

TOWN OF WELLESLEY



SUPPLEMENT 2

TO THE 2013 REPORT TO THE ANNUAL TOWN MEETING

by the
ADVISORY COMMITTEE

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Prepared on March 29, 2013

ERRATA – 2013 ADVISORY REPORT

Article 8 on page 41 – The 1% wage increase for the Town’s Series 40 employees referenced in the penultimate paragraph is a typo and should be a 2% wage increase. The salary of the single Series 40 Library employee is calculated correctly and aggregated properly in the chart at the top of the page and in Article 8, Motion 2 on page 24.

Article 25 on pages 119-121 – Note that passage of the single consolidated motion in Article 25 requires a 2/3 vote by Town Meeting.

ARTICLE 4. To see if the Town will vote to amend ARTICLE 31 of the Town Bylaws by making changes in Schedule B entitled “Salary Plan – Pay Schedule” established under Section 31.6 which constitutes part of said Bylaws; to raise and appropriate, or otherwise provide, money therefor; or take any other action relative thereto.

(Human Resources Board)

After the Advisory Report was mailed to Town Meeting Members, the Advisory Committee received updated information on a settled contract negotiation.

MOTION 4

This article seeks Town Meeting approval to amend Article 31, Schedule B of the Town Bylaws to make changes to salary and wage schedules consistent with the collective bargaining agreement reached with the Wellesley Police Superior Officers Association (“the Union”). Schedule B sets the rates of pay for all Town employees except School Department personnel.

The agreement is a two year contract through June 30, 2015. The incremental costs for FY14 associated with this negotiated contract have been included in the revised Motion 2, under Article 8. The key terms are as follows:

- **Base Salary Increase** – Under the agreement, base salary increases will be as follows:

	<u>FY14</u>	<u>FY15</u>
Sergeants	2.0%	2.0%
Lieutenants	1.5%-July 1 1.0%-Jan 1	1.5%-July 1 1.0%-Jan 1

Note that the contract has no steps.

- **Longevity** – Under the agreement, a provision for longevity at 10-14 years will be added and the other levels increase to the following, as an additional amount for services rendered in recognition of long service to the Town:

	<u>Currently</u>	<u>Under New Contract</u>
10-14 years	—	\$500
15-19 years	\$500	\$750
20-24 years	\$600	\$1,000
25-29 years	\$700	\$1,500
30 or more years	\$800	\$1,500

- **Night Differential** – Under the agreement, the night differential (the increase paid for work performed when the majority of an employee's regularly scheduled, non-overtime hours fall between 3 p.m. and 8 a.m., computed as a percentage of the employee's rate of basic pay) increase will be increased to 5.5% from 5.0% effective July 1, 2014.
- **Credit for years of services** – Under the agreement, an employee who has transferred to the Wellesley Police Department (WPD) from another police department and has completed two years of service with the WPD will receive credit for the time worked in the previous police department(s) for the purposes of calculating vacation allowance.

Advisory has reviewed the key elements of the contract and has received summary information on benchmark data and competitiveness. Advisory questioned the term of the agreement, as a three year contract has the benefit of providing greater certainty for future planning purposes. However, Advisory recognizes the many trade-offs required in good-faith negotiations and respects the decision of the parties to reach mutually-agreeable terms.

Advisory considers the annual increases stipulated in each of the two years in the term of the agreement to be reasonable and consistent with the Town's financial planning objectives. Advisory further recognizes that the contract does not include provisions for step increases as do many other Town contracts and therefore annual increases for employees under this agreement are limited to the base salary increases (plus any longevity).

Advisory believes that the negotiated agreement provides fair and reasonable compensation and is consistent with the financial objectives of the Town.

Advisory will make its recommendation at Town Meeting.

ARTICLE 8. To see what sums of money the Town will raise and appropriate, or otherwise provide, including transfer from available funds, or borrowing, for the following:

- a) for the operation of the several Town departments, including capital outlay, maturing debt and interest, and to provide for a Reserve Fund;
- b) for extraordinary maintenance, special capital projects and other capital outlay items for the several Town departments;
- c) for such purposes as may be voted contingent upon passage by the voters of referendum questions as authorized by Section 21c (g) of Chapter 59 of the General Laws, as amended;

and among other resources to meet said appropriations, to authorize the Board of Assessors to use any monies paid to the Town from the Wellesley Municipal Light Plant as an estimated receipt when computing the Fiscal Year 2014 Tax Rate; or take any other action relative thereto.

