be reviewed on an individual basis to be considered for inclusion in a debt exclusion vote.
  9. All police cruisers are deemed to be operating expenditures, not capital.
  10. All passenger vehicles and small ticket equipment should be financed with cash capital and not financed by issuing debt (for example, inspection or other staff vehicles).
  11. In order to maintain the highest bond rating, AAA, general fund reserve levels should be in the range of 5-10 % of operating expenditures.

*Debt Policy - Town of Wayland 1-22-08*



## CREDIT OPINION

25 January 2016

### New Issue

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## Wayland (Town of) MA

### New Issue - Moody's assigns Aaa to Wayland MA's GO Bonds

#### Summary Rating Rationale

Moody's Investors Service has assigned a Aaa rating to the Town of Wayland MA's \$31 million General Obligation Municipal Purpose Loan of 2016 Bonds (Bank Qualified). Concurrently, we have affirmed the Aaa rating of \$76.8 million of outstanding general obligation (GO) debt. The outlook is stable.

The Aaa rating reflects a stable tax base with strong socio-economic indicators, satisfactory financial position, and manageable debt and pension burdens. The rating also incorporates the town's comprehensive fiscal management that includes aggressive funding of long-term liabilities.

#### Credit Strengths

- » Comprehensive fiscal management
- » Stable tax base with strong wealth and income levels
- » Aggressive funding towards OPEB liability

#### Credit Challenges

- » Recent use of reserves to balance operations
- » Limited revenue flexibility given the tax levy limitation of Proposition 2 1/2
- » Above average debt burden

#### Rating Outlook

The stable outlook reflects the positive trend in valuation of the tax base and above average socio-economic indicators of taxpayers that bolster the town's financial operations. While the town has relied more on reserves to balance operations in recent years, we expect budgeted operations to return to a more structurally balanced position over the near term. Although failure to achieve balanced operations could lead to downward rating pressure.

#### Factors that Could Lead to a Downgrade

- » Fiscal 2016 and 2017 operating deficits
- » Trend of available general fund balance below 20% of revenues
- » Material increase in the debt burden

flexibility. We expect this capacity to be tapped as the town's budget projects for fiscal years 2017 through 2020 indicate only \$1.5 million in free cash appropriations. A continued trend of reducing reserves in fiscal 2017 and beyond could lead to downward rating pressure.

#### LIQUIDITY

Cash and investments at the end of fiscal 2015 represented \$18.9 million or a healthy 26.8% of revenues including transfers.

#### Debt and Pensions: Above Average Debt Burden Remains Manageable; Strong Management of Long-Term Liabilities

Wayland's direct debt burden (including the current issue) of 2.5% of equalized value is above average for the rating category including other Massachusetts Aaa-rated entities. We expect this burden to remain manageable given plans for moderate future annual borrowing of an estimated \$4-5 million. The town's capital budgets in recent years have averaged around \$6 million with most funded through debt.

#### DEBT STRUCTURE

All debt is fixed rate with 63% of principal retired in ten years. Debt service in fiscal 2015 represented an elevated 11% of expenditures.

#### DEBT-RELATED DERIVATIVES

The town has no derivatives.

#### PENSIONS AND OPEB

The town contributes to the Middlesex Regional Retirement System, a multi-employer cost-sharing plan. The town is required to fully fund its Annual Required Contribution (ARC), which was \$3.7 million in 2015, representing a manageable 5.4% of general fund expenditures. The town's three-year average 2014 adjusted net pension liability, under Moody's methodology for adjusting reported pension data, is \$93.6 million, or an average 1.34 times general fund revenues. Moody's uses the adjusted net pension liability to improve comparability of reported pension liabilities. The adjustments are not intended to replace the town's reported liability information, but to improve comparability with other rated entities.

The town has fully funded its annual OPEB contribution since 2009, indicating an aggressive willingness to address the long-term liability. In fiscal 2015, the town funded 147% of the cost representing \$1.9 million. The town's OPEB liability is currently funded at 40.9%, with a total Unfunded Actuarial Accrued Liability (UAAL) of \$17.8 million as of the latest December 31, 2014 valuation report. Based on the latest valuation, the liability could be fully funded by 2045.

Total fixed costs in 2015 including debt service, required pension contributions and retiree healthcare payments, represented \$13.4 million or 19.2% of expenditures.

#### Management and Governance

The town adheres to comprehensive fiscal policies including a long-range financial plan and five-year capital plan.

Massachusetts towns have an institutional framework score of 'Aa,' or strong. Revenues are highly predictable due to a heavy reliance on property taxes. Towns have a moderate revenue-raising ability given the Proposition 2 1/2 levy limit. Expenditures primarily consist of personnel costs, as well as education costs for towns that manage school operations, and are highly predictable given state-mandated school spending guidelines and employee contracts. Towns have a moderate expenditure reduction ability given the high presence of collective bargaining contracts, offset by low fixed costs in most cases.

#### Legal Security

The bonds are secured by the town's general obligation. Limited tax pledge as debt service has not been excluded from the levy limitations of Proposition 2 1/2.

#### Use of Proceeds

Proceeds will be used for various capital projects of the town.

#### Obligor Profile

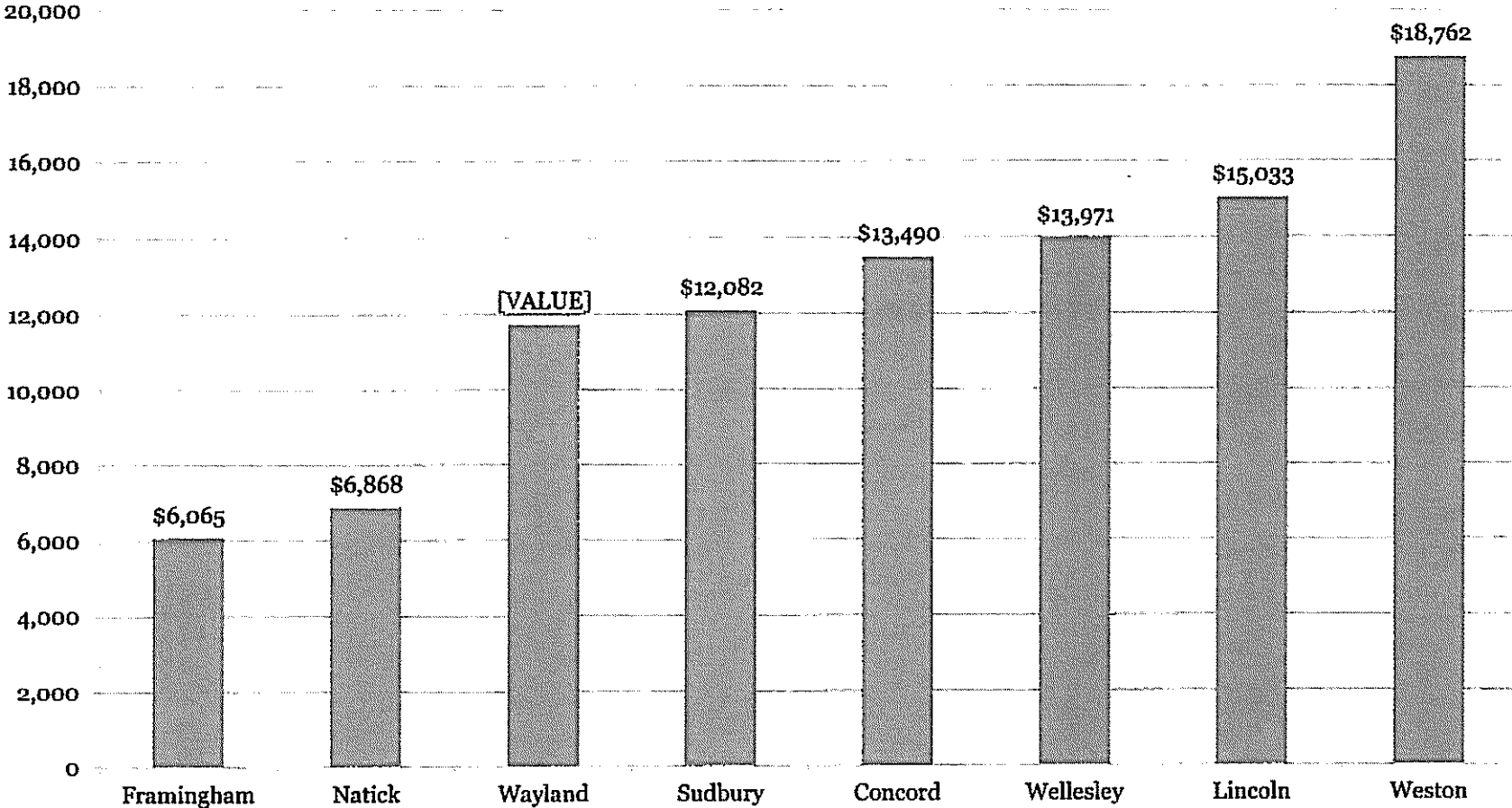
Wayland is primarily residential with a population of 13,166 and is located 18 miles west of Boston, MA.

