



## MEMORANDUM

**TO:** All Department Heads, Boards, and Commissions

**FROM:** Brian Keveny  
Finance Director

**DATE:** September 30, 2013

**SUBJECT:** FY 2015 Budget Guidelines

The Finance Committee has approved the FY 2015 Budget Guidelines. In addition, the Finance Committee has requested all departments, boards and commissions to provide revenue estimates and the Finance Committee has asked certain departments for informational narratives to support their budget requests. The policy which was implemented last year is attached for your review. As always in preparing your FY15 budgets please strive to identify and present efficiencies.

There will be a meeting with the Finance Director for all department heads on **Wednesday, October 2nd at 9:15 a.m.** in the Selectman's meeting room. I will discuss the Town's financial outlook for FY15 and the process of submitting your operating and capital budget requests and answer questions regarding the Town's finances. Budget deadlines are summarized at the end of this memo.

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

### Two key financial points:

#### Operating Budget:

- The Finance Committee anticipates funding all or a portion of the gap between anticipated revenues and estimated operating budget expenditures with free cash rather than increased tax levy.

#### Capital Budget:

- The Finance Committee plans to use free cash to supplement the capital budget again this year. We will look to fund one-time projects with cash to ease the tax impact of needed projects.

### FY2015 Budget Guideline

**FY2015 Operating Budget Requests:** Operating budget requests are to be level funded at FY2014 amounts for the upcoming fiscal year excluding utility related accounts and settled labor contracts, including step/lane increases. Specifically:

**Salary Items:** Salary items should include any step/lane increases due during the upcoming fiscal year and any COLAs in settled contracts. Any proposed changes in personnel should be discussed with the Personnel Board prior to inclusion in your FY 15 budget.

**Non-salary Items:** All non-salary items should remain the same except the utility and gas accounts. These accounts should be budgeted at the amounts anticipated to provide such services during FY15.

**Department Budget Summary:**

For departments with a budget of \$500,000 or more, the Finance Committee has for the second year will request an operating budget summary covering:

- Highlights of budget changes
- Key issues facing your department
- Appropriateness of and projected staffing levels by FTE, including unfilled positions
- Performance indicators
- Discussion of FY13 budget turnbacks (explain why turnbacks occurred and any impact on service of not spending those funds)

Please circulate and review the draft operating budget with your oversight board before you submit it to me.

**Operating budgets are due on Friday, November 22nd at noon and must be submitted through the MUNIS financial system.**

**FY2015 Capital Budget Requests:** The precise amount available has not been determined and will depend on funding sources and length of borrowing terms to create a capital budget without increased tax impact to our residents. Any project amounts required and approved above a tax neutral level may be subjected to a debt exclusion vote.

The Finance Committee plans to ask departments to explain the status of previously approved capital projects, their estimated completion date, and their estimated cost to completion. Boards, departments and committees should be prepared to address these issues when they meet with their Finance Committee liaisons and the full Finance Committee.

The Finance Committee will follow the Capital Improvement Plan (CIP) again this year. As a reminder, the capital budget includes all items with a cost of \$25,000 or greater and a useful life of 5 or more years. All Capital Budget items must be included in your Capital Budget request and NOT be submitted as separate Town Meeting articles.

An example of a fully completed form has been provided in the template file on a separate tab. In addition:

- Complete a separate "CIP Request Form" for each request as well as the summary excel file outlining your projects over the next 5 years. Attached is a copy of the "CIP Request Form" and "5 YEAR CAPITAL PLAN" template. Note: the evaluation criteria should be completed for FY2015 requests only.
- Make sure you fully complete the CIP Request Form. The forms will be reviewed by the Finance Director and by the liaisons from the Finance Committee and the Board of Selectmen (lists attached). Forms that have not been fully completed will be returned and should be completed

where noted by the reviewer. If the forms are then returned incomplete, they may be deemed unacceptable and may not be reviewed for consideration.

- All building- related requests (general maintenance, major repairs, new buildings) need to flow through John Moynihan, Public Buildings Director. He will submit the final CIP forms for those requests.
- Amounts requested for outer years should reflect your best estimate of the future cost for purchase/repair since the cost 3 or 4 years from now would be more than the current cost to purchase/repair.
- We expect most items on the existing CIP plan will move up 1 year.
- Requests that are to be funded with CPA funds, such as new fields or historic preservation should also be included.
- The default funding is borrowing/cash capital. If there are any other available sources of funding or partial funding, indentify the source at the bottom of the form.
- Oversight boards should vote on all capital requests before they are submitted.

**The deadline for submitting capital requests is Monday, October 28th at noon to Brian Keveny, electronically by e-mail.**

Warrant Articles: The budget is created assuming a certain level of free cash. Any uses of free cash through warrant articles will impact those assumptions and could end up with the Finance Committee requesting additional spending cuts from your budgets. We strongly discourage warrant articles as a means to seek additional spending.

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**To summarize:**

1. **Meeting:** Department Head meeting with the Finance Director, **Wednesday, October 2nd at 9:15 a.m.**
2. **Capital:** The CIP request forms, 5-year summary excel file and any additional attachments need to be submitted electronically by e-mail to Brian Keveny, at [bkeveny@wayland.ma.us](mailto:bkeveny@wayland.ma.us) by **Monday, October 28th at noon**. Name each CIP file starting with your department name, fiscal year and then the capital item, example "Fire CIP Request FY15 – Ambulance" etc.
3. **Operating Budget:** Submit the budget for each department through the MUNIS financial system; due date is **Friday, November 22<sup>nd</sup> at noon**. Also use the "attach" function to submit your new "Budget Summary" 1 page document in MUNIS.

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

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