(Board of Selectmen)

Please see the 2013 Advisory Report on pages 21-87 for a discussion of Article 8. Additional information received after the Advisory Report went to print is provided below, which requires re-voting part of the Article. The Advisory votes on Motions 2 and 3 given on page 87 (which have now been consolidated into a single Motion 2) will be rescinded and Advisory will make its recommendation on Article 8, Motion 2 at Town Meeting.

The following changes have been made to the tax-impact budget since the Advisory Book was printed:

Department	Description	Additional Use of Free Cash
Council on Aging (COA)	COA bus	\$25,000
Facilities Maintenance Department	Utilities for MLP/DPW building	(22,700)
Building Department	Re-leveling of Building Inspector's position	5,010
Police Department	Superior Officers Memorandum of Agreement	21,293
Police Department	Deputy Chief salary adjustment	(15,451)
Total Adjustment		<u>\$13,152</u>

The COA Expenses budget had been reduced in anticipation of transitioning from the current vendor to the Metrowest Regional Transit Authority. Because this transition now appears unlikely to happen, these funds are being restored to the COA budget. There are also incremental costs associated with the settlement of the Superior Officers contract described in Article 4, Motion 4 on page 264 and the Building Inspector's salary adjustment. These increased uses of Free Cash are partially offset by the decision not to move the FMD into the MLP/DPW building this summer which will save the Town utilities costs, as well as additional savings resulting from a Police Department salary adjustment.

An updated Sources and Uses table is provided below which replaces the one in the Advisory Book on page 4. The values which are different from the original chart are highlighted in gray.

SOURCES AND USES AS OF 3/29/2013

	FY13	FY14	\$	%
Sources of Funds	<u>Budget</u>	<u>Request</u>	<u>Inc/(Dec)</u>	<u>Inc/(Dec)</u>
Taxes	\$ 97,314,836	\$ 101,297,707	\$ 3,982,871	4.1%
State Aid ¹	8,872,646	8,852,646	(20,000)	-0.2%
Local Revenue	9,913,713	10,339,123	425,410	4.3%
Free Cash	2,837,757	3,156,408	318,651	11.2%
Other Sources ²	1,674,310	1,855,303	180,993	10.8%
Exclusions & Exemptions	11,677,988	11,362,520	(315,468)	-2.7%
Total Sources	\$ 132,291,250	\$ 136,863,707	\$ 4,572,457	3.5%
Uses of Funds				
Schools	\$ 58,115,123	\$ 60,133,158	\$ 2,018,035	3.5%
Facility Maintenance	6,186,673	6,366,295	179,622	2.9%
Other Town Departments	25,517,269	26,000,086	482,817	1.9%
Employee Benefits	20,577,517	22,134,678	1,557,161	7.6%
Cash Capital	3,526,073	3,869,341	343,268	9.7%
Debt Service (inside Levy)	3,109,135	3,179,465	70,330	2.3%
Other Uses	3,581,472	3,818,164	236,692	6.6%
Exclusions & Exemptions	11,677,988	11,362,520	(315,468)	-2.7%
Total Uses	\$ 132,291,250	\$ 136,863,707	\$ 4,572,457	3.5%
Surplus/(Deficit-Override)	\$ 0	\$ 0		

In addition, the Board of Selectmen (BOS) has decided to change the structure of Article 8 and is proposing to consolidate the second and third Motions described in the Advisory Report on pages 22 and 87. (The first motion will remain the same.) Free Cash will not be appropriated in a separate motion but will be part of Motion 2 as in previous years. The sentence below will therefore be added to the end of the Article 8, Motion 2 on page 26:

“And further, to help meet said appropriations, authorize the Board of Assessors to use \$2,866,108 to be taken from Free Cash, as certified as of July 1, 2012, to reduce the fiscal year 2014 tax rate.”

In reverting to this approach, the BOS is trying to strike a better balance between the Department of Revenue’s expectations and the complexity of separating the appropriation of Free Cash from the omnibus budget motion. Note that the new Free Cash appropriation in Article 8, Motion 2 includes the additional \$13,152 described above. The total Free Cash given in the Sources and Uses chart above is this value (\$2,866,108) plus the additional \$290,300 proposed to be appropriated in Article 18 for the Tolles-Parsons Center (\$165,300) and Article 20 for the 210 Washington Street chimney/wall repair (\$125,000). Please be advised that the Sources and Uses numbers may change after this Supplement has been distributed.

