



Town of Wayland Massachusetts

Finance Committee

David Watkins (Chair)

Gordon Cliff

Nancy Funkhouser

Jen Gorke

Carol Martin

Klaus Shigley

George Uveges

Finance Committee

Minutes

February 21, 2017

Attendance: D. Watkins, G. Cliff, N. Funkhouser, J. Gorke, C. Martin, K. Shigley, and G. Uveges.

Call To Order:

The meeting was called to order by D. Watkins in the Selectmen's Meeting Room at the Town Building at 7:00pm. He thanked everyone for attending. He announced the meeting was being taped by WayCam for later viewing as well as being broadcast live. He then reviewed the agenda for the public.

Public Comment and Committee Members' Response

Alice Boelter, Lake Shore Drive, commended the Finance Committee for its effort in controlling spending. She hoped the Committee would hold firm on the School Budget recommendation.

Anette Lewis, Claypit Hill Road, addressed the Committee and urged the Committee to hold firm on its recommended 1% reduction to the School Department's Budget. She gave specific examples of certain questionable budget items, including a .5% increase in the salary budget, and \$200,000 for SPED spending in FY 19 that was brought into FY 18.

Ms. Martin read an email from Donna Bouchard (see attachments), Concord Road, encouraging the Committee to hold firm on its budget recommendation for the School Department. She makes the observation that over the past ten years enrollment has dropped by 6% while staffing has increased by 9%. She notes that the "current hiring spree" is unsustainable.

Mr. Watkins read two other emails (see attachments) into the public record:

Gil Wolin and Gail Shapiro, West Plain Street, encouraged the FinCom to keep the proposed budget in line with its guidelines.

John Kelly, West Plain Street, argued that the 4-3-2 elementary school model didn't appear to control costs, and he argued that adding support staff at a time of declining enrollments seemed ridiculous.

Report from the Finance Director:

Mr. Keveny updated the Omnibus Budget reflecting changes and corrections.

The latest estimate would produce a 3.06% year over year increase in the budget, and would result in a 4.71% increase in taxation. Health insurance premiums have been finalized. Final numbers are \$100,000 lower than previous estimates. Mr. Keveny recommended that we keep the budgeted number to provide a cushion for adverse experience.

Mr. Cliff asked for a better explanation of the medical cost inflation factors. He noted that a 15% year over year increase in health costs seemed high.

Mr. Keveny requested that the Committee make certain transfers from the reserve fund to cover deficiencies in 5 enumerated accounts.

- Ms. Martin moved that \$24,597 be moved from the reserve fund to the Minuteman vocational education account. Mr. Uveges seconded. Motion passed 7-0.
- Ms. Martin moved that \$81,157 be transferred from the reserve fund to the general insurance fund to cover shortfalls due primarily to higher than expected workers compensation claims. Mr. Uveges seconded. Motion passed 6-0-1.
- A request from Board of Health to cover the cost of additional nursing services at Claypit Hill School was deferred to a future meeting. Mr. Uveges asked why this request came from the Board of health and why this wasn't in the School budget.
- Ms. Funkhouser moved that \$37,500 be transferred from the reserve fund to the Building Department's vendor account. Mr. Shigley seconded. This transaction covers a shortfall in the vendor account due to a staff illness in the Building Department. The shortfall will be covered by an anticipated offsetting turn back from salaries not paid due to illness. Motion passed 7-0.
- The motion to transfer \$35,000 from the reserve fund to the Town's legal account was deferred.

Mr. Keveny reported on the Town's meeting with Moody's for the purpose of their annual review of the Town's credit rating. He reported that the meeting went well. Moody's main concern is the drop in the Town's fund balances. Mr. Keveny informed Moody's that the Town's use of free cash to balance the budget has dropped from \$1.5 million in FY 17 to just \$500,000 in FY 18. He anticipates a response from Moody's by Thursday. He expects one of 3 outcomes: the continuation of the Aaa, or Aaa with negative outlook, or Aa1 rating.

Mr. Shigley asked if Mr. Keveny had to make any commitments in order to keep the rating. He said no but that the Town has committed to avoiding the use of any free cash for operating expenses in FY 19. Moody's lauded the use of exempt debt to fund the high school, noting that exempt debt does not use up levy capacity.

Discuss FY 18 Budget with School Committee:

Ellen Grieco, Chair of the School Committee, addressed the Committee in response to the Finance Committee's request for a reduction of \$314,000 in the School Department budget. She noted that the School Committee mission is different from that of the Finance Committee, which is why they don't find it easy to reduce expenses.

Ms. Grieco made 3 points in defending the budget that they had submitted:

- A lot of behind the scenes work was done prior to publishing the budget to identify savings. E.G. Personnel costs not tied to contracts were held flat.
- 11.84 of the requested additional 15 FTE's requested are non-discretionary.

- The School Committee considers stepping stones to be non-discretionary as well, as they shore up Wayland deficiencies relative to other towns.

School Committee prefers dialog to disagreement at the ATM.

Ms. Grieco countered the Finance Committee's request for \$314,000 in expense reductions with an offer to reduce expenses by \$137,000. Another \$15,000 of expense savings would occur in the Town budget because benefits for School employees are paid in the Town budget.

Mr. Watkins thanked Ms. Grieco for revisiting their budget.

Ms. Funkhouser thanked the School Committee for their hard work. She commended the Wayland schools for doing a great job at their mission to educate. In her opinion it is incorrect to compare spending this year with spending 8 years ago. Standards change and so does the culture in which we live.

Mr. Cliff asked what was meant by "maintaining" versus new programs.

The response was our current environment requires computers, not pencils; writing labs are not discretionary, and we are not spending as much as our peers on new programs.

Mr. Cliff also asked whether the .35 FTE for world language immersion would morph into a bigger number. Mr. Stein's response was that it would not.

Ms. Martin asked if the School Committee had considered any other options. The response was that the next marginal dollar would most likely come from raising bus fees.

Ms. Gorke thanked the SC for coming and offered her opinion that it was in the Town's long term financial interest to maintain a good school system.

Mr. Uveges clarified that the discussion was about reducing the size of the requested increases in the School Department budget, not about reducing the school budget. He asked if they had calculated the year over year increase in total school spending. Ms. Fletcher said that depends on how expenses were defined.

Ms. Grieco said the vote was 4-1 to support the \$177,000 carve back, or depending on one's point of view the \$137,000 give up.

Review Articles and Potential Vote:

Article C: Current Year Transfers. \$270,000 for snow removal from free cash. \$7,742 from septage retained earnings to septage fund for reimbursement to Sudbury, \$4,000 from Board of Health contractual services to Board of Health payroll services. Ms. Martin moved to approve. Mr. Uveges seconded. Motion passed 6-0-1.

Article E: Personnel By-Laws and Wage Classification. The article provides for minimum wage adjustments for seasonal employees. Ms. Funkhouser moved to approve. Ms. Martin seconded. Motion passed 6-0-1.

Article I: Accept Gifts of Land. This is a standard article, but in this case there is no gift of land. Mr. Cliff moved that the Finance Committee defer action on this article until the ATM. Ms. Funkhouser seconded. Motion passed 7-0-0.

Article R: Street Acceptance. The Finance Committee considered additional information from its last meeting. The cost to repair Spencer Circle was estimated at \$32,000. The cost to repair the drainage array at Spencer Circle was still unknown. Ms. Martin moved to take no position on the article and deferring its recommendation until the ATM. Ms. Funkhouser seconded. Motion passed 7-0-0.

Article Y: Non-Medical/Recreational Marijuana Moratorium – Zoning Bylaw Amendment. Ms. Martin inquired as to why the Youth Council was commenting on the article. They are neither a resident nor a board, the only entities permitted to make comments beside the Finance Committee. Ms. Martin

suggested we could incorporate some of their comments, but their commentary is not properly a part of the article. Mr. Cliff suggested additional editing changes. Mr. Uveges recommended approval of the Non-Medical/Recreational Marijuana Moratorium – Zoning Bylaw Amendment. Ms. Gorke seconded. In subsequent discussion Mr. Watkins observed that endless moratoriums are inconsistent with the will of the voters who approved this referendum and who might benefit from this referendum, as well as the medical marijuana referendum. Motion passed 6-0-1.

Ms. Martin revisited Article V: Acceptance of Library Design. The Committee had previously asked for additional information. The library received \$150,000 at the 2015 STM. Ms. Martin reported that the money was spent on a feasibility study to examine expansion or relocating the library. The key issue discussed was whether cost information should be included in the article.

Mr. Watkins distributed a draft of the Report of the Finance Committee that normally precedes the list of articles in the Town Warrant. This report is used to provide a general overview of the financial status of the Town. Mr. Watkins indicated that it still needs further edits.

Mr. Watkins requested that the Committee empower him to finish writing the Report. Ms. Martin agreed to work with Mr. Watkins. Ms. Martin proposed that the Report begin with a summary statement of the budget we are recommending. And indicating that this is a transition year to a budget that uses principles more in tune with protecting our credit rating. Mr. Uveges suggested a different opening paragraph that summarizes the major pieces of the budget and their funding sources, and ends with the impact on taxpayers. He also suggested that this document be used to lay the groundwork for needed changes in future financial practices, some of which will result in significantly higher taxation if not addressed. He suggested that the important message be in the first page, on the theory many people never get beyond the first page Mr. Cliff suggested that we shorten the report. Mr. Cliff moved that we accept the report as amended to reflect the Committee's discussion. Mr. Uveges seconded. Motion passed 7-0-0.

Discussion of Final Capital Budget and Potential Vote:

Mr. Keveny distributed a handout summarizing the capital budget. The capital budget had already been voted at a previous meeting. The discussion considered whether the funding for road work should be reallocated to use less cash capital. The suggestion to reallocate \$247,000 from cash capital to borrowing was discussed. Mr. Shigley and Mr. Cliff advised against based in part on our policy of funding recurring capital projects through taxation rather than borrowing. In addition it is important to create capacity for potentially large borrowing events in the future. The Committee consensus was to leave the capital budget as is.

The Committee then proceeded to discuss the operating budget.

Discussion of Final Operating Budget and Potential Vote

Mr. Keveny summarized the current Omnibus Budget numbers. The purpose of the discussion was to determine if the budget should be revised to reflect the counter offer from the School Committee which was for a reduction less than what was in the current budget. Ms. Funkhouser moved that we reopen the budget to reflect changes since the last budget was voted. Mr. Cliff seconded. Motion passed 5-0-2. The budget discussion was split into two pieces: First a discussion of small revisions that had surfaced since the last vote and secondly whether to accept the School Committee's counter offer. Mr. Cliff moved that we revise the budget to accept small adjustments surfaced since the last vote. General Fund \$76,933,084.

Enterprise Fund \$4,760,376. Total Omnibus budget of \$81,693,460. Mr. Shigley seconded. Motion passed 7-0-0.