<b>Projected FY18 Operating Budget</b>						
<b>Assuming 2.5% increase in Expenses and Typical Distribution to Town, School and</b>						
	Fiscal 2017		Fiscal 2018		\$ Change	% Change
<b>Revenues</b>						
Property Tax	61,838	82.84%	63,648	83.18%	1,810	2.93%
State Aid	5,000	6.70%	5,000	6.53%	0	0.00%
Local Receipts	4,300	5.76%	4,300	5.62%	0	0.00%
Free Cash	1,500	2.01%	1,500	1.96%	0	0.00%
Interfund transfers	1,623	2.17%	1,684	2.20%	61	3.76%
Overlay	300	0.40%	300	0.39%	0	0.00%
Bond Premium	90	0.12%	85	0.11%	-5	-5.56%
<b>Total Revenues</b>	<b>74,651</b>		<b>76,517</b>		<b>1,866</b>	<b>2.50%</b>
<b>Expenditures</b>						
Town Departments	16,159	21.65%	16,381	21.41%	222	1.37%
Unclassified						
Debt	7,507	10.06%	7,584	9.91%	77	1.03%
Retirement Assessment	4,235	5.67%	4,447	5.81%	212	5.01%
Health Insurance	7,165	9.60%	7,881	10.30%	716	9.99%
Other Unclassified	1,863	2.50%	1,863	2.43%	0	0.00%
School Department	37,722	50.53%	38,361	50.13%	639	1.69%
<b>Total Expenditures</b>	<b>74,651</b>		<b>76,517</b>		<b>1,866</b>	<b>2.50%</b>

General Fund							5-Year Average Growth Rate
Operating, Cash Capital and Non Appropriated							
FY17 - FY22							
	Approved	Proposed Budgets FY 2018 thru FY 2022					
	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	
<b>Revenues</b>							
Property Tax	62,821	64,646	66,745	68,442	70,334	72,574	3.11%
State Aid	5,000	5,000	5,000	5,000	5,000	5,000	0.00%
Local Receipts	4,300	4,300	4,300	4,300	4,400	4,400	0.47%
Free Cash	1,500	1,500	1,500	1,500	1,500	1,500	0.00%
Interfund transfers	1,623	1,684	1,703	1,772	1,792	1,812	2.33%
Overlay	300	300	300	300	300	300	0.00%
Bond Premium	90	85	80	75	73	73	-3.78%
<b>Total Revenues</b>	<b>75,634</b>	<b>77,515</b>	<b>79,628</b>	<b>81,389</b>	<b>83,399</b>	<b>85,659</b>	<b>2.65%</b>
\$ Change Y to Y		1,881	2,113	1,761	2,010	2,260	
% Change Y to Y		2.49%	2.73%	2.21%	2.47%	2.71%	
<b>Expenditures</b>							
Town Departments	16,159	16,381	16,750	17,092	17,269	17,483	1.64%
Unclassified							
Debt	7,507	7,584	7,444	7,222	7,215	7,271	-0.63%
Retirement Assessment	4,235	4,447	4,669	4,903	5,148	5,405	5.53%
Health Insurance	7,165	7,881	8,669	9,536	10,490	11,539	12.21%
Other Unclassified	1,863	1,863	1,863	1,863	1,863	1,863	0.00%
School Department	37,722	38,361	39,035	39,775	40,416	40,900	1.68%
Cash Capital	185	200	200	200	200	200	1.62%
<b>Total Expenditures</b>	<b>74,836</b>	<b>76,717</b>	<b>78,630</b>	<b>80,591</b>	<b>82,601</b>	<b>84,661</b>	<b>2.63%</b>
<b>Unappropriated Expenses:</b>							
Overlay	600	600	800	600	600	800	6.67%
Cherry Sheet Offsets	17	17	17	17	17	17	0.00%
State Assessments	181	181	181	181	181	181	0.00%
<b>Total Other</b>	<b>798</b>	<b>798</b>	<b>998</b>	<b>798</b>	<b>798</b>	<b>998</b>	<b>5.01%</b>
<b>Total All</b>	<b>75,634</b>	<b>77,515</b>	<b>79,628</b>	<b>81,389</b>	<b>83,399</b>	<b>85,659</b>	<b>2.65%</b>
\$ Change Y to Y		1,881	2,113	1,761	2,010	2,260	
% Change Y to Y		2.49%	2.73%	2.21%	2.47%	2.71%	
<b>Total Valuation @ 2.5% growth</b>	<b>3,450,648</b>	<b>3,536,914</b>	<b>3,625,337</b>	<b>3,715,971</b>	<b>3,808,870</b>	<b>3,904,092</b>	<b>2.63%</b>
<b>Estimated Tax Rate-Est</b>	<b>18.21</b>	<b>18.28</b>	<b>18.41</b>	<b>18.42</b>	<b>18.47</b>	<b>18.59</b>	

Estimated Total Max levy-Est	72,793	74,825	77,158	79,550	82,003
Estimated unused levy-Est	8,147	8,080	8,716	9,216	9,429

# Neighboring Towns FY16 Average Single Family Tax Bill

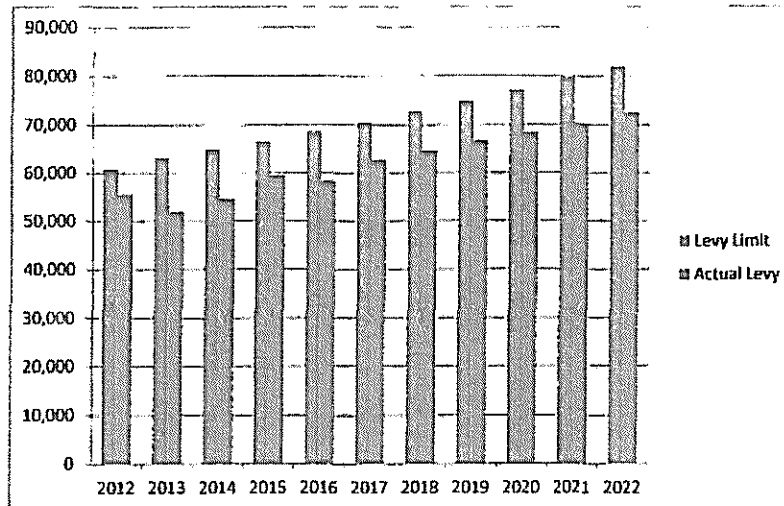


SOURCE: BOARD OF ASSESSORS

## Average Single Family Assessed Value & Average Single Family Tax Bill

Year	Average Single Family Value	Percent Change YOY	Single Family Tax Bill	Percent Change YOY
2009	\$647,717		\$10,603	
2010	\$617,648	-0.046	\$10,982	0.036
2011	\$592,825	-0.040	\$11,471	0.045
2012	\$593,050	0.000	\$11,274	-0.017
2013	\$588,530	-0.008	\$10,529	-0.066
2014	\$598,679	0.017	\$10,974	0.042
2015	\$655,211	0.094	\$12,049	0.098
2016	\$676,477	0.032	\$11,730	-0.026

