

August 17, 2017

Board of Selectmen  
Wayland Town Building  
41 Cochituate Road  
Wayland, MA 01778

Dear Board of Selectmen,

Beginning in early September 2016, the Finance Committee began reviewing the Town's budgets and capital items for fiscal year 2018 to be presented to the voters at the Annual Town Meeting in April, 2017. The Finance Committee met regularly with the Town Administrator, the Finance Director, and individually with the heads of the major departments to review the Town's operating and capital budgets.

The Finance Committee, which helps plan for budget items based on available funds and overall need, expressed frustration during a recent meeting because members are being asked to consider monetary articles at Special Town Meeting. By asking the Public to consider financial items multiple times versus one time per year, it is more difficult for Taxpayers to understand the impact of requested financings.

The Committee does not wish to support or detract from any of the proposals being discussed and recognizes those which have a true need should be presented now, but that need should be demonstrated by the requesting board or committee.

The Committee maintains a policy that monetary items be brought to Annual Town Meeting except in the case of emergencies and have extenuating circumstances, concerns regarding public safety or regulatory requirements. The Committee is requesting that the Board of Selectmen consider moving any money related items other than salary related articles to the Annual Town meeting. The items currently being evaluated should be reviewed along with other Town priorities.

#### Challenges

- The town is currently operating in fiscal year 2018, which began July 1 and will end on June 30, 2018. If approved at Town Meeting in November, these purchases would be allocated in the Town's FY 2018 budget.
  - This year we set out to be predictable to avoid a downgrade from our Aaa rating by Moody's.
  - The Finance Committee will be hosting a meeting with the Town's financial advisor with one of the topics being how much debt the Town can borrow before it jeopardizes its Aaa rating.
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- For the Finance Committee to create informed recommendations, they need time to research and deliberate. Given the Committee's scheduled workload it should be afforded more time.
- As of the time of the Committee's last meeting, the Finance Committee was unclear as to the effect any projects being considered have on current capital plans and future needs. Without a specified Capital Improvement Budget for the next fiscal year, including any items to be funded in the current fiscal year, and a Capital Improvement Program including recommended capital improvements for the following five fiscal years, our adjustment to the FY18 Capital Plan in any way would be inefficacious.
- These items have the potential to have a direct effect on resident's tax bills in FY 2018. If the proposed money articles are passed, there are two potential sources of funding, free cash or taxation. Use of free cash to fund one-time expenses is preferred but not recommended due to pressures by Moody's. As a community, we have been fortunate to be able to maintain a very strong free cash position.

### Summary

For the Board of Selectmen to be more informed about the impact of their financial decisions, the Finance Committee would like to share its findings resulting from the newly developed financial model. The model will assist the Town to understand the financial impact of potential decisions being made now and in the future. The model considers current policies as well as both potential capital and operating expenses over the next 5 years and the overall Town's indebtedness.

Thank you for consideration, and we look forward to coordinating the Committee's presentation.

Very truly yours,

*Dave Watkins*

Dave Watkins  
Chairman, Wayland Finance Committee