Recap of School Committee Discussion:

The Finance Committee had requested a cut of \$314,000 from the school budget. The SC countered with a cut of \$152,000 (with \$137,000 coming out of the school budget and \$15,000 from the Town budget). Ms. Funkhouser opined that we should accept the SC's counter. Mr. Uveges commented that the optics of permitting a \$1,000,000 increase in total School Department spending at the same time that we were declining to add an extra paramedic and police were poor. Was it appropriate to add an \$80,000 school nurse while declining to add a paramedic? Ms. Gorke agreed with Ms. Funkhouser and that we should be collaborative. Ms. Martin said she was uncomfortable with 3.3% increase in the budget. Mr. Cliff argued that we were discussing a small amount. His concern is that we are accepting the argument that most of the 15 extra FTE are non-discretionary. He argued that adding 15 new people every year because of our interpretation of what's "required" would be unsustainable. This discussion with the SC should have started sooner. Mr. Shigley opined that we were talking about a very small number. The problem we have with the budget is the result of many years of prior budget negotiations that can't be fixed in this budget cycle.

The discussion then moved to the definition of the meaning of the word "mandated". Ms. Funkhouser clarified that "mandate" refers to services. The Town is free to choose how it provides those services- whether through outsourcing or insourcing. Outsourcing would result in no additional FTE's, but arguably would cost the Town even more.

Mr. Cliff suggested that we should push back on the night time custodial supervisor position.

Ms. Martin summarized the consultant's report that recommended the hiring of the custodian.

Mr. Watkins took a straw poll on where the Committee stood on the SC budget.

The result of the discussion was to ask the School Committee to at least reduce their budget by half of what the Finance Committee had originally requested. The FC had requested a reduction of \$314,000 from the SC. The consensus was to reduce that request to \$157,000. Ms. Funkhouser made a motion to add \$157,000 to the previously voted school budget. Mr. Cliff seconded. Motion passed 6-0-1.

The new school total will be \$38,486,462.

Mr. Keveny reiterated that the new numbers for the General Fund budget will be \$77,090,084, the Enterprise budget numbers stay the same, and the new Omnibus budget number will be \$81,850,460.

Cliff moved that the Committee recommend the new budget as just summarized by Mr. Keveny. Ms. Funkhouser seconded. Motion passed 6-0-1.

The Committee then discussed the last article under consideration: FY 18 Omnibus Budget. Mr. Keveny will populate the article with new numbers as just voted. Otherwise the article will look similar to last year's article. Ms. DiNapoli will distribute a draft of the Warrant for review within a few days.

Ms. Martin indicated that the Omnibus Budget Article will also include some additional motions to transfer monies within newly established Recreation Revolving funds.

Ms. Martin recommended that the Committee approve the Omnibus Budget Article. Ms. Gorke seconded. Motion passed 6-1-0. Ms. Martin voting no.

Topics not Reasonably Anticipated by the Chair:

Discussion of future agenda:

As a Wayland resident, I do not understand why we keep seeing tax increases. I do not want a 5% tax increase and yet I know that's what will happen with this proposed plan (esp if you add in the unknown union salary hikes)! Everybody has been asked to cut budgets and the School Committee should be no exception.

I find it mystifying that in the FY18 plan are 15 new FTE's. That is just egregious.

The 4-3-2 rework of the elementary schools was supposed to control costs in the short to medium term but it seems the we/the town/school committee have exceeded the plan every year, adding classrooms, an assistant principal and other personnel. Now maybe teachers are one thing but continuing to add on support personnel in addition to the teaching staff is ridiculous at a time when enrollment is declining.

The 4-3-2 elementary school model only seems to work if you expect the taxpayer to pick up the tab every time. I want to put on record that I am very much against that and believe your role -as management -should be to keep the promises made, find solutions and keep the budget as low as possible.

John G. Kelly
203 W Plain Street Wayland.

Tuesday, Feb 21 at 3:42 PM

From: donnafromwa@cs.com
To: gordoncliff59@gmail.com, carolbmartin@verizon.net, dwatkins@pavonix.com
Subject: Tonight's FinCom Meeting

Hi Gordon, Carol and Dave,

I hope this email finds you WELL!

I just read a WVN bulletin about a meeting tonight to discuss the school budget number for FY'18. Unfortunately, I will be unable to attend... however I did attend your budget presentation a couple weeks ago, and I am hoping you will continue to explain to the School Committee that we (the taxpayers) will continue to GENEROUSLY support the Wayland Public Schools... with the budget number that the FinCom voted.

"The mission of the Wayland Finance Committee is to ensure a town operating budget and a capital spending plan that balances the demand and need for services and infrastructure with the ability of residents across a broad financial spectrum to afford these services."

I am a member of the "broad financial spectrum," and our family continues to wonder where we are expected to come up with the money to fund annual increases that exceed our annual income increases. Wages have stagnated for many, yet healthcare cost increases have put an enormous strain on already strained finances. We seem to forget that we are not passing along huge healthcare costs to town employees. To, in addition, be asked to fund raises is tough, but staff increases for a historically declining enrollment? I think there are some serious issues with the 4-3-2 elementary school model that was implemented by the schools. We have never in our history needed so much staff for so few students!

In the past, there seems to have been little effort to impose financial restraint on annual budgets, however this year, the FinCom's budget recommendation left me with the hope that our tax increase would be fair and reasonable. What is not fair and reasonable is what I read (WVN, pasted below)... a 6% decline in student enrollment over the last 9 years, but a 9% increase in new hires, that's about to get even more disproportionate if another 16 new hires are added to the ranks. This plan is not acceptable, and should not be accepted.

The FinCom is charged with making a budget recommendation to town meeting. Please do not recommend this plan. I beg you to please stand tough on your budget number. The current hiring spree at the schools is completely unsustainable, especially in consideration of the long term liability to the town. The FinCom's proposed increase is enormously generous already, and the schools should be very thankful to have such incredible support (and I say this as a parent of a school-age child).

The schools should be asked to redirect their resources... creative thinking... to deal with any new needs. A few years back, the schools implemented RTI (Response To Intervention), to intervene early on and slow the rate of SPED costs. It seems RTI has not impacted SPED costs (based on the FY'18 new hire request). Perhaps that program could be downsized to accommodate the new hires. In fact, last year's SPED review recommended that the RTI program's effectiveness be evaluated. If that hasn't happened, perhaps you could please insist that it be done before honoring any request for so many new support staff hires.

We'd all like to be able to give and give and give, but there must be limits and someone needs to have the strength to say "no... it's just not possible /responsible." The FinCom represents town meeting. You know what kind of increase is fair and reasonable, based on dollars and SENSE! Thanks for your consideration.

Best,
Donna Bouchard

Excerpt from WVN (below):

Fewer Students, More Employees

Each year, the Wayland school administration publishes a personnel deployment report. In 2007-2008, total student enrollment was 2,820. The total number of Wayland Public Schools staff that year was 448.38 positions.

http://www.wayland.k12.ma.us/UserFiles/Servers/Server_1036352/File/District%20Migration/StaffDeployment0708.pdf
<http://profiles.doe.mass.edu/profiles/student.aspx?orgcode=03150000&orgtypecode=5&&fycode=2008>

In 2016-2017, total student enrollment is 2,655. That represents a decline of about 6%. The total number of employed school staff, however, is 488.42 positions, an increase of 40 employees, about a 9% increase in the last nine years. The schools propose to add yet another 16 full time staff equivalents for FY18. But only two are classroom teachers.

http://www.wayland.k12.ma.us/UserFiles/Servers/Server_1036352/File/District%20Reports/Staff%20Deployment%20Report.pdf

The number of classroom teachers has been relatively stable over the last decade, varying between about 200 and 210, according to Department of Education data:

<http://profiles.doe.mass.edu/profiles/teacher.aspx?orgcode=03150000&orgtypecode=5&&fycode=2016>

Despite declining enrollment, there has been a steady increase in support staff. School Superintendent Paul Stein says he generally tries to minimize new benefit packages by, for example, hiring 19-hour-per-week aides. Aides are used primarily to deal with Special Needs (SPED) students, though some will be used this year to compensate for larger class sizes.

The following link shows that Wayland just posted an ad looking to hire, in the middle of the school year, four part-time teaching assistant positions at Claypit Hill School:

<https://www.schoolspring.com/job.cfm?jid=2751599> (why do we need a new aide in every 4th grade classroom at Claypit, midyear FY'17?)

Parents Speak

Two parents attended the FinCom's budget presentation and spoke about a fourth grade Loker class of 27 children. The School Committee guideline for that grade level is 25. One expressed his disappointment as he had moved to Wayland for the schools. The other parent questioned the strategy of using aides in a classroom, and questioned their qualifications. She said the aides get along well with the children, but so does her sitter.

Former School Committee member Donna Bouchard advised the audience that the answer lies not in more money, but in how that money is spent. (resource allocation is the answer... not more, more, more)

Dave Watkins

From: gailshapiro@comcast.net
Sent: Wednesday, February 08, 2017 4:38 PM
To: Dave Watkins
Cc: carolbmartin@verizon.net
Subject: School budget

Dave and Carol:

We strongly support the FinCom's efforts to keep the proposed school budget in line with your guidelines. The School Committee appears to have an unrealistic perception about the depth of most taxpayers' pockets, and appears unwilling to implement the sound fiscal management practices we hope our WHS graduates will learn - along with "the three Rs" - before leaving home.

Our taxes went up 13% this year. Any further increases are unsustainable.

We appreciate you reading this into the public record.

Thank you.

Gil Wolin and Gail Shapiro
West Plain Street



TOWN OF WAYLAND REQUEST FOR TRANSFER FROM THE RESERVE FUND

To the Finance Committee of the Town of Wayland, request is hereby made for the following transfer from the Reserve Fund in accordance with Ch. 40, Sec. 6 of the Massachusetts General Laws:

1. Amount requested: \$ 81,157
2. Department name: General Insurance
3. To be transferred to MUNIS account: 10945002-51901
4. Present balance in the appropriation: \$ -74,477
5. The amount requested will be used for (give specific purpose):

Amount will be used to cover deficit of \$74,477 plus additional expected payments due insurance vendor to June 31, 2016

6. This expenditure is extraordinary and/or unforeseen for the following reasons:

The town has experienced an increase in workers compensation premiums , reductions in credits and purchased additional insurance related to the new DPW complex.

7. Is your next year's budget affected by this request? If yes, explain.


The Fiscal 2018 budget has been increased to account for the same insurance claims that the town is experiencing in Fiscal 2017.