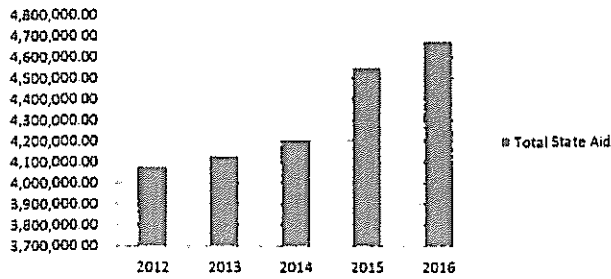
Town of Wayland Levy Limit Actual & Projected FY12 - FY22											
	Actual per Tax Recap					Estimated New Growth					
PROPERTY TAXES	Fiscal 2012	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022
Prior Year Levy Limit	53,215	55,258	57,323	59,547	61,591	64,104	66,306	68,564	70,878	73,250	75,681
2 1/2 % Increase	1,330	1,381	1,433	1,489	1,540	1,603	1,658	1,714	1,772	1,831	1,892
New Growth-( Est. , FY 17 - FY 22)	712	685	791	541	973	600	600	600	600	600	600
				13							
Annual Levy Limit	55,257	57,324	59,547	61,590	64,104	66,306	68,564	70,878	73,250	75,681	78,173
Debt Exclusion	5,561	5,835	5,274	4,846	4,408	4,325	4,229	3,947	3,908	3,868	3,830
Annual Max Levy Limit	60,818	63,159	64,821	66,436	68,512	70,631	72,793	74,825	77,158	79,550	82,003
<i>Property Tax Revenue-Actual</i>	55,514	52,016	54,598	59,586	58,374	62,821	64,646	66,745	68,442	70,334	72,574
Unused Levy	5,304	11,143	10,233	6,850	10,138	7,810	8,147	8,080	8,716	9,216	9,429
\$\$ Increase-Annual Max Levy Limit		-3,498	2,572	4,998	2,076	2,120	2,162	2,032	2,332	2,392	2,453
% Increase-Annual Max Levy Limit		-6.30%	4.94%	9.16%	3.48%	3.63%	3.44%	3.14%	3.49%	3.50%	3.49%





State Aid Revenue Fiscal 2012 thru Fiscal 2017						
	Actual Revenue					Budget
	2012	2013	2014	2015	2016	2017
Chapter 70 School Aid	3,250,268.00	3,250,268.00	3,316,662.00	3,644,813.00	3,710,313.00	4,042,462.00
Charter Tuition	3,669.00	3,669.00	2,109.00	-	14,734.00	1,444.00
Unrestricted General Aid	764,572.00	764,572.00	782,645.00	804,349.00	833,306.00	869,138.00
Veterans Benefits	6,294.00	6,294.00	1,954.00	6,731.00	40,017.00	4,943.00
Exemption- Veterans	-	8,033.00	6,024.00	34,474.00	5,522.00	61,203.00
State Owned Land	53,018.00	53,018.00	54,067.00	57,115.00	70,760.00	34,382.00
MSBA Reimbursemt	-	43,266.00	43,266.00	-	-	-
<b>Total</b>	<b>4,077,821.00</b>	<b>4,129,120.00</b>	<b>4,206,727.00</b>	<b>4,547,482.00</b>	<b>4,674,652.00</b>	<b>5,013,572.00</b>

**Total State Aid**



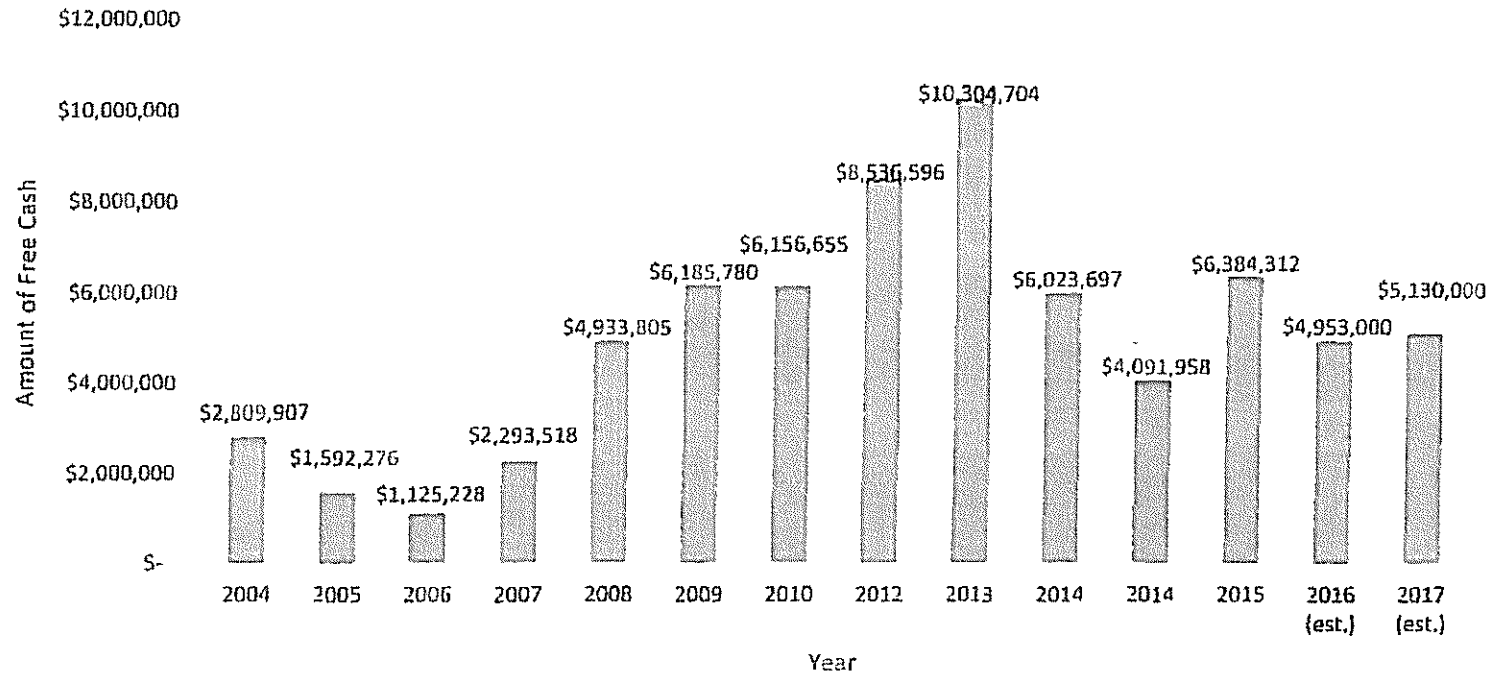
**Chapter 70**





# Town of Wayland Massachusetts

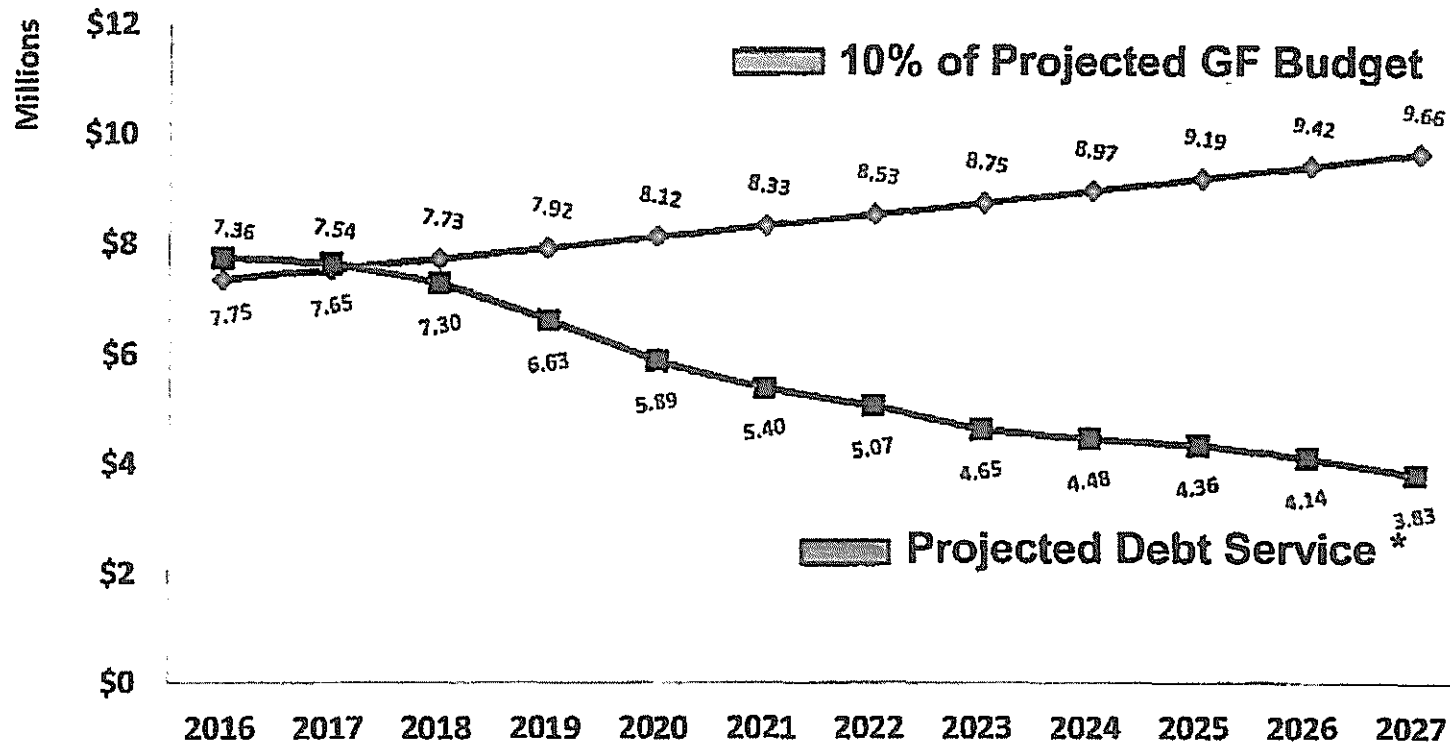
### Town of Wayland Historical Free Cash



	TOWN AND SCHOOL ACTUAL EXPENSES					BUDGET-17	5-Year Avg. Increase
	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Budget	2017 Budget	
Town	25,012,144	25,205,000	25,254,520	25,938,335	26,763,327	27,900,641	2%
\$ chg Y to Y		192,856	49,520	683,815	824,992	1,137,314	
% chg Y to Y		0.77%	0.20%	2.71%	3.18%	4.25%	
Avg % chg 5-y					1.75%	2.67%	
Unclassified	6,652,028	7,322,941	7,251,532	7,743,550	9,160,218	9,028,000	7%
\$ chg Y to Y		670,913	(71,409)	492,018	1,416,668	(132,218)	
% chg Y to Y		10.09%	-0.98%	6.79%	18.29%	-1.44%	
Avg % chg 5-y					9.43%	5.82%	
School	30,921,330	32,521,598	33,516,931	35,194,711	36,719,239	37,722,833	4%
\$ chg Y to Y		1,600,268	995,333	1,677,780	1,524,528	1,003,594	
% chg Y to Y		5.18%	3.06%	5.01%	4.33%	2.73%	
Avg % chg 5-y					4.69%	4.00%	
Total	62,585,502	65,049,539	66,022,983	68,876,596	72,642,784	74,651,474	4%
\$ chg Y to Y		2,464,037	973,444	2,853,613	3,766,188	2,008,690	
% chg Y to Y		3.94%	1.50%	4.32%	5.47%	2.77%	
Avg % chg 5-y					4.02%	3.69%	

	TOWN AND SCHOOL BUDGETS						5-Year Avg. Increase
	2012 Budget	2013 Budget	2014 Budget	2015 Budget	2016 Budget	2017 Budget	
Town	25,503,743	25,267,594	25,455,197	26,290,400	26,763,327	27,900,641	2%
\$ chg Y to Y		-236,149	187,603	835,203	472,927	1,137,314	
% chg Y to Y		-0.93%	0.74%	3.28%	1.80%	4.25%	
Avg % chg 5-y					1.23%	2.61%	
Unclassified	10,657,000	8,805,665	9,122,859	8,579,710	9,160,218	9,028,000	-3%
\$ chg Y to Y		-1,851,335	317,194	-543,149	580,508	-132,218	
% chg Y to Y		-17%	4%	-6%	7%	-1%	
Avg % chg 5-y					-4%	1%	
School	31,096,713	32,526,704	33,397,005	35,433,047	36,719,239	37,722,833	4%
\$ chg Y to Y		1,429,991	870,301	2,036,042	1,286,192	1,003,594	
% chg Y to Y		4.60%	2.68%	6.10%	3.63%	2.73%	
Avg % chg 5-y					4.52%	3.99%	
Total	67,257,456	66,599,963	67,975,061	70,303,157	72,642,784	74,651,474	2%
\$ chg Y to Y		-657,493	1,375,098	2,328,096	2,339,627	2,008,690	
% chg Y to Y		-0.98%	2.06%	3.42%	3.33%	2.77%	
Avg % chg 5-y					2.00%	3.02%	