Signature of Department Head

2/16/17

Date



Approved by Town Administrator

2-16-17

Date

Approved by Finance Committee
Date of Meeting
Transfer voted in sum of \$

Chair, Finance Committee

Date

***Request should be made and transfers voted before any
expenditure is incurred in excess of the appropriation.***

GENERAL INSURANCE							
VENDOR:	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	\$ Variance 17 / 16
CABOT RISK STRATEGIES LLC	-	128.30	-	-	-	-	(128.30)
CHUBB & SON	55,749.00	53,649.00	52,473.00	48,830.00	43,136.00	36,475.00	2,100.00
FAIR & YEAGER INS CO.	-	2,687.50	-	-	-	-	(2,687.50)
HARTFORD FIRE INSURANCE	5,454.00	5,234.00	3,462.00	-	-	-	220.00
M I I A PROPERTY AND CASUAL GROUP INC	625,587.00	512,502.64	511,175.96	413,736.00	462,126.00	557,291.00	113,084.36
TRAVELERS INSURANCE	-	-	-	-	3,152.00	3,060.00	
CNA SURETY DIRECT BILL	2,687.50	-	1,737.50	-	-	-	2,687.50
MASS GENERAL PHYSICIANS ORGANIZATION	-	194.44	-	-	-	-	(194.44)
REBOUND PHYSICAL THERAPY	-	1,077.30	4,762.84	-	-	-	(1,077.30)
OTHER EXPENSES	-	684.00	-	17,577.00	9,193.00	14,467.00	(684.00)
TOTAL EXPENSES	689,477.50	576,157.18	573,611.30	480,143.00	517,607.00	611,293.00	113,320.32
ANNUAL BUDGET	615,000.00	615,000.00	615,000.00	615,000.00	615,000.00	680,000.00	-
VARIANCE BUDGET TO ACTUAL	(74,477.50)	38,842.82	41,388.70	134,857.00	97,393.00	68,707.00	-

G/L ACCOUNT DETAIL

Org: 10945002 Object: 51901
 INSURANCE GENERAL 10 -9-9450-93-00-02-0000-51901-

YEAR	PER	JOURNAL	EFF DATE	SRC T	PO/REF?	REFERENCE	AMOUNT	P	CHECK NO	WARRANT	VDR NAME/ITEM	DESC	COMMENTS
2017	08	000039	02/06/2017	API		7668	897.00	Y	422279	TA020617	MIIA		Group Poo
2017	04	000630	10/25/2016	API	1	7206	2,727.00	Y	419524	TA103116	HARTFORD FIRE INS		FLOOD INS
2017	04	000630	10/25/2016	API	1	7206	2,727.00	Y	419524	TA103116	HARTFORD FIRE INS		FLOOD INS
2017	04	000402	10/18/2016	API	1	7171	500.00	Y	419324	TA102416	CNA SURETY DIRECT		COMPANY 0
2017	03	000338	09/13/2016	API	1	7011	1,362.50	Y	418221	TA091916	CNA SURETY DIRECT		SURETY BO
2017	03	000338	09/13/2016	API	1	7011	825.00	Y	418221	TA091916	CNA SURETY DIRECT		SURETY BO
2017	02	000275	08/09/2016	API	1	6845	365,988.00	Y	417538	TA081516	M I I A PROPERTY		GROUP POO
2017	02	000275	08/09/2016	API	1	6845	258,701.00	Y	417539	TA081516	M I I A PROPERTY		GROUP POO
2017	02	000013	08/01/2016	API	1	6769	55,749.00	Y	417131	TA080116	CHUBB & SON		ANNUAL PR

Total Amount: 689,476.50

** END OF REPORT - Generated by Brian Keveny **



02/16/2017 08:46
9858bkev

TOWN OF WAYLAND
YEAR-TO-DATE BUDGET REPORT

P 1
glytbud

FOR 2017 08

ACCOUNTS FOR:	ORIGINAL APPROP	TRANFRS/ ADJSTMTS	REVISED BUDGET	YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
10945002 UNCLASSIFIED EXPENSES							
<hr/>							
9450 UNCLASSIFIED							
<u>10945002 51901 INSURANCE GENERAL</u>	615,000	0	615,000	689,476.50	.00	-74,476.50	112.1%*
TOTAL UNCLASSIFIED EXPENSES	615,000	0	615,000	689,476.50	.00	-74,476.50	112.1%
TOTAL EXPENSES	615,000	0	615,000	689,476.50	.00	-74,476.50	



TOWN OF WAYLAND REQUEST FOR TRANSFER FROM THE RESERVE FUND

To the Finance Committee of the Town of Wayland, request is hereby made for the following transfer from the Reserve Fund in accordance with Ch. 40, Sec. 6 of the Massachusetts General Laws:

1. Amount requested: \$ 24,597
2. Department name: Minuteman Vocational
3. To be transferred to MUNIS account: 10320002-52100
4. Present balance in the appropriation: \$ 3,367
5. The amount requested will be used for (give specific purpose):
Amount will used to pay the full amount of the FY 17 Minuteman Vocational Assessment.

6. This expenditure is extraordinary and/or unforeseen for the following reasons:

The amount originally appropriated for FY 17 was \$68,618. After the FY 17 budget was voted by the Finance Committee and sent to the printer the town received a new assessment. The Finance Director informed the Finance Committee about this shortfall at the March 21, 2016 meeting. The FY 17 assessment is \$93,215.

7. Is your next year's budget affected by this request? If yes, explain.

No next years is not effected.

Signature of Department Head

Ken Baloner

Approved by Town Administrator

Date

2-16-17

Date

Approved by Finance Committee

Date of Meeting

Transfer voted in sum of \$

Chair, Finance Committee

Date

***Request should be made and transfers voted before any
expenditure is incurred in excess of the appropriation.***



MINUTEMAN
A REVOLUTION IN LEARNING

March 4, 2016

Town Treasurer
41 Cochituate Road
Wayland, MA 01778

Dear Mr. Keating,

The Minuteman Regional Vocational Technical School District School Committee approved preliminary assessments based on the 2017 Governor's Budget House 1 at its meeting on March 1st, 2016. Assessments have been calculated based on the minimum contributions included in the 2017 State budget. School Committee will review the final budget and assessment figures based on the final approved state budget. We will send notice of revised figures, if any, after that meeting.

We have established the following schedule which will allow for compliance with Section XI "Fiscal Year".

On or before August 1st, 2016	\$ 11,652.00		
On or before September 1st, 2016	\$ 11,652.00	25 %	\$ 23,304
On or before October 1st, 2016	\$ 10,875.00		
On or before November 1st, 2016	\$ 10,875.00		
On or before December 1st, 2016	\$ 10,875.00	60%	\$ 55,929
On or before January 1st, 2017	\$ 4,661.00		
On or before February 1st, 2017	\$ 4,661.00		
On or before March 1st, 2017	\$ 4,661.00	75%	\$ 69,912
On or before April 1st, 2017	\$ 11,651.50		
On or before May 1st, 2017	\$ 11,651.50	100%	\$ 93,215
<u>Total</u>	\$ 93,215		

Please consider this letter as request for payment according to the above schedule. If you have any questions about the assessment, Please contact Kevin F. Mahoney Assistant Superintendent of Finance at kmahoney@minuteman.org or 781-861-6500 Ext 7220.

Sincerely,

Laurie Elliott

Treasurer

cc: Chairman, Finance Committee
Chairman, Board of Selectmen



02/16/2017 08:26
9858bkev

TOWN OF WAYLAND
YEAR-TO-DATE BUDGET REPORT

P 1
glytdbud

FOR 2017 08

ACCOUNTS FOR:	ORIGINAL APPROP	TRANFRS/ ADJSTMTS	REVISED BUDGET	YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
10320002 MINUTEMAN REGIONAL SCH EXP							
<u>3200 MINUTEMAN REGIONAL SCHOOL</u>							
<u>10320002 52100 CONTRACTUAL SERVICE</u>	68,618	0	68,618	65,251.00	.00	3,367.00	95.1%*
TOTAL MINUTEMAN REGIONAL SCH EXP	68,618	0	68,618	65,251.00	.00	3,367.00	95.1%
TOTAL EXPENSES	68,618	0	68,618	65,251.00	.00	3,367.00	

ARTICLE C: CURRENT YEAR TRANSFERS

Proposed by: Board of Selectmen

Estimated Cost: \$281,742

To determine whether the Town will vote to appropriate a sum or sums of money for the operation and expenses of various Town Departments for the current fiscal year; to determine whether such appropriation shall be provided by taxation, by transfer from unappropriated funds, by transfer of funds already appropriated for another purpose, by funds received as grants from the Commonwealth or federal government, by borrowing, or otherwise; and to determine which Town officer, board, or committee of combination of them, shall be authorized to expend the money or monies appropriated therefor.

CURRENT YEAR TRANSFERS FY 2016	
PURPOSE:	AMOUNT
1 SNOW AND ICE	\$270,000
2 SEPTAGE FUND	\$7,742
3 BOARD OF HEALTH PAYROLL	\$4,000
TOTAL CURRENT YEAR TRANSFERS	\$ 281,742
FUNDING SOURCES:	
1 UNRESERVED FUND BALANCE	\$270,000
2 SEPTAGE RETAINED EARNINGS	\$7,742
3 BOARD OF HEALTH CONTRACTUAL SERVICES	\$4,000
TOTAL	\$ 281,742

FINANCE COMMITTEE COMMENTS: This article authorizes the expenditure of funds for the current fiscal year, which were not foreseen in the current budget. These transfers are required for the following reasons:

Snow Removal (\$270,000) This request covers snow removal for the fiscal year. The funding source for this item is Unreserved Fund Balance (free cash)

Septage Fund (\$7,742) This request is to cover the cost of an inter local agreement between the Town of Wayland and the Town of Sudbury. The amount due to Sudbury relates to benefit costs to former

employees of the closed Septage Facility on Route 20.

Board of Health (\$4,000) The request transfers funds from contractual service to personal services to cover payroll wages for the remainder of the fiscal year.

ARGUMENTS IN FAVOR: These expenses were not reasonably anticipated when forecasting the FY2014 budget and they represent binding obligations of the Town.

ARGUMENTS OPPOSED: The Finance Committee is not aware of any.

RECOMMENDATION: The Finance Committee recommends approval. Vote: **X-X**.

QUANTUM OF VOTE: Majority – see Massachusetts General Laws Chapter 40, Section 5 and Chapter 44, Section 33B. For borrowing, two-thirds – see Massachusetts General Laws Chapter 44, Section 7.

For more information about this article, contact Brian Keveny, Finance Director, at (508) 358-3611, or email bkeveny@wayland.ma.us.

ARTICLE E: PERSONNEL BY-LAWS AND WAGE AND CLASSIFICATION PLAN

Sponsored by: Personnel Board

Estimated Cost: The estimated cost has not appeared in previous warrants.

To determine whether the Town will vote to:

amend the Code of the Town of Wayland, Chapter 43, PERSONNEL and the Personnel Wage and Salary Classification Plan (Appendix TBD) previously adopted by the Town to amend recreational seasonal positions and adjust selected positions affected by the MA minimum wage law.

FINANCE COMMITTEE COMMENTS: Only recreational seasonal positions and those positions affected by the MA minimum wage increase are being adjusted. Minimum wage adjustments are reflected in departmental budgets. Recreational seasonal positions will be funded from the Recreation revolving fund.

An exhibit with relevant information can be found at Appendix XX of this warrant.

The Board of Selectmen voted 4-0 in favor of this article.

The Personnel Board voted 4-0 in favor of this article.

ARGUMENTS IN FAVOR: This is the third and final year of the minimum wage adjustment. This action is consistent with the minimum wage adjustments approved the past 2 years.

Recreational seasonal adjustments will keep Wayland competitive in this market. The adjustments are also consistent with the Recreation Department's efforts to certify their summer programs with the State.

ARGUMENTS OPPOSED: Some would say that employees are being paid enough and program fees are sufficiently high.

Some would say that salary growth should be lower based on current economic conditions.

RECOMMENDATION: The Finance Committee recommends approval. Vote: 7-0.

QUANTUM OF VOTE: Majority – see Massachusetts General Laws Chapter 41, Section 108A.

CONSISTENCY WITH LAW: It is the opinion of Town Counsel that the foregoing bylaw amendments are consistent with federal and Massachusetts law.

See Personnel Wage and Salary Classification Plan at Appendix C. For more information about this article, contact John Senchyshyn, Assistant Town Administrator/Human Resources Director, at (508) 358-3623, or email jsenchyshyn@wayland.ma.us.

ARTICLE I: ACCEPT GIFTS OF LAND

Proposed by: Board of Selectmen

To determine whether the Town will vote to accept real property or interests in real property which have been tendered to it as a gift, by devise, or otherwise.

FINANCE COMMITTEE COMMENTS: This standard article allows the Town to accept gifts of land.

The Board of Selectmen voted 4-0 in support of this article.

ARGUMENTS IN FAVOR: Acquisition of land by the Town gives the Town more control over the use of such gifted land.

ARGUMENTS OPPOSED: Accepting gifts of land reduces the amount of property subject to real estate taxation.

RECOMMENDATION: The Finance Committee Defers Action.

QUANTUM OF VOTE: Majority.

For more information about this article, contact Nan Balmer, Town Administrator, at (508) 358-3620, or email nbalmer@wayland.ma.us.

ARTICLE R: Street Acceptance

Sponsored by: Planning Board

Estimated Cost: \$0

To determine whether the Town will vote to accept as a town ways the following streets laid out by the Board of Road Commissioners, Department of Public Works, and Board of Selectmen:

Summer Lane Dylan Circle Spencer Circle

FINANCE COMMITTEE COMMENTS: The article seeks to accept Summer Lane, Dylan Circle, and Spencer Circle as public ways. Once accepted, the Town assumes full responsibility for any further maintenance.

The normal process for street acceptance is for the Planning Board to set out the standards for road construction within a new subdivision and for a developer to build a street that meets those standards. To ensure that the developer meets these standards, the developer typically posts a bond. The bond is released in whole or in part after the Town has made a determination that the road has been built to proper specifications.

Typically the Department of Public Works (DoPW) will inspect and make a final determination that standards have been met. The Board of Public Works (BoPW) then holds a public hearing. Following the hearing, the BoPW then votes to accept and layout the road. The final step is Town Meeting approval.

Under the normal process for street acceptance, a street would need to be in good repair. Since the unaccepted street is not yet a Town way, state law prohibits the Town from incurring the expense of repairing the road because it is private property. In the case of Summer Lane and Dylan Circle any needed repairs can be corrected by the developer or with the use of any bond funds still held for those two streets.

In the case of Spencer Circle the road is not in good repair. The cost to bring the road up to required standards is estimated to be approximately \$32,000. Ordinarily these costs would be borne by the developer's bond. However, the bonds were released over 10 years ago and hence there's no longer any recourse to compel the developer to remediate that problem. Had the proper acceptance process been followed, the Town would currently own the road and would be repairing the road in the normal course of work. In addition, the BoPW has noted a concern with the drainage system. Due to paving and other impediments, BoPW is unable to determine the cost of bringing the drainage system into good working order. This determination is expected to be made over the course of the coming year.

The two alternatives to resolving this situation are have residents repair, or cause to repair, the road and the drainage system and then submit the road for acceptance, or have the Town accept the road "as is" and repair the road. The Planning Board is proposing the Town accept these three roads "as is".

The Planning Board supports this article: Vote 5-0.

The Department of Public Works supports Summer Lane and Dylan Circle. Vote: 5-0-0.

The Board of Public Works does not support Spencer Circle. Vote: 0-5-0.

The Board of Selectmen elected to take no position.

ARGUMENTS IN FAVOR: The roads were built to Town specifications and have **passed** inspection for acceptance. They were intended to be accepted as Town roads and residents who live on these roads in good faith believed that the Town would honor its commitment to accept these roads.

Acceptance of Spencer Circle will eliminate a long standing issue.

Accepting the roads and maintaining them to Town Standards maintains the reputation of the Town and enhances property values and associated revenues.

Acceptance of these roads will increase Chapter 90 money that Wayland receives from the Commonwealth.

ARGUMENTS OPPOSED: In the past the Town has not accepted roads unless they are in good repair.

The Town would incur a one-time expense of \$32,000 to repair Spencer Circle.

The cost to repair the drainage system in Spencer Circle has not been determined.

The Town incurs ongoing expenses for future maintenance of these roads.

RECOMMENDATION: The Finance Committee voted to take no position on this article, and elected to defer its decision until the ATM. Vote 7-0-0.

QUANTUM OF VOTE: Majority [Town counsel to provide citation].

CONSISTENCY WITH LAW: It is the opinion of Town Counsel that the foregoing article...

*For more information about this article, contact Sarkis Sarkisian, 508-358-3778, Director of Planning
Town of Wayland or ssarkisian@wayland.ma.us.*

ARTICLE: NON-MEDICAL /RECREATIONAL MARIJUANA MORATORIUM – ZONING BYLAW AMENDMENT

Sponsored by: Youth Advisory Committee

Estimated Cost: \$0

To determine whether the Town will vote to:

amend Chapter 198 of the Town Code, the Town's Zoning Bylaw, by making the following revision by adding a new Section 104 and 803.5.8, entitled Temporary Moratorium On Non-Medical/Recreational Marijuana Establishments and further to amend the Table of Contents to add Section 104 and 803.5.8, "Temporary Moratorium on Non-Medical/Recreational Marijuana Establishments" as follows, or take any other action related thereto:

Section One Purpose

On November 8, 2016, the voters of the Commonwealth approved a law regulating the cultivation, processing, distribution, possession and use of marijuana for recreational purposes. The law, which allows certain personal use and possession of marijuana, begins to take effect on December 15, 2016 and as amended on December 30, 2016 via Chapter 351 of the Acts of 2016, requires a Cannabis Control Commission to issue regulations regarding the licensing of commercial activities by March 15, 2018 and to begin accepting applications for licenses on April 1, 2018. Currently, a Non-Medical or Recreational Marijuana Establishment (hereafter, a "Recreational Marijuana Establishment"), as defined in G.L. c. 940, §I, is not specifically addressed in the Town's Zoning Bylaw. Regulations to be promulgated by the Cannabis Control Commission may provide guidance on certain aspects of local regulation of Recreational Marijuana Establishments. The regulation of recreational marijuana raises novel legal, planning, and public safety issues and the Town needs time to study and consider the regulation of Recreational Marijuana Establishments and address such issues, as well as to address the potential impact of the State regulations on local zoning and to undertake a planning process to consider amending the Zoning Bylaw regarding regulation of Recreational Marijuana Establishments. The Town intends to adopt a temporary moratorium on the use of land and structures in the Town for Non-Medical/Recreational Marijuana Establishments so as to allow the Town sufficient time to address the effects of such structures and uses in the Town and to enact bylaws in a consistent manner.

Section 104. Definition

"Non-Medical/Recreational Marijuana establishment" shall mean a "marijuana cultivator, marijuana testing facility, marijuana product manufacturer, marijuana retailer or any other type of licensed marijuana-related business."

Section 803.5.8. Temporary Moratorium

For the reasons set forth above and notwithstanding any other provision of the Zoning Bylaw to the contrary, the Town hereby adopts a temporary moratorium on the use of land or structures for a Non-Medical/Recreational Marijuana Establishment and other uses related to non-medical/recreational marijuana. The moratorium shall be in effect through January 1, 2019 or six months from the date that final regulations are issued by the Cannabis Control Commission, whichever date is later. During the moratorium period, the Town shall undertake a planning process to address the potential impacts of non-medical/recreational marijuana in the Town, consider the Cannabis Control Commission regulations regarding Recreational Marijuana Establishments, and shall consider adopting new Zoning Bylaws in response to these new issues.

Youth Advisory Committee Comments:

By offering the citizens of Wayland the opportunity to vote to extend the moratorium until January 1st, 2019 it allows Wayland the opportunity to weigh all options, look to develop best practices and insure that Wayland would be prepared in the event that a commercial marijuana business applies to open in Wayland. The Youth Advisory Committee feels that the 1-year extension of the moratorium of commercial marijuana licensing and sales is in the best interest of youth, families and the overall safety and health of our community. The extension would benefit the town's ability to make well-informed decisions.

Recent study from Colorado following legalization of recreational marijuana since 2013: Legalization of Marijuana in Colorado: The Impact, September 2016, Volume 4 (ROCKY MOUNTAIN HIDTA INVESTIGATIVE SUPPORT CENTER STRATEGIC INTELLIGENCE UNIT INTELLIGENCE ANALYST KEVIN WONG INTELLIGENCE ANALYST CHELSEY CLARKE INTELLIGENCE ANALYST T. GRADY HARLOW)

- Crime in Denver and Colorado has increased from 2013 to 2015.
- Colorado annual tax revenue from the sale of recreational and medical marijuana was \$115,579,432 (CY2015) or about 0.5 percent of Colorado's total statewide budget (FY2016).
- "Denver is losing visitors and valuable convention business as a result of these overall safety (or perception of safety) issues..." - VISIT DENVER Report The Legalization of Marijuana in Colorado: The Impact Vol. 4/September 2016 Executive Summary Page 5
- As of January 2016, there were 424 retail marijuana stores in the state of Colorado compared to 322 Starbucks and 202 McDonald's.
- 68 percent of local jurisdictions have banned medical and recreational marijuana businesses.

The Youth Advisory Committee is strongly advocating for this extension to allow the community time to truly understand the impacts, both positive and negative, to our community.

On January 6, 2017 the Youth Advisory Committee voted unanimously in favor of this article 5 to 0.

On January 30, 2017 the Board of Public Health voted unanimously in favor of this article 4 to 0.

On February 13, 2017 the Board of Selectmen voted in favor of this article 4 to 0.

FINANCE COMMITTEE COMMENTS: The Ballot issue to legalize non-medical marijuana passed in Wayland by 33 votes (4,215 to 4,182). There are many unanswered questions that State and local officials are struggling with and the State passed a measure in December 2016 delaying the opening of recreational marijuana stores for 6 months to July 2018. The objective of this article is to provide sufficient time for the Town to develop appropriate zoning regulations and bylaws to effectively manage the sale and use of non-medical / recreational marijuana. The Attorney General's Office issued a ruling that a local zoning bylaw that imposes a temporary moratorium on recreation marijuana is "consistent with the Town's authority to impose reasonable time limitations on development so that the Town can engage in a legitimate planning study".

ARGUMENTS IN FAVOR:

The Town and its various Boards and Committees need time to research and understand the impact of stores selling recreational marijuana on the (1) physical and mental health of town residents; (2) medical services in town; (3) social impact in Wayland.

There are conflicts between state and federal law regarding this issue that need to be understood considering the federal conservation land in Wayland.

The legalization of marijuana in Massachusetts introduced a new commercial industry to the state. Infrastructure and policies must be developed as well as implementation strategies.

Location and permitting of retail stores near schools and recreational areas needs to be understood and then appropriate zoning bylaws need to be developed similar to those dealing with alcohol sales. The moratorium will allow time for these to be developed and presented at the 2018 Town Meeting.

The moratorium will provide time for the State to pass legislation dealing with the sale and use of recreational marijuana.