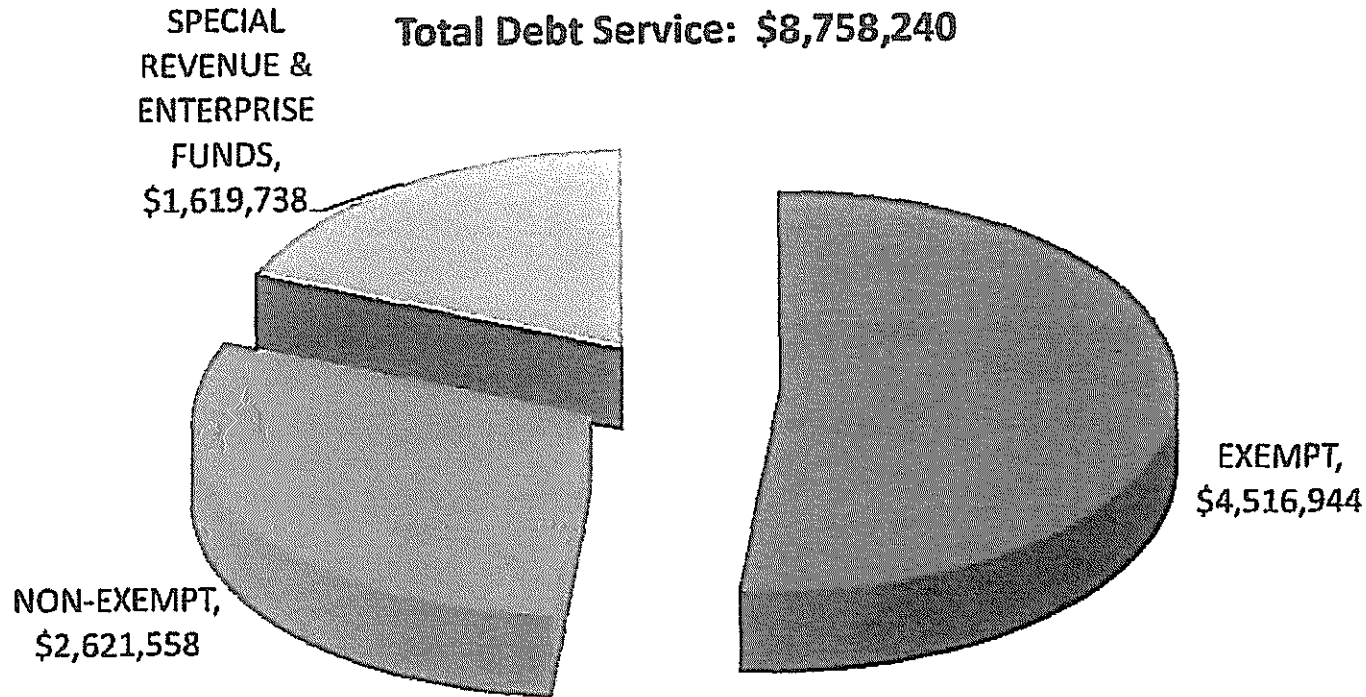
# General Fund Debt Analysis



\* Including Feb 2016 Approved Borrowing

Source: Finance Department

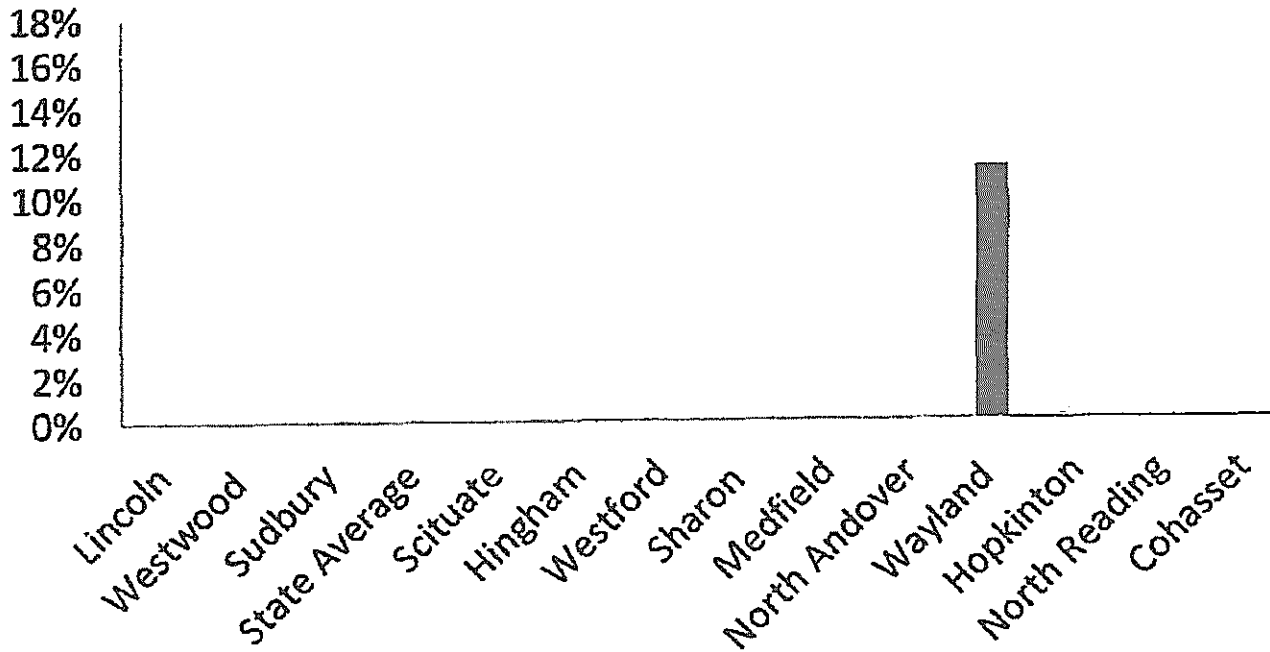
# Enterprise and General Fund Bonded Debt Service Requirements for FY 2017\*



\* *Principal & Interest for FY17 Existing Debt*

Source: Treasury Dept.

# FY2014 Enterprise and General Fund Debt Service as a Percentage of Budget



Source: [www.mass.gov/dor](http://www.mass.gov/dor)

Town and School Payroll  
Fiscal 2012 thru Fiscal 2017

Payroll	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Approved	5-Year Avg. Inc.
Town Payroll	10,128,055.00	10,225,580.00	10,441,866.00	10,502,869.48	10,885,086.65	11,871,337.00	3.44%
\$ chg year to year		97,525.00	216,286.00	61,003.48	382,217.17	986,250.35	
% chg year to year		0.96%	2.12%	0.58%	626.55%	9.06%	
School Payroll	25,599,405.00	26,643,494.00	27,232,916.00	28,397,607.82	29,601,102.00	30,882,080.00	4.13%
\$ chg year to year		1,044,089.00	589,422.00	1,164,691.82	1,203,494.18	1,280,978.00	
% chg year to year		4.08%	2.21%	4.28%	4.24%	4.33%	
Total Payroll	35,727,460.00	36,869,074.00	37,674,782.00	38,900,477.30	40,486,188.65	42,753,417.00	3.93%
\$ chg year to year		1,141,614.00	805,708.00	1,225,695.30	1,585,711.35	2,267,228.35	
% chg year to year		3.20%	2.19%	3.25%	4.08%	5.60%	

General Fund Cost Drivers

	2014	2015	2016	2017	3-Year Avg Incr.
Debt	7,348,946.00	7,789,058.00	7,751,620.00	7,507,251.00	0.72%
\$ chg year to year	(317,018.00)	440,112.00	(37,438.00)	(244,369.00)	
% chg year to year	-4.14%	5.99%	-0.48%	-3.15%	
% of budget	10.79%	11.08%	10.67%	10.06%	
Health Insurance	6,477,859.00	6,339,710.00	6,925,218.00	7,165,000.00	3.54%
\$ chg year to year	(1,572,141.00)	(138,149.00)	585,508.00	239,782.00	
% chg year to year	-19.53%	-2.13%	9.24%	3.46%	
% of budget	9.52%	9.02%	9.24%	9.60%	
Retirement Assessment	3,507,480.00	3,740,468.00	3,971,988.00	4,235,414.00	6.92%
\$ chg year to year	(1,114,147.00)	232,988.00	231,520.00	263,426.00	
% chg year to year	-24.11%	6.64%	6.19%	6.63%	
% of budget	5.15%	5.32%	5.47%	5.67%	
School	33,397,005.00	35,433,047.00	36,719,239.00	37,722,833.00	4.32%
\$ chg year to year	870,301.00	2,036,042.00	1,286,192.00	1,003,594.00	
% chg year to year	2.68%	6.10%	3.63%	2.73%	
% of budget	49.06%	50.40%	50.55%	50.53%	



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## Student Enrollment Forecasts

- All enrollment forecasts are based on NESDEC's projections.
  - FY17 enrollment is forecasted to decrease by 11 students overall K-12; however, one new kindergarten classroom has been added due to the increase of enrollment at the kindergarten level.
  - FY18 enrollment is forecasted to increase by 1.8%.
  - FY19 to FY20 enrollment is projected to increase by approximately 1% per year overall, starting at a higher rate at the elementary level and then increasing at each subsequent level over time.
  - Enrollment for our special needs students is estimated at 20% of total enrollment per year, based on historical actuals.
  - FY17's enrollment in Grade 8 reflects the largest class size throughout the district.
-

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## Non-Personnel Expense Forecasts

- SPED OUT OF DISTRICT TUITION - assumes annual 7% increase based on historical results.
- TRANSPORTATION - assumes annual 5% increase based on historical results. Contract will go out to bid for services for FY18 to FY21. Anticipate premium for garaging buses outside of Wayland, unless location in Wayland is found.
- UTILITIES - assumes annual 2% increase for electricity, 5% increase for natural gas and 7% increase for wastewater. Projections reflect energy saving contracts (ESCO) and solar panel savings.
- Each year, as the district assesses its capacity to meet student needs, student contracted services (e.g. out of district tuition and transportation) may fluctuate.



## MEMORANDUM

**TO:** All Department Heads, Town Boards, Officers and Committees charged with the expenditure of Town money

**FROM:** Brian Keveny  
Finance Director

Nancy Funkhouser  
Finance Committee Chair

**DATE:** September 29, 2015

**SUBJECT:** FY 2017 Operating Budget Process

Per Town Bylaw 19-4, all Town boards, officers and committees charged with the expenditure of Town money must provide the Finance Committee with detailed estimates of the amounts you deem necessary for the administration of your respective board, office or committee for FY 2017, with explanatory statements of the reasons for any changes from the amounts appropriated for the same purpose in FY 2016. You must also file estimates of all probable items of income which may be received during FY 2017 in connection with the administration of your board, office or committee.

As always in preparing your proposed FY17 budget please strive to be as accurate as possible and identify and present efficiencies. Our overall goal is for a lesser than 2.5% Total General Operating budget increase.

Proposed FY 2017 expense and revenue amounts must be entered into MUNIS. The "explanatory statement of the reasons for any changes" in expense should be sent to Brian. Attached is a template for the explanatory statement of changes in expense, which you may find helpful as a starting point. For most entities the Finance Committee expects to see enough significant explanatory items (both increases and decreases if applicable) which explain the overall change; any remaining differential can be summarized in one line labeled "All Other-Net."