The moratorium will allow the Town to work with neighboring communities to have a consistent legal framework to manage the sale and use of medical marijuana.

ARGUMENTS OPPOSED:

Recreational use of Marijuana is legal in Massachusetts, and Wayland can play a part in the initial implementation of the law. Some voters may believe that we can handle the impacts without any further delay as many other states, cities, and towns across the country have gone through this process in recent years.

A moratorium delays financial and other benefits to potential individual business owners and users of recreational marijuana.

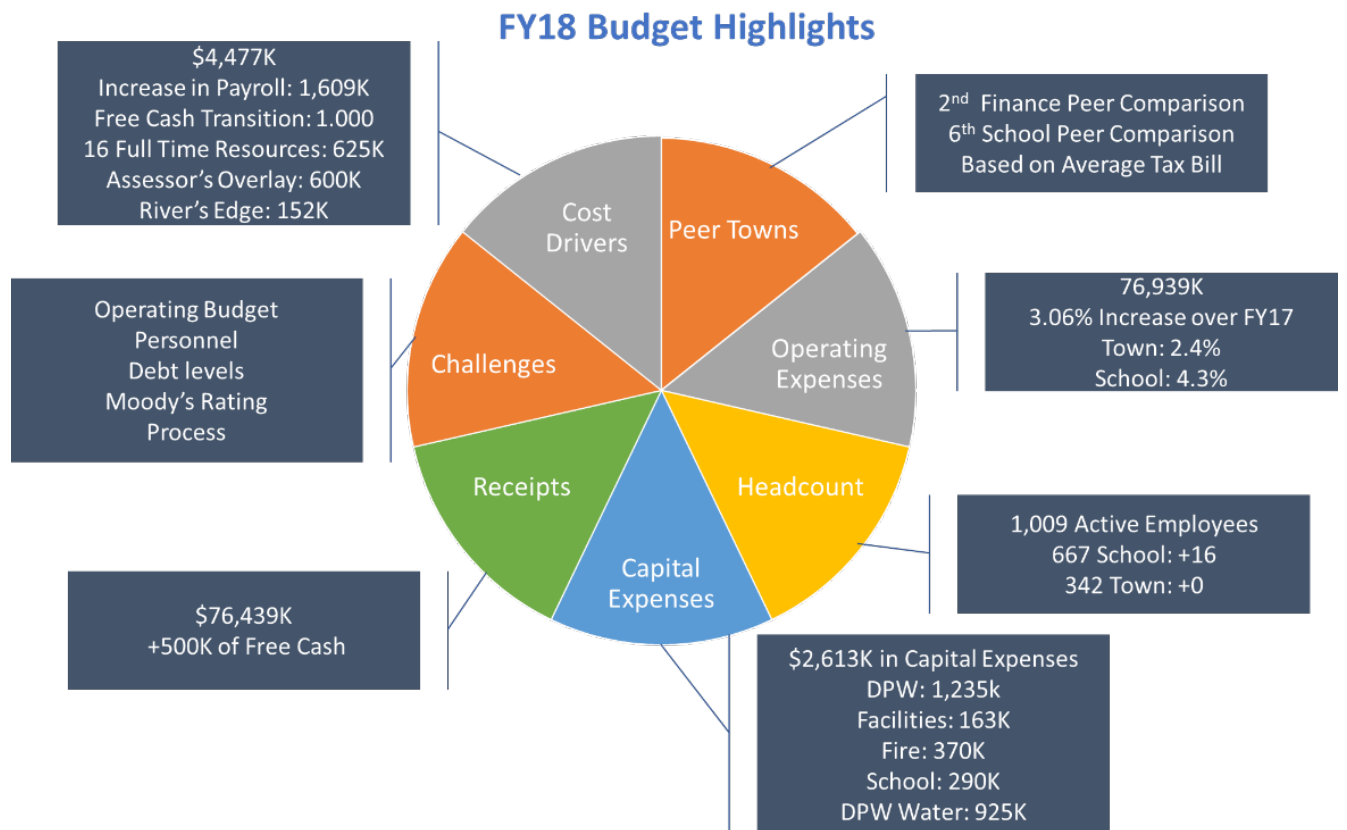
RECOMENDATION: The Finance Committee

QUANTUM OF VOTE: Two-thirds per Massachusetts general Laws per chapter 40A, Section5.

CONSISTENCY WITH LAW:

The Finance Committee Annual Report

The Finance Committee is pleased to present our Report to Town Meeting. The report focuses primarily on our FY18 omnibus operating budget and capital plan recommendations. The Finance Committee seeks to balance the goals, desires, and limitations of a broad spectrum of residents in Wayland. Some residents demand more and better services from town government. Others struggle with the property tax obligations and other fees that town government imposes. With the Finance Committee's recommendations, they try to balance the demand for services against the cost of delivering those services. The Finance Committee seek to gain efficiencies and cost savings and benefit from innovations in town operations, budgeting, and finances.



FY18 Budget Challenges

Capital	<ul style="list-style-type: none">•There are many Capital Projects being considered over a short period which would significantly increase the debt service cost going forward.•A maximum of \$5m can be spent on capital initiatives overall without a significant increase in taxation. Several very large projects have the potential of increasing our tax rate.•Prior to any monies being spent on these initiatives, the Town should carefully consider whether such expenditures are reasonable and practicable
Operating Budget	<ul style="list-style-type: none">•The Finance Committee requested that the Town moderate expenditures to a pace of 2.5% each year so as to avoid a trend of future overrides to slow the tax rate increase.
Personnel	<ul style="list-style-type: none">•57% of all costs are spent on personnel and payroll related expenditures.•When you include healthcare and insurance related costs that number increases to 75% of the overall budget.•There are over 16 new positions in this years' budget since last ATM.
Debt	<ul style="list-style-type: none">•If we spend more than \$.10 cents of every tax dollar on debt service, we put pressure on lowering our Moody's rating and increasing future costs of capital.
Moody's Rating	<ul style="list-style-type: none">•Maintaining our Aaa rating with Moody's is critical so that we can minimize our future interest expenditures on any borrowings.•Part of maintaining the Aaa rating is a demonstration of good financial practices – which we should want to do regardless of upcoming debt requirements.
Process	<ul style="list-style-type: none">•There were substantial improvements in the process of developing the Omnibus budget.•This year, the Town Administrator determined the initial budget and worked diligently with Town departments to identify priorities.

The Finance Committee's Budget Message

The Town of Wayland has remained financially strong since the Finance Committee reported at Annual Town Meeting last year. Per Moody's, Wayland's Aaa bond 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."¹ The rating enables the Town to obtain favorable rates on our debt issuances, resulting in savings in our debt service expense.

Our recommended 2018 operating and capital budgets together would result in an increase in the average household's property tax bill of roughly 4.6%. This percentage increase is clearly higher than desirable, but is driven by the following primary factors:

1. Reducing the use of free cash to "buy down" our tax rate to \$0.5 million from \$1.5 million in 2017 (approximate impact .8%)
2. Increasing the use of cash capital to fund certain capital items (rather than borrowing) to \$347,128 million from \$0.3 million in 2017 (approximate impact .2%)

¹ Moody's Investor's Service, *Credit Opinion*, 25, January 2016

3. Moving approximately \$0.x million from the capital budget to the operating budget (approximate impact [0.x%])
4. An “apples to apples” increase in the general fund operating budget of 3.06% vs. the FinCom initial target of 2.5% (approximate impact [2.x %])
5. The general fund appropriations that drive the budget higher this year are as shown below in Table

Table 1: Operating Budget Drivers		
<i>Department</i>	<i>Percent Increase</i>	<i>Dollar Increase</i>
School Department	1.61%	606,629
DPW Highway	13.33%	177,702
Police	4.12%	109,832
Parks	8.71%	73,996

6. The increase in Fire and ALS reflects agreed upon salary increases and training. Police Department increases are due to negotiated contract settlements and Retirement and Health Insurance budgets are up, in line with municipalities across the Commonwealth and the country. The Increase in the School budget is primarily the result of increases in salaries and new hires.

Financial Summary & Schedules

There are several components to the omnibus operating budget. The General Fund Operating Budget funds most municipal and all school operations. Three other municipal enterprise fund operating budgets (Water, Wastewater, and Septage), along with the General Fund Operating Budget add up to the Omnibus Budget. The Finance Committee budgeted enterprise expenses to equal fee revenues generated in the enterprise fund budgets. In other words, the enterprise funds generally support themselves through fees charged to their users based on usage.

In this report, FinCom focused on the General Fund Operating Budget. FinCom recommended an Operating Budget with operating expenses totaling \$76.9 million and other expenses of \$1.0 million (cash capital -\$347,500, Overlay -\$600,000, State Assessments -\$127,500, for a total amount to be raised of \$75.6 million.

FinCom estimates total revenue from property taxes, local receipts, and state aid in FY2018 will be \$72.1 million. The result is an operating budget deficit of about \$3.5 million. FinCom proposes to close this operating deficit with \$0.5 million from free cash reserves, \$360,000 in ambulance receipts, \$90,000 in prior year bond premiums, \$300,000 from the Overlay Surplus (recently) released by the Board of Assessors, and \$1.2 million in transfers from other funds. Tables Two and Three, below, summarize General Fund overall budgeted expenses and revenues and expense budget summaries by category. Table Four shows tax history and estimates the average property tax bill if our recommended budget is approved.

We recommend using \$0.5 million of free cash to offset this year’s operating budget. This is substantially lower than the total used in previous years, responding to concerns raised by Moody’s and recommendations by key town officials and our Financial Adviser.

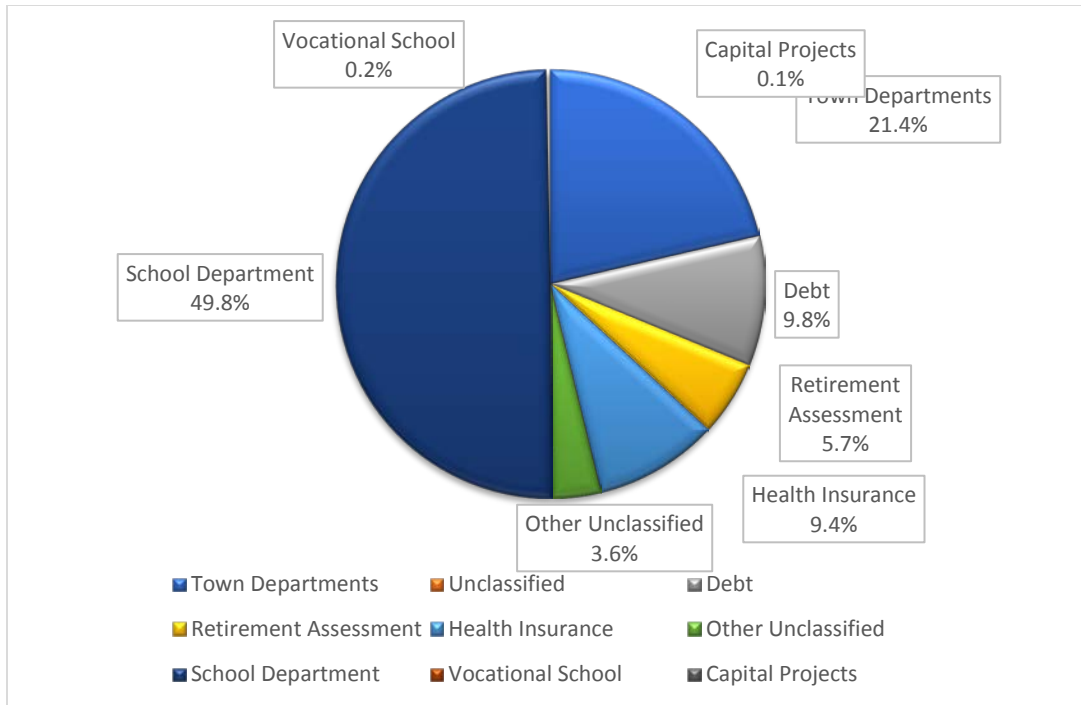


TABLE 2: SUMMARY OF GENERAL FUND EXPENSES AND REVENUES

<i>Thousands of Dollars</i>	Approved FY 2016	Approved FY 2017	Proposed FY 2018
Operating Budget	72,643	74,651	
Change Over Prior Year	3.33%	2.77%	
Other Expenses	771	1,032	
Total Amount to be Raised (1+2)	73,414	75,683	
Total Revenues	73,414	75,683	
Property Tax Revenue	58,376	63,131	
Local Receipts	4,180	4,300	
Free Cash	4,350	1,500	
Overlay Surplus	150	300	
Other Revenue	6,358	6,452	
State Aid	4,666	4,741	
Ambulance Receipts	360	360	
Bond Premium	94	90	
Transfers from other funds	1,238	1,261	
	Approved	Approved	

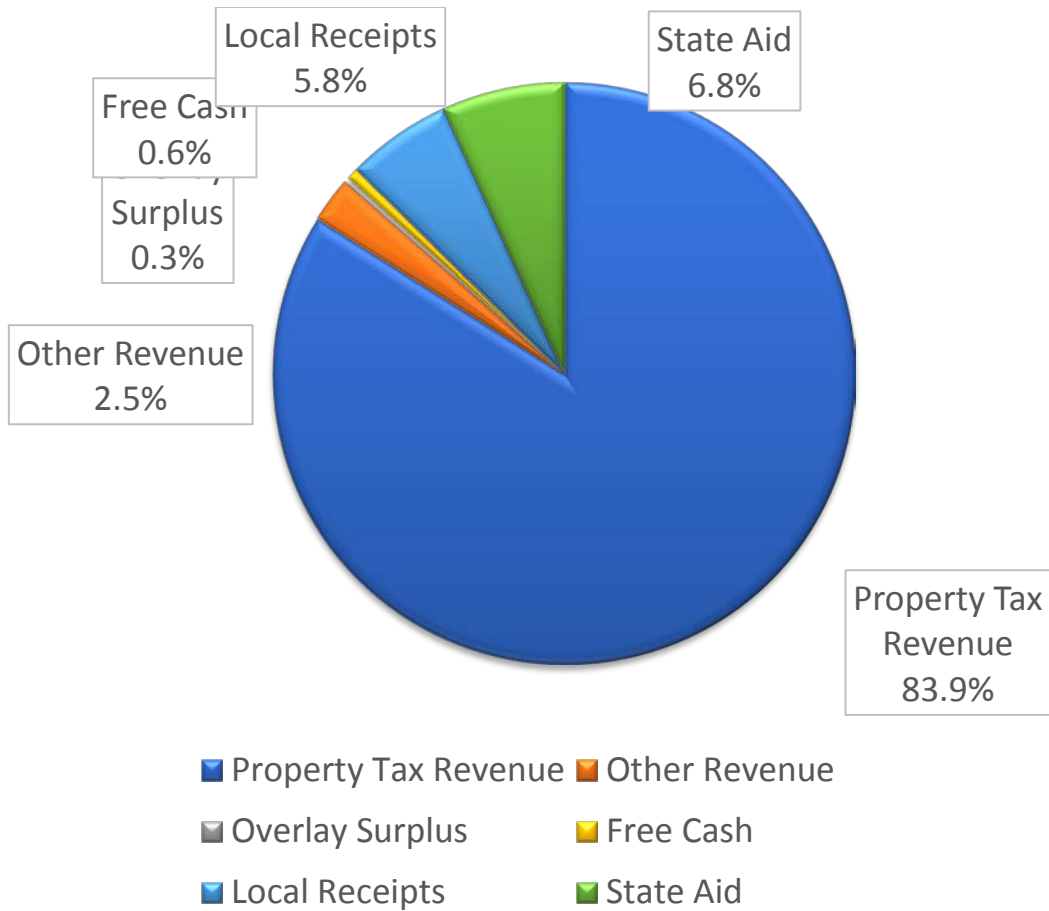


TABLE 3: EXPENSE BUDGET SUMMARY BY FUNCTION

<i>Thousands of Dollars</i>	FY 2015 Expended	FY 2016 Expended	FY 2017 Adopted	FY 2018 Proposed	Percent Change
General Government	3,153,958	3,375,879	3,933,342		
Public Safety	5,368,881	5,657,091	5,986,399		
Land and Planning Use	727,256	812,353	849,868		
Schools	35,194,711	36,719,239	37,722,833		
Regional Vocational Schools	203,026	110,045	68,618		
Public Works	1,710,417	2,125,979	2,247,348		
Snow Removal	944,141	450,000	450,000		
Human Services	2,397,233	2,508,371	2,622,401		
Debt and Interest	7,692,910	7,751,620	7,507,251		
Retirement	3,740,468	3,971,988	4,235,414		
Unclassified	7,743,551	9,160,218	9,028,000		
TOTAL - GENERAL FUND	68,876,552	72,642,783	74,651,474		
Water Fund	3,432,054	3,679,379	3,787,352		
Septage Fund	39,502	34,369	52,708		

TABLE 3: EXPENSE BUDGET SUMMARY BY FUNCTION			
Wastewater Fund	654,905	750,155	743,411
TOTAL - ENTERPRISE FUNDS	4,126,461	4,463,903	4,583,471
TOTAL - OMNIBUS BUDGET	73,003,013	77,106,686	79,234,945

TABLE 4: PROPERTY TAX HISTORY & FORECAST					
<i>Thousands of Dollars</i>	Approved 2014	Proposed 2015	Approved 2016	Approved 2017	Proposed 2018
<i>Real Property Tax Rate Forecast</i>					
Property Tax Revenue	54,589	59,586	58,374	63,131	
Divided by Total Assessed Valuation	2,978,114	3,240,146	3,366,486	3,366,486	
Equals Tax Rate (Mils)	18.33	18.39	17.34	18.75	
Percent Change in Tax Rate from Prior Year	2.50%	0.19%	-5.58%	8.13%	
<i>Average Residential Real Property Tax Bill</i>	10,974	12,049	11,730	12,675	
<i>Average Annual Change from prior year</i>	4.20%	9.80%	-2.65%	8.05%	
<i>Cumulative Change from FY 12- (11,274)</i>	-2.66%	6.87%	4.04%	12.42%	

For our estimating purposes, we assume the FY2018 total assessed valuation (in italics above in Table 4) will increase by 2.5%, which may prove to understate (or overstate) the actual increase. The Board of Assessors will not finish their work on the FY2018 valuation until the fall of 2017.

We do not anticipate the need for an operational override under Proposition 2 ½ in the near term if we limit expense growth. Our Proposition 2 ½ Levy Limit goes up each year regardless of whether we actually impose taxes up to the levy limit or not. Over the past years, as we have managed to hold down the increase in our taxes, our levy limit has continued to grow, resulting in the good position of having excess levy capacity.

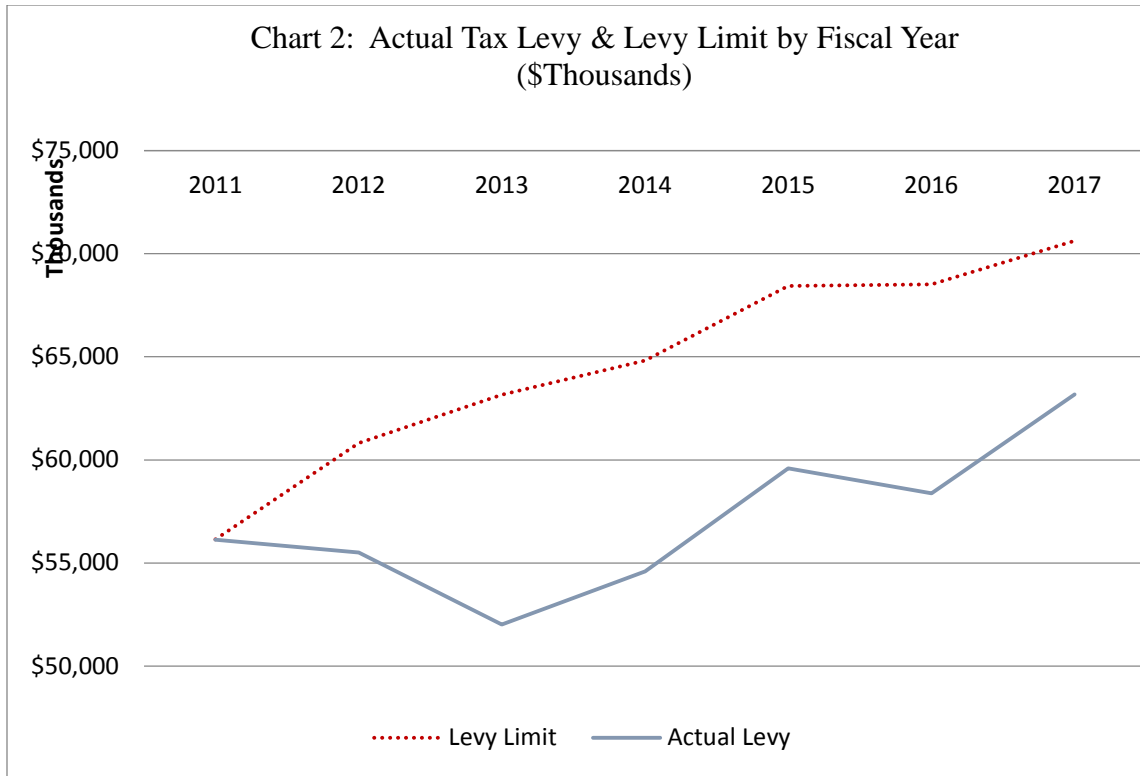


Chart 2: Actual Tax Levy and Levy Limit by Fiscal Year
 (\$ thousands)

As Chart 2 suggests, if the General Fund expense budget grows at significantly more than 2 ½ percent each year (we recommend just under a x percent increase this year), at some point we will eventually reach our levy limit, forcing a decision at that point between passing an operational override or constraining expense increases. On the other hand, if we are able to keep expense growth to between 2-3 percent over time, we may not hit our levy limit for many years to come. New property growth is an additional factor to consider, as Town Center and other developments in town will continue to increase our levy limit as well as offer additional opportunity to spread the tax burden more broadly.