For those departments that usually provide us with a narrative of departmental plans and other budget information, we request that you continue to provide this information as well.

As always, we hope that your department will continue to explore creative ways to gain efficiencies and cost savings, as well as explore innovations and take on new initiatives as appropriate. In general, we are aware that the bulk of most departmental expense consists of salary which in some cases may be contractually agreed upon and therefore, difficult to reduce. As a consequence, it may be difficult to

achieve large reductions in your budget. We request that you keep in mind the desire for innovation with the goal to control costs and seek efficiencies this year and in the future.

There will be a meeting with the Finance Director for all department heads on **Wednesday, October 7th at 9:15 a.m.** in the Selectmen's meeting room. Brian will discuss the Town's financial outlook for FY17 and the process of submitting your operating budget requests and revenue estimates and answer questions regarding the Town's finances. Operating budget deadlines are summarized at the end of this memo.

The Finance Committee and the Finance Director are available to assist with explaining the operating budget process. Please contact the Finance Director or your Finance Committee liaison (list attached) with questions.

### **Syndication**

**FY 2017 Salary Budgets:** Salary items should include any step / lane increases due during the upcoming fiscal year and any COLAs in settled contracts. For those employees in unsettled contracts, use their current wage rates. This includes non -union personnel.

Any proposed changes in personnel should be discussed with the Finance Committee prior to inclusion in your FY17 budget. As part of the operating budget review process, the Finance Committee will inform departments if the proposed position should be included in their Fiscal 2017 budgets.

Please make sure you circulate and review your draft operating budget and explanatory statement of changes in expense with your oversight board, Town Administrator (if applicable), Finance Committee liaison, and Board of Selectmen liaison before you submit it.

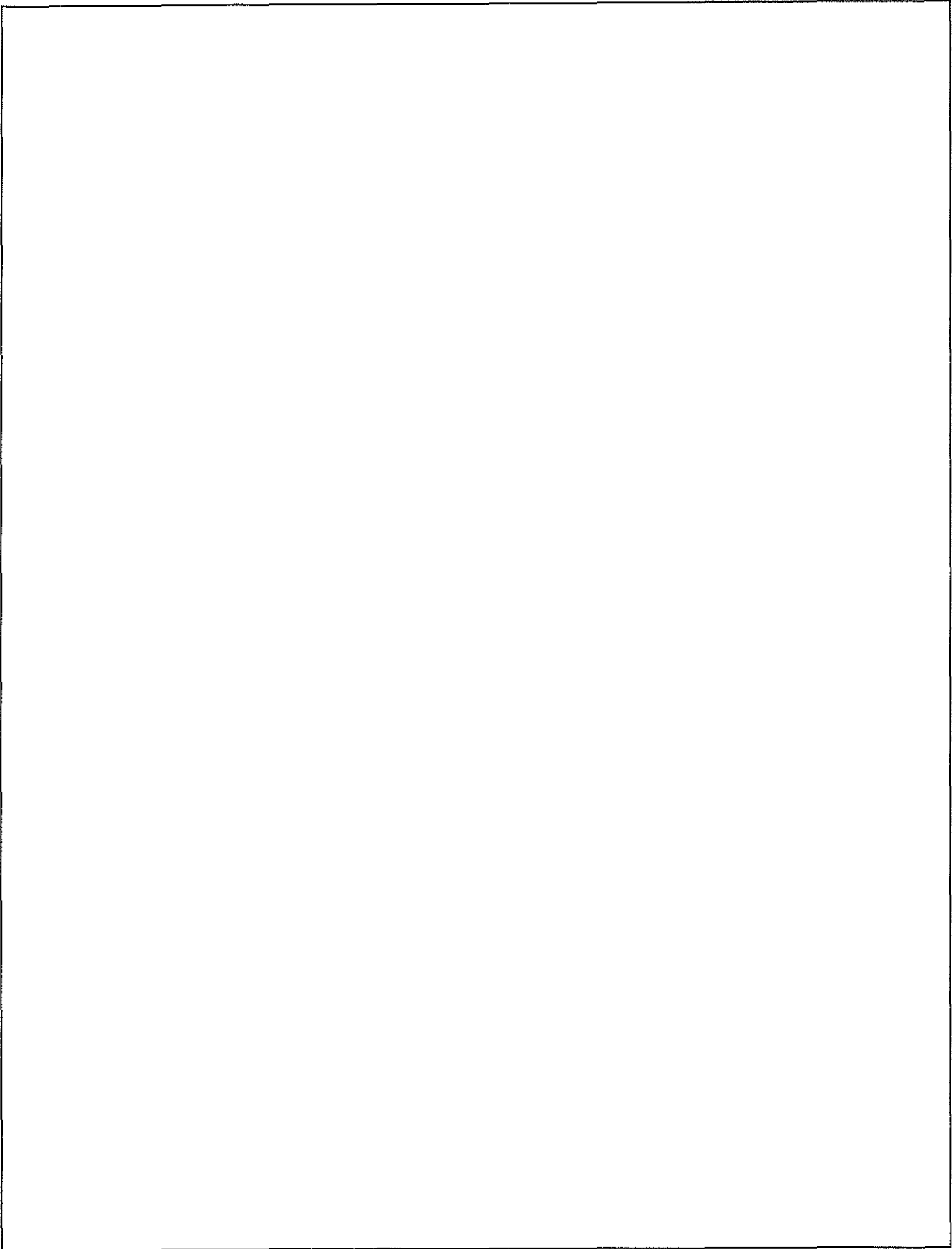
**Operating budgets are due on Friday, November 6th at noon and must be submitted through the MUNIS financial system. The explanatory statement of any changes in expense is also due on the same day and time and should be sent to Brian Keveny.**

As in past years, budget meetings with the Finance Committee will be scheduled during evenings in January. The dates and specific times for these budget meetings will be distributed later.

We thank you in advance for your assistance in the FY 2017 operating budget process.

### Attachments

1. Explanatory Statement of Changes in Expense Template
2. Finance Committee Liaison Assignments
3. Board of Selectmen Liaison Assignments



No	Date	Issue/Action	Requestor	Owner	Due Date	Status
1	7/18/2016	Assign Town Email Addresses to Committee Members	Watkins	Balmer		
2	7/18/2016	Perform Guidelines Legal Review	Watkins	Balmer		
3	7/21/2016	Produce Decision Making Framework	Balmer	Uveges		
4	8/1/2016	Introduce Committee to Town via Crier	Watkins	Watkins		
5	7/18/2016	Participate in School Economic Summit	Martin	Martin		
6	7/22/2016	Meet with Collins Center staff on Wednesday, August 10. (UMass Collins Center to evaluate the Town's Financial processes.)	Watkins	Watkins		
7	7/25/2016	Cash Flow Planning	Watkins	Uveges		
8	8/1/2016	Operating Budget Memo to TA and Superintendent - September	Watkins	Cliff	9/12/2016	
9	8/1/2016	Review Dates for Annual Schedule and report any conflicts	Watkins	All	8/29/2016	
10	8/1/2016	Review Outstanding Capital project list and recommendations for closure.	Committee	Martin	9/30/2016	
11	8/1/2016	Review potential web page modifications suggested by Mr. Cliff.	Watkins	All	9/12/2016	
12	8/1/2016	Review Committee Protocols (DW) for future vote	Watkins	ALL	9/12/2016	
13	8/1/2016	Follow up concerning a submission to the Annual Report	Watkins	Martin	9/12/2016	
14	8/1/2016	Update Report of the Finance Committee	Watkins	Cliff	9/12/2016	
15	8/1/2016	Submit and write any potential FinCom articles for the upcoming Special Town Meeting including Current Year transfers and Prior Year unpaid bills	Watkins	Martin/Key	9/12/2016	
16	8/1/2016	Review and update the Mission Statement.	Watkins	Gorke	9/12/2016	
17	8/1/2016	Draft of Member Responsibilities	Watkins	Cliff/Uvege	9/12/2016	
18	8/1/2016	Update Town Financial Strategy	Watkins	Shigley	9/12/2016	



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# **TOWN OF WAYLAND CONSIDERATIONS FOR FY 18 BUDGET PLANNING**

**PRESENTED BY**

**TOWN ADMINISTRATOR AND FINANCE DIRECTOR**

**WITH FINANCE TEAM: TREASURER, DIRECTOR OF ASSESSING, HUMAN  
RESOURCES DIRECTOR / ASSISTANT TOWN ADMINISTRATOR, SCHOOL  
BUSINESS MANAGER AND FINANCIAL ANALYST, FINANCE DIRECTOR AND  
TOWN ADMINISTRATOR**

**AUGUST 29, 2016**

## ***WHAT WAS THE FY 17 BUDGET GUIDELINE?***

The purpose of this presentation is to provide a framework for consideration of a Budget Guideline for a FY 18 Revenue and Expense Budget. The framework is based on an increase of 2.5% of operating budget to provide a starting point for discussion.