Summary of the Capital Improvement Program (CIP)

Town boards and departments presented \$7 million in capital requests to the Finance Committee for 2018. After considering the merits of each request individually as well as the collective impact, we recommend that Town Meeting fund \$8,974,000, or about half of the initially requested amount. We have, one again, have managed to incur some wrath as a result of recommending that we defer requests that have substantial support. Our 2018 capital budget recommendation is driven, among other things, by our policy to try to maintain our General Fund debt service (interest expense and principal repayments) under 10 percent of total expenditures. Our debt service levels have been above that policy range over the past several years, due primarily to the high school and DPW construction projects.

CAPITAL BUDGET - FISCAL 2018			
DPW			
Town wide road reconstruction	B / CC / SBP		600,000.00
Equipment Replacement- Tractor H-6	B		190,000.00
Cemetery road construction	FC / CEM		185,000.00
Culvert	B		100,000.00
Equipment Replacement- Dump Truck H-4	CC / SC		95,000.00
Equipment Replacement- Dump H-13	FC / SBP		65,000.00
FACILITIES			
TB mechanical / electrical improvement	FC / SBP		88,000.00
Fire Station # 2 Renovations	AMB		75,000.00
FIRE			
Ambulance	AMB		305,000.00
Fire Vehicle	AMB		65,000.00
SCHOOL			
Middle School Tile Replacement	FC / SBP		150,000.00
Happy Hollow Food Service Equipment	FC		60,000.00
Claypit Phone Upgrade	FC		50,000.00
Various Locations Custodian Equipment	CC		30,000.00
DPW WATER ENTERPRISE FUND			
Water Mains	B		700,000.00
Well Cleaning	WS		65,000.00
Water Tank Study	WS		50,000.00
Pilot Study Manganese- Campbell Well	WS		110,000.00
TOTAL BUDGET			2,983,000.00
SUMMARY OF FUNDING SOURCES			
BORROW (NON-EXEMPT)	B		1,290,000.00
CASH CAPITAL	CC		347,128.00
FREE CASH	FC		219,180.00
AMBULANCE FUND	AMB		445,000.00
CEMETERY REVOLVING FUND	CEM		120,000.00
SURPLUS BOND PROCEEDS FROM CLOSES OUTS	SBP		212,683.00
SURPLUS CAPITAL PROJECTS	SC		124,009.00
WATER SURPLUS	WC		225,000.00
TOTAL FUNDING SOURCES			2,983,000.00

5 Year Plan

Capital needs generally fall into four categories: equipment, buildings, land, and roads. The five year Capital Improvement Program is presented immediately after this report. Capital requests are summarized by department, board or commission. This year the Finance Committee placed more scrutiny on items

submitted for years 2-5 than we typically have in previous years. Significant capital projects listed on the five-year plan include potentially funding the construction of a new Library and many other projects that have strong support from at least some members in the community. After deliberating, the Finance Committee did not feel that it had enough information to recommend which of the many requests should or shouldn't be included. Overall, as demonstrated later in this report, we collectively will have to make some tough decisions among attractive projects, as we are unlikely to have the financial resources to do all of the projects that have been requested in the next five years.

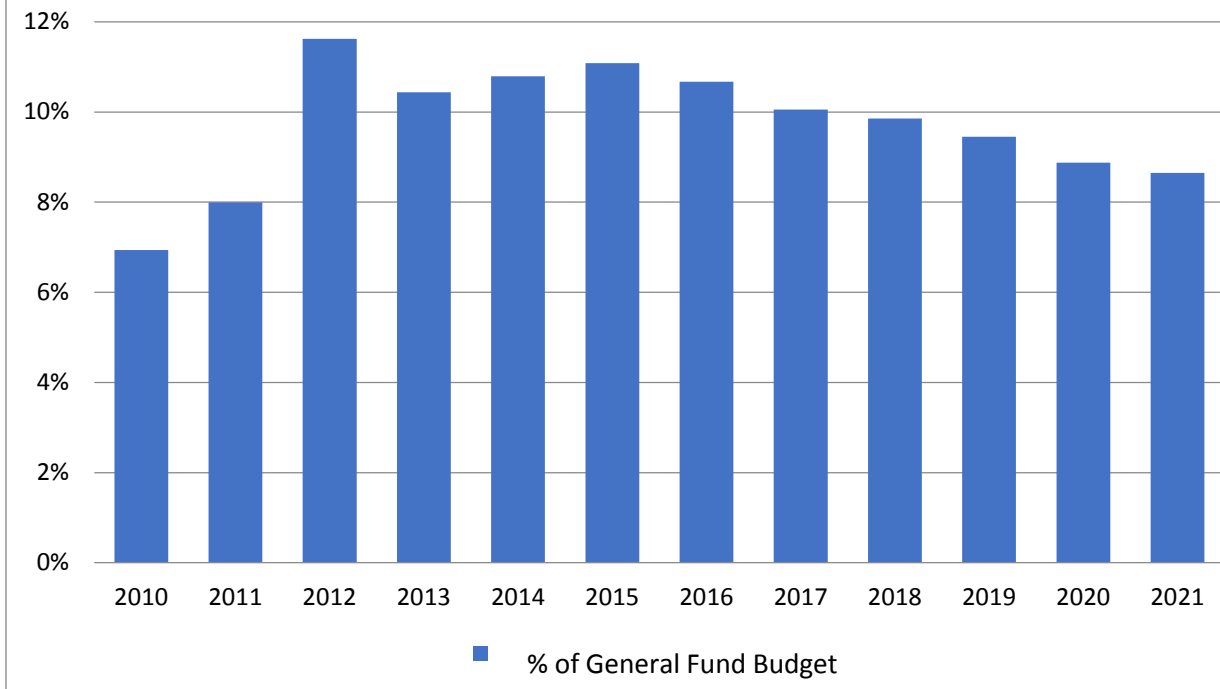
TOWN OF WAYLAND CIP PLAN SUMMARY-DRAFT									
SUMMARY BY DEPARTMENT									
	FY	FY	FY	FY	FY	Year 1-5			
	2018	2019	2020	2021	2022	Totals			
GENERAL FUND:									
TOWN CLERK	-	-	25,000.00	-	-	-			
INFORMATION TECHNOLOGY	-	420,000.00	320,000.00	120,000.00	120,000.00	980,000.00			
CONSERVATION	-	-	-	-	-	-			
FACILITIES	163,000.00	18,635,000.00	9,335,000.00	2,285,000.00	320,000.00	30,738,000.00			
POLICE	-	-	-	-	-	-			
JCC	-	-	-	-	100,000.00	100,000.00			
FIRE	370,000.00	145,000.00	515,000.00	65,000.00	305,000.00	1,400,000.00			
PLANNING	-	-	-	-	-	-			
DPW	1,235,000.00	1,875,000.00	2,305,000.00	2,075,000.00	1,495,000.00	8,985,000.00			
RECREATION	-	2,360,000.00	1,155,000.00	5,000,000.00	300,000.00	8,815,000.00			
HOUSING AUTHORITY	-	-	-	-	-	-			
Sub-total	1,768,000.00	23,435,000.00	13,655,000.00	9,545,000.00	2,640,000.00	51,018,000.00			
SCHOOL:	290,000.00	3,520,000.00	1,615,000.00	515,000.00	2,985,000.00	8,925,000.00			
Total General Fund	2,058,000.00	26,955,000.00	15,270,000.00	10,060,000.00	5,625,000.00	59,943,000.00			
			<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>ota</u>	<u>Total</u>
Dollars in thousands									
Water Mains			\$ 700	\$ 700	\$ 700	\$ 1,000	\$ 1,600		\$ 8,700
Water Meters			430						430
Replace Filters - Baldwin Pond				1,000					2,000
Campbell Manganese Removal				5,000					10,000
Normal replacement expenditures			295	400	500	600	700		4,695
Total			\$ 1,425	\$ 7,100	\$ 1,200	\$ 1,600	\$ 2,300		\$ 25,825
Grand total	2,983,000.00	33,750,000.00	19,060,000.00	11,150,000.00	7,455,000.00	72,543,000.00			

5-YEAR CAPITAL BUDGET PLAN BY CATEGORY-DRAFT						
SUMMARY BY TYPE						
GENERAL FUND ONLY	FY	FY	FY	FY	FY	
	2018	2019	2020	2021	2022	Totals
NEW CONSTRUCTION / RENOVATION	-	16,200,000.00	5,400,000.00	-	-	21,600,000.00
EQUIPMENT	440,000.00	1,455,000.00	1,670,000.00	1,140,000.00	745,000.00	5,450,000.00
VEHICLE	370,000.00	65,000.00	595,000.00	65,000.00	370,000.00	1,465,000.00
LAND / LAND IMPROVEMENT	-	5,765,000.00	3,550,000.00	5,355,000.00	590,000.00	15,260,000.00
BUILDING REPAIR	363,000.00	2,770,000.00	3,355,000.00	2,800,000.00	3,220,000.00	12,508,000.00
INFRASTRUCTURE	885,000.00	700,000.00	700,000.00	700,000.00	700,000.00	3,685,000.00
OTHER-	-	-	-	-	-	-
Sub-total	2,058,000.00	26,955,000.00	15,270,000.00	10,060,000.00	5,625,000.00	59,968,000.00
SUMMARY BY TYPE						
ENTERPRISE FUNDS ONLY	FY	FY	FY	FY	FY	
	2018	2019	2020	2021	2021	Totals
NEW CONSTRUCTION / RENOVATION	-	-	-	-	-	-
EQUIPMENT	-	1,000,000.00	-	-	-	1,000,000.00
VEHICLE	-	95,000.00	90,000.00	90,000.00	230,000.00	275,000.00
LAND / LAND IMPROVEMENT	-	-	-	-	-	-
BUILDING REPAIR	225,000.00	-	-	-	-	225,000.00
INFRASTRUCTURE	700,000.00	5,700,000.00	3,700,000.00	1,000,000.00	1,600,000.00	11,100,000.00
OTHER-	-	-	-	-	-	-
Sub-total	925,000.00	6,795,000.00	3,790,000.00	1,090,000.00	1,830,000.00	12,600,000.00
SUMMARY BY TYPE						
COMBINED	FY	FY	FY	FY	FY	
	2018	2019	2020	2021	2021	Totals
NEW CONSTRUCTION / RENOVATION	-	16,200,000.00	5,400,000.00	-	-	21,600,000.00
EQUIPMENT	440,000.00	2,455,000.00	1,670,000.00	1,140,000.00	745,000.00	5,705,000.00
VEHICLE	370,000.00	160,000.00	685,000.00	155,000.00	600,000.00	1,370,000.00
LAND / LAND IMPROVEMENT	-	5,765,000.00	3,550,000.00	5,355,000.00	590,000.00	14,670,000.00
BUILDING REPAIR	588,000.00	2,770,000.00	3,355,000.00	2,800,000.00	3,220,000.00	9,513,000.00
INFRASTRUCTURE	1,585,000.00	6,400,000.00	4,400,000.00	1,700,000.00	2,300,000.00	14,085,000.00
OTHER-	-	-	-	-	-	-
Sub-total	2,983,000.00	33,750,000.00	19,060,000.00	11,150,000.00	7,455,000.00	66,943,000.00

Debt Obligations

Chart 1 below shows a projection of General Fund debt service as a percentage of the total General Fund expenditures. As depicted in the chart, our debt service levels is expected to be less than the 10% goal in 2018, but it would likely increase well above that in years beyond assuming that we do all of the projects that have been requested.

Chart 1: Wayland General Fund Debt Service as a Percentage of General Fund Budget



With respect to debt service levels, we evaluated many different borrowing levels so as to take advantage of current low interest rates while being mindful of our debt policy and the sustainability of the use of free cash to support the operating budget this year and going forward. Our recommendation is to borrow \$6.7 million to fund many of the capital projects we recommend. Of that aggregate borrowing amount, roughly \$950,000 is intended to pay for a new ladder truck; we are leveraging this low interest rate environment and utilizing the Ambulance Fund to service the aggregate debt over the life of the truck. Another \$1.9 million of the total capital budget is for replacement of Loker Doors and Windows and actual expenditures will be lower due to MSBA funding, and the bulk of the remaining large ticket items include infrastructure improvements such as roads, and water main replacement and equipment and vehicles.

Our capital recommendations are based on properly maintaining the current infrastructure and replacing vehicles and equipment that have outlived their useful lives. Capital expenditure requests are listed on the final page of the Omnibus Budget under the title “Capital Budget.” Additional information supporting each capital expenditure requested is available on the pages following the budget (beginning on page 43) and on the Finance Committee’s webpage [in the Capital Improvement Plan “CIP” folder: http://www.wayland.ma.us/Pages/WaylandMA_Finance/plan.](http://www.wayland.ma.us/Pages/WaylandMA_Finance/plan)

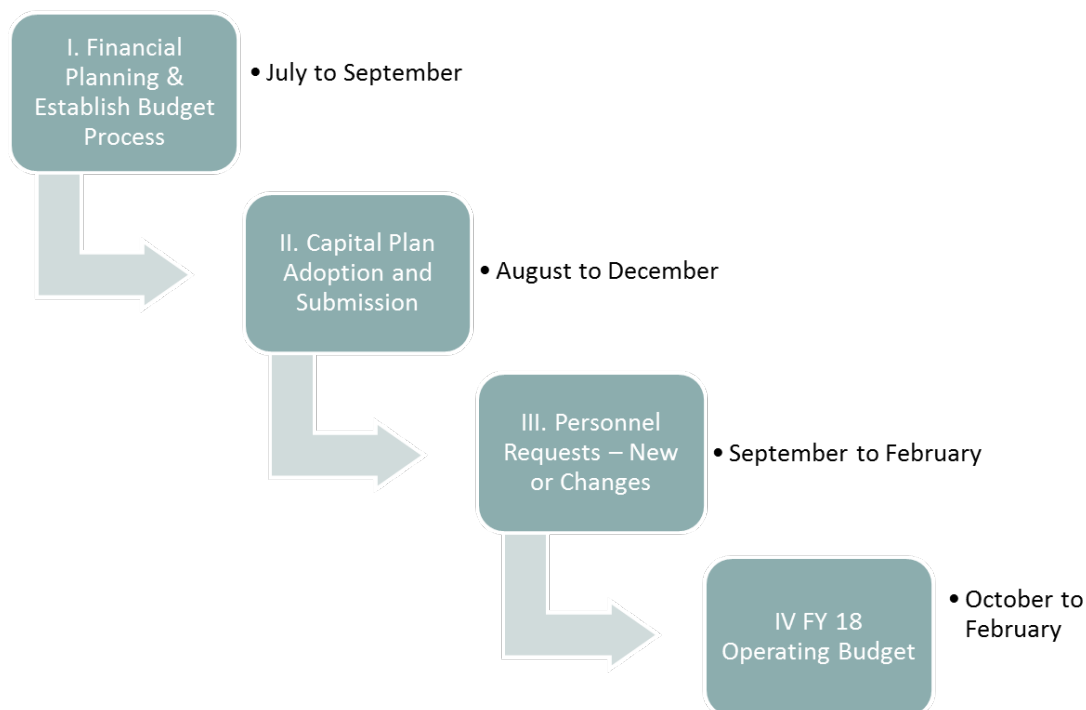
Finally, we have worked diligently over the past several years to examine the balance sheet for capital funds that could be redeployed and we found more than \$693,000 in existing funds that we recommend Town Meeting use to fund new capital projects; These include *Surplus Bond Proceeds from Closeouts* which consists of \$545,000 of funds that weren’t used from previously appropriated real estate projects. Other unique funding sources include \$138,000 from the *Cemetery Revolving Fund* and the *Transfer Station Revolving Fund* and the *BASE* program (Schools) cover \$10,000 of our capital recommendations. This is a more efficient approach than simply building out our balance sheet with new debt every time we recommend a new capital project.

Overview of the Town's Budget Process

Throughout the Fall of 2016 the Finance Committee reviewed various FY2018 budget scenarios based on revenue estimates, expense growth as compared to FY2016 actuals and FY2017 year-to-date information, changes to our free cash position, the estimated effect on the tax levy, and feedback from residents of the Town. Following these discussions, the Finance Committee issued FY2018 Operating Budget Process Memorandum on September xx, 2016.

The Finance Committee's FY2018 operating budget process memorandum requested boards, committees, and departments to explore creative ways to gain efficiencies, explore innovations, and take on new initiatives with the goal to control costs. This memorandum cited our goal for a lesser than 2.5% Total General Operating Budget increase.

Boards, committees, and departments submitted their capital requests to the Finance Committee in the Fall and the operating budgets submissions were due in November. We requested written budget summaries with explanatory statements of changes from the amounts appropriated for the same purposes in FY 2017. In addition to board and committee members, and town officials and staff, members of the community provided valuable comments and insight during the budget season. We worked diligently to incorporate their suggestions in our work and in our recommendations.



On February 21, 2017, the Finance Committee deliberated and voted this recommended Omnibus Budget to Town Meeting.

Information about Role and Responsibility of the Finance Committee

Wayland Finance Committee's seven members are appointed by the Board of Selectmen. The members' three year terms are staggered which allows for a mix between new members with fresh perspectives and more experienced members. Our meetings are open to the public and always include time for public

comment. Meeting minutes and other working documents and public presentations are available on the Finance Committee webpage on the Town website.

The strategy of the Finance Committee is:

- Commitment to Transparency and Best Practices for Financial Reporting.
- Commitment to Financial Strength and Flexibility.
- Commitment to Prudent Capital Planning.

The mission of the Wayland Finance Committee is to:

- Ensure financial plans balance need and affordability
- Define a financial strategy for the Town
- Recommend a plan
- Provides factual and relevant information to residents so they can make informed decisions.

To fulfill this mission, the Wayland Finance Committee:

1. Assists town entities/officials on matters which have a significant financial component.
2. Assist town entities/officials on matters
3. Prepare the omnibus operating budget
4. Prepare a five-year capital improvement program
5. Prepare "Report of the Finance Committee"
6. Consider articles in the Town Meeting warrant
7. Conduct a warrant article review
8. Approve (or deny) requests for transfers from the Reserve Fund.
9. Recommend whether to pursue a debt exclusion.
10. Recommend whether to change the tax rate structure.
11. Review reports on current year receipts and expenditures vs. budget

The FY18 Goals of the Finance Committee were to:

- Goal: Establish guidelines for operating budgets and capital projects.
 - Manage debt service policy to 10% and trend downward.
 - Manage operating budget increases to 2.5%
 - Manage additional capital spending and resulting borrowing to not exceed \$5 million.
 - Minimize: additional headcount.
 - Maintain Aaa rating
- Goal: Implement process and procedure for the ongoing review and oversight of municipal budgets and department operations, and reporting.

Summary

The Finance Committee voted to recommend both the FY2018 operating and capital budgets. We believe it is in the best interest of Town Meeting to support the FY2018 budget to maintain core services and infrastructure.

The Finance Committee extends thanks and appreciation to the Town's employees, municipal and school department heads, and the various committees for their support during this year's budget preparation. Finally, we thank the interested residents who provided us timely advice and comments on how to make the budget and our budget processes better.

Respectfully submitted,

WAYLAND FINANCE COMMITTEE

Gordon Cliff

Nancy Funkhouser

Jen Gorke

Carol Martin (Vice Chair)

Klaus Shigley

George Uveges

Dave Watkins (Chair)

Glossary

Capital Improvements Program – A blueprint for planning the Town’s capital expenditures that comprises an annual capital budget and a five-year capital program. It coordinates community planning, fiscal capacity and physical development. While all of the community’s needs should be identified in the program, there is a set of criteria that prioritizes the expenditures.

Free Cash – Remaining, unrestricted funds from operations of the previous fiscal year including unexpended free cash from the previous year, actual receipts in excess of revenue estimates shown on the tax recapitulation sheet, and unspent amounts in budget line-items. Unpaid property taxes and certain deficits reduce the amount that can be certified as free cash. The calculation of free cash is based on the balance sheet as of June 30, which is submitted by the community’s auditor, accountant, or comptroller. Important: free cash is not available for appropriation until certified by the Finance Director.

Fund - A fiscal and accounting entity with a self-balancing set of accounts to record revenue and expenditures.

General Fund - The Town’s main operating fund that pays for basic Town services such as Police and Fire, parks, and library services which use most of the City’s tax revenue.

Grant - A contribution by a government or other organization to support a specific function.

Infrastructure - The basic structures and underlying facilities needed for the functioning of a community and its economy, such as public facilities, streets, roads, bridges, tunnels, parks, storm drains, and water and sewer systems.

One-Time Expenditures and/or Revenues - Expenditures and/or revenues for one-time projects and services. After the project or service is completed, expenditures and/or revenues are terminated and are not considered part of the budget for the following year.

Ongoing Expenditures and/or Revenues - Expenditures and/or revenues that are recurring and span over more than one fiscal year.

Operating Budget - Authorized expenditures for ongoing municipal services such as public safety, street maintenance, parks, and libraries.

Proposed Budget - The Finance Committee’s recommendation for the Town’s financial operations, which includes an estimate of proposed expenditures and revenues for a given fiscal year.

Reserve - An account used to indicate that a portion of a fund’s balance is legally restricted for a specific purpose and is, therefore, not available for general appropriation.

Revenue - Funds received from various sources and treated as income to finance expenditures.

Schedules - Provides a summary of revenues, expenditures, and positions for the operating budgets of all departments and funds and reflect the funding sources and spending areas of the Capital improvements Program.

User Fee - A charge for services provided by the Town to residents and businesses.

Levy Ceiling – A levy ceiling is one of two types of levy (tax) restrictions imposed by MGL Ch. 59 §21C (Proposition 2½). It states that, in any year, the real and personal property taxes imposed may not exceed

2½ percent of the total full and fair cash value of all taxable property. Property taxes levied may exceed this limit only if the community passes a capital exclusion, a debt exclusion, or a special exclusion.

Levy Limit – A levy limit is one of two types of levy (tax) restrictions imposed by MGL Ch. 59 §21C (Proposition 2½). It states that the real and personal property taxes imposed by a city or town may only grow each year by 2½ percent of the prior year's levy limit, plus new growth and any overrides or exclusions. The levy limit can exceed the levy ceiling only if the community passes a capital expenditure exclusion, debt exclusion, or special exclusion.