- In FY 17 the Finance Committee established a budget guideline with the goal that the FY 17 General Fund operating budget be increased up to 2.5%. The guideline did not address the funding of capital projects which is covered by the Debt Policy. *(Note – the 2.5% guideline is unrelated to prop. 2.5)*
- The recommended FY 17 General Fund operating budget increased to \$75,651,474 or a 2.77% increase ( \$2.269 million) over FY 16.
- To understand the effect of achieving the 2.5% budget guideline into future years, the Finance Director developed five year projections and historical schedules which are provided to the Finance Committee and accompany this presentation as reference and for discussion.



# ***REVENUE:***

## ***FY 18 VARIABLES – PROPERTY TAX***

- Negative:
  - Acquisition by the Carroll School of a Waltham Road property will result in a net decrease of \$150,000 in FY 17 and future years. (Based on FY 16, this equates to \$.03 on the tax rate. )
- Positive:
  - Aggressive tax title collection of \$2,000,000 in outstanding property tax revenue could positively affect free cash and future year collections.
  - New growth in FY 18 property tax is estimated at \$600,000 from increases attributable to new construction. The Town is experiencing stable growth increases.

## ***PROPERTY TAX: LEVY LIMIT***

Wayland has significant tax levy capacity:

- The levy limit is the most that the Town can tax, up to a tax rate of \$25.00 without requiring an override vote under Proposition 2.5.
- The estimated unused taxing capacity in FY 18 is \$8.1 million.

## ***REVENUE:***

### ***NON PROPERTY TAX SOURCES OF GENERAL FUND SUPPORT***

The Town has little control over non-property tax revenue.

- Categories of non- property tax general fund revenue and key sources include:
  - State Aid: Chapter 70 School Aid and Unrestricted Local Aid
  - Local Receipts: Motor Vehicle Excise, Fees, Licenses, Interest
  - Transfer from Other Funds: Indirect costs such as employee health insurance paid from revolving and enterprise funds to general fund
  - Free Cash

## ***FY 18: USE OF FREE CASH***

- Over the past five years, the Town used varying amounts of free cash to cover operating budget deficits in amounts ranging from \$1,000,000 in FY 15 to \$4.8 M in FY 13 and a range of \$2.7 to \$6.1 m for all purposes including capital, articles and OPEB.
- The varying use of free cash in support of the operating budget has resulted in a fluctuating tax rate and declining reserves.
- Moody's Credit rating service advises the Town to build cash reserves and avoid budget deficits by using Wayland's unused levy capacity over the next few years.
- In Moody's 2016 Credit Opinion, the Town was informed:  
*"A continued trend in reducing reserves could lead to downward rating pressure."*

# FREE CASH CERTIFICATION FY 13 – FY 18

	FY 13	FY 14	FY 15	FY 16	FY 17 (EST.)	FY 18 (EST.)
FREE CASH BALANCE 1/1	10,304,704	6,023,697	4,091,958	6,384,312	4,786,000	5,185,000
% GF BUDGET	8.07	8.86	5.49	5.92	6.61	6.06

*Certified free cash is on low side of the acceptable range under town policy and the Moody's benchmark:*

- *The Board of Selectmen / Finance Committee's Free Cash Policy is to maintain Certified Free Cash at an amount between 5% and 10% of the next year's general fund budget.*
- *~~The Moody's benchmark is to maintain the general fund balance at 20% of revenues. The year end FY 15 statement shows 23%. (See Moody's Credit Opinion dated 1/25/16 notes downward trend)~~*
- *Note: The Finance Director's 2.5% FY 18 budget projection assumes use of free cash as follows: \$1.5 M to support operating budget, \$215,000 in OPEB funding, and \$200,000 in capital project funding. The Finance Committee will recommend how much free cash to use which will affect the tax rate.*

## ***FY 17 BUDGET STRUCTURE***

The distribution of appropriations to Town, School and Unclassified Expenses in FY 17 is typical for Wayland and may be used as a guideline for how new resources could be appropriated:

– Town Departments	22%	\$ 16,159,000
– School Department	50 %	37,722 ,000
– Unclassified Expense		
• Debt	10%	7,507,000
• Retirement	6%	4,235,000
• Health Insurance	10%	7,165,000
• Other	2%	<u>1,863,000</u>
 TOTAL		 \$ 74,651,000

## ***FY 17 EXPENDITURES: CAPITAL BUDGET***

In Wayland, the Budget Guideline addresses the general fund operating budget. The Finance Committee also prepares an annual and five year capital budget and plan which has a significant impact on cash reserves, new debt, future year operating budgets and property taxes.

- The recommended FY 17 Capital Budget was \$8.974 million including \$595,000 from free cash and cash capital, \$4.5 million in new general fund debt and \$3.879 from other funds and fund borrowing.
- The costs of the \$4.5 million in General Fund debt authorized by the 2016 Town Meeting will be included in the operating budget beginning in FY 18. The cost of the \$2 million in recommended FY 16 General Fund debt is included beginning in FY 17.
- In FY 16, the Finance Committee reviewed total capital requests of \$17.6 million. In FY 17, total capital requests were \$9 million.

***DEBT:  
MANAGING CAPITAL PROJECTS  
WITHIN THE DEBT POLICY***

Debt can be managed to remain under the 10% Debt Policy:

- Assuming the Town's operating budget increases 2.5% annually through 2025 and the Town borrowed an average of \$5 million annually, it is estimated an average of \$500,000 in new debt service would be added annually and debt could remain under the 10% of operating budget debt policy.
- For FY 17, principal and interest payments were \$7.5 million or about 10% of the Town's \$74,651,000 operating budget.



# ***RECOMMENDED FY 18 BUDGET GUIDELINE***

The Finance Committee, Town Departments and School Committee will work collaboratively to develop an FY 18 budget that:

1. Funds high quality municipal and educational services.
2. Maintains Wayland's competitive ranking within the area real estate market.
3. Maintains the Town's favorable credit rating by limiting the use of free cash and building cash reserves, aggressively funding OPEB and maintaining debt below 10% of operating budget.

Strategies to fulfill this guideline include:

1. Maintain the goal of a 2.5% maximum increase in the total General Fund operating budget. Aim to stay close to the 2.5% goal annually and remain under the goal on average over 5 years.
2. Provide an alternative, comprehensive FY 18 budget projection showing full picture of all general fund revenues and operating and capital expenses.
3. Continue to review and improve the process for capital planning and funding to insure prudent debt management through a comprehensive, credible, consistent and continuous forward plan.
4. Limit the use of free cash for all purposes to an amount that will increase cash reserves to an amount in excess of the Moody's benchmark.
5. Maintain debt service under 10% of the operating budget and adhere to the debt policy.

# ***GOING FORWARD, WORKING TOGETHER***

- ✓ The Town Administrator and Finance Director's recommended FY 18 Budget Guideline and fiscal management strategies are offered to the Finance Committee for consideration in establishing town fiscal policy for FY 18 and future years.
- ✓ The Finance Committee is asked to advise the Town Administrator and School Superintendent of its final adopted FY 18 Operating Budget Guideline.
- ✓ The Finance Director will provide ongoing staff support and financial analysis to the Finance Committee and act as the Committee's liaison to the Town Administrator and Department Heads.
- ✓ The Town Administrator and Financial Analyst will work together to manage the departmental process to develop recommended operating and capital budgets for the Finance Committee's review.
- ✓ The Finance Team will continue to work altogether with the Town Administrator to respond to the Finance Committee's information requests to develop the FY 18 Budget.

***MANY THANKS TO BRIAN KEVENY, JOHN SENCHYSHYN, ELLEN BRIDEAU, ZOE PIERCE, ELIZABETH DOUCETTE AND SUSAN BOTTAN FOR THE EXCELLENT WORK THIS SUMMER IN ANALYZING THE TOWN'S FINANCIAL POSITION AND PLANNING THE FY 18 BUDGET PROCESS!***

# ***FY 18 BUDGET PROCESS: ADMINISTRATIVE ROLE***

- 1) Request that town department operating budgets be based on what is required to maintain services at current levels.
- 2) Identify and plan for any fixed new expenses in the Town departmental and unclassified budgets.
- 3) Identify and plan for any discretionary new personnel and programs that will improve town departmental services.
- 4) Identify and incorporate new or increased sources of revenue, efficiencies and cuts in expenditures through the budget process.
- 5) Continue to review and improve the process for capital planning and funding to insure prudent debt management through a comprehensive, credible, consistent and continuous forward plan.
- 6) Maintain communication with the School Superintendent and Finance Committee about budget challenges and opportunities for the FY 18 school budget. An initial discussion is planned with School Superintendent, School Committee representatives, Town Administrator and Finance Committee liaison on September 7<sup>th</sup>.
- 7) Manage a process with department heads to make budget cuts if required.

# ***DEBT: BORROWING HISTORY***

Over the last 5 years the town has incurred the following General Fund Debt:

1. 2012	\$ 2,010,000
2. 2013	2,555,000
3. 2014	12,858,000
4. 2015	5,917,000
5. 2016	2,401,000
<b>AVERAGE:</b>	<b>\$ 5,183,200</b>

Handwritten calculation in a circle:  $17 \div 4.5 = 2.6$  with a remainder of 70.

# ***DEBT POLICY***

- Capital purchases must be at least \$25,000 to issue debt for no longer than the useful life of the asset. (*Note – Adopted policy states \$10,000*)
- Debt should be within ~~5~~10% of operating expenditures annually.
- The debt policy specifies categories of capital acquisition subject to debt exclusion.
- Police cruisers are funded in the operating budget. Other passenger vehicles and small equipment are funded with cash capital and not financed through debt.
- The Debt Policy should be updated.

## ***EXPENDITURES:***

### ***RATE OF INCREASE – OPERATING BUDGET***

Development of a budget plan meeting the 2.5% goal requires an understanding of expected increases in health insurance and school costs.

- Average Rate of Increase in Operating Budget: The rate of increase for the General Fund operating budget averaged 2% over the 5 year period beginning FY 13 and 3.27% over the 3 year period beginning FY 15. Each budget year presents unique challenges.
- Cost of Health Insurance is Major Uncertainty: Unclassified expenses, driven by health insurance, are variable. To determine actual funds available in FY 18, unclassified expenses driven by health insurance costs must be determined. The cost of insurance is 10% of the operating budget, or \$7.1 M, in FY 17.
- A 2.5% Operating Budget increase means Town and School Operating Budgets increase less than 2.5% due to unclassified expenses. Based on the typical distribution of appropriations from prior years, a 2.5% operating budget increase would provide \$1,800,000 in new funding and a 1.37% (\$222,000) operating budget increase for the Town and a 1.69% (\$615,000) operating budget increase for the schools.

## ***FY 18:***

# ***KNOWN OPERATING EXPENSE CHANGES***

The following expense changes are expected in FY 18, but are as yet unquantified:

### Potential Savings:

1. Energy: Energy and natural gas supply costs will remain flat or decline, distribution costs will increase resulting in modest increases. Vehicle fuel costs will decline.
2. Health Insurance: Discussions to find savings in employee health insurance are ongoing.

### Potential Expense:

1. Building Maintenance and Public Works Infrastructure: More comprehensive capital plans are requested to identify and quantify deferred maintenance. .
2. Technology: IT upgrades begun last year will continue.
3. Personnel: Requests for new Town and School personnel and school initiatives are expected.
4. School Transportation: Costs will be bid for FY 18 and will likely increase.
5. Rivers Edge: There may be additional costs in the School budget and DPW budget associated with moving school buses and providing a laydown area for DPW as these functions move to make way for the Rivers Edge project which may be a source of new property tax revenue in future years.
6. Labor contracts: All town school and town collective bargaining agreements expire 6/30/17. The timing of settlement with the unions is unknown but will affect budgets in the FY 18 – 21 period.

# REVENUE:

## USE OF FREE CASH: FY 13 – FY 17 BUDGETS

USE	FY 13	FY 14	FY 15	FY 16	FY 17
Current Year Transfer	29,585	165,000	451,348	523,193	NA
Operating Budget	4,800,000	2,500,000	1,000,000	4,350,000	1,500,000
Capital Budget	945,000	180,000	415,000	300,000	410,000
Articles	300,000	100	0	519,903	538,619
OPEB	0	0	249,094	209,114	215,285
Total	6,074,585	2,845,100	2,115,442	5,901,810	2,663,904

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## ***REVENUE:***

### ***FY 18 OUTLOOK FOR NON-TAX REVENUE SOURCES***

Significant increases in state aid and local receipts are not expected or easily predictable.

- State Aid (\$5 m gross state aid) is budgeted to increase \$300,000 in FY 17. State aid is subject to positive and negative fluctuation. State Aid is offset by Cherry Sheet expenses carried in the operating budget.
- Projected Local Receipts (\$4.4 m FY 17 budget / \$4.65 FY 16 actual) are budgeted to increase in FY 17 due to growth in motor vehicle excise and meals tax and licenses and permits. Additional revenue can be made available after a stable pattern of increased collection is established.

## ***PROPERTY TAX:***

### ***FY 17 LEVY LIMIT AND UNUSED CAPACITY***

2016 levy limit	\$ 64,104,000
2.5% increase	1,603,000
New growth est.	600,000
Levy limit	<b>66,306,000</b>
Debt exclusion	4,325,000
Maximum levy limit	<b>70,631,000</b>
Actual tax Levy	(62,821,000)
<u>FY 17 unused levy</u>	<u><b>7,810,000</b></u>
<u>FY 18 projected unused levy</u>	\$ <u><b>8,147,000</b></u>

*\* Based on growth assumption in supporting documents.*

## ***PROPERTY TAX: AVERAGE SINGLE FAMILY TAX BILL***

The Town of Wayland ranks sixth among eight neighboring towns comprising the real estate market.

- Wayland's average single family home 2016 tax bill was \$11,730. The median tax bill is \$1,000 lower.
- Average tax bills in 8 neighbor towns ranged from \$6,000 in Framingham to over \$18,000 in Weston.
- The average single family home assessed value in 2016 was \$676,477.
- Wayland's average 2016 single family home tax bill is ranked 11<sup>th</sup> statewide.

## *REVENUE CONSIDERATIONS: PROPERTY TAXES*

- Property taxes comprised 83% of general fund budget revenue in FY 16 and are the source of funding over which the Town exerts the most control.
- The property tax revenue needed to balance the budget is calculated by deducting from the planned general fund expenditure budget non-property tax revenue from:
  - 1) local receipts -- such as motor vehicle excise, permit fees and interest,
  - 2) state aid
  - 3) transfers from other funds ---such as indirect costs from revolving and enterprise funds, and
  - 4) any free cash used to balance the budget.
- For FY 17, the unused property tax levy capacity is estimated at \$7.8 million. For reference, \$7.8 million is 12.4% of the the tax revenue budgeted in FY 17.

## ***ESTABLISHING A BUDGET GUIDELINE FOR FY 18***

- The Town Administrator works with the Finance Committee and Finance Director to establish the annual Budget Guideline and long term financial strategies. The Town Administrator recommends all department budgets to the Board of Selectmen and monitors the town's financial performance.
- The purpose of the annual Budget Guideline is to provide a tool for the Finance Committee to recommend a budget to Town Meeting that funds high quality municipal and school services considering affordability to taxpayers and based on a sustainable multi-year financial plan.
- See Town Code Chapters 19 (Finance) and 60 (Town Administrator) at: <http://www.ecode360.com/WA1635>