Advisory will make its recommendation at Town Meeting.

¹ Note that the Local Revenue in “Sources of Funds” is \$20,000 less than previously reported; this is because the Inter-Library Loan contract has been updated. This contract, which has no tax impact to the Town, has a Personal Services component of \$143,637 and Expenses of \$106,363 with a total value of \$250,000. This contract was projected to be worth \$270,000 in the Regional Services line item under Wellesley Free Library budget on page 24 of the Advisory Report. The “Uses of Funds” has a corresponding \$20,000 reduction in the aggregated amount in the “Other Town Departments” category.

² The Other Sources now includes \$125,000 appropriated by CPC for the Article 20 chimney repair.

ARTICLE 14. To see what sum of money the Town will raise and appropriate, or otherwise provide, to the Permanent Building Committee for the cost of architectural, engineering and/or other services, for construction, reconstruction, remodeling, rehabilitation and/or modernization of the heating, ventilation, and air conditioning systems of the Department of Public Works Park/Highway Garages; to determine whether such sum shall be raised by taxation, through borrowing and/or by transfer from available funds; or take any other action relative thereto.

(Board of Public Works)

Please see the 2013 Advisory Report on pages 97-98 for a summary of the proposed authorization of \$960,700 to the Permanent Building Committee (PBC) for the rehabilitation of the HVAC systems in the DPW's Park/Highway Building. Additional information received after the Advisory Report went to print is given below.

The Board of Public Works has awarded the construction work to T. Snowden, Inc. and the PBC has recommended the following project cost structure, which is less than the \$1 million placeholder in the *Five Year Capital Budgeting Program*:

Construction	\$725,000
Alternate HVAC Temperature Controls	20,000
Architect's and Other Professional Services (including Commissioning and Hazmat testing and monitoring)	64,300
Other Professional Services (Clerk of the Works)	29,000
Other Costs (PBC Administration, PBC Expenses and Builder's Risk Insurance)	10,650
15% Contingency	111,750
Total	<u>\$960,700</u>

The BPW and PBC added an additional \$20,000 to the project for a superior type of HVAC controls which were included as an option in the original bid requests.

Advisory agrees that the proposed improvements to the Park and Highway Building HVAC system are necessary and appropriate. Advisory has reviewed the final costs and believes them to be reasonable and consistent with the Town-wide Financial Plan.

Passage requires a 2/3 vote.

Advisory will make its recommendation at Town Meeting.

ARTICLE 17. To see what sum of money the Town will raise and appropriate, or otherwise provide, for architectural, engineering, and/or other services, for preparation of plans and specifications, for construction, reconstruction, remodeling, rehabilitation and/or modernization of;

- a) various Schools and other Town buildings; and
- b) former Municipal Light Plant substation (1 Municipal Way) for use as Facilities Maintenance Department offices;

to determine whether such sum shall be raised by taxation, through borrowing and/or by transfer from available funds including Community Preservation Funds; or take any other action relative thereto.

(Board of Selectmen / School Committee)

Please see the 2013 Advisory Report on pages 100-103 for a summary of the proposed appropriations for the design development of eleven Town and School projects which are proposed to be funded through borrowing. Additional information received after the Advisory Report went to print is given below.

It was stated in the Advisory Report that there would be one Motion under this Article. After further review, the Board of Selections (BOS) and School Committee (SC), in consultation with the Permanent Building Committee (PBC), have determined that two Motions are more appropriate. Motion 1 will cover those projects for which funds for either feasibility work or design development are being requested; Motion 2 will cover the full project costs associated with the School Department phone replacement/upgrade.

MOTION 1

This Motion requests the appropriation of \$771,030 to the PBC for design development of the projects listed below and to authorize the Town to fund this appropriation through borrowing.

FACILITY	PROJECT	AMOUNT
Fire Station #2	Floor Repair	\$45,400
Fire Station #2	HVAC Renovation	\$114,700
Police Station	HVAC Renovation	\$72,600
Warren	Repairs	\$70,630
Middle School		
Donizetti Entry Plaza	Repair	\$42,000
Auditorium Seating/Flooring	Repair/replacement	\$40,000
Sprague School		
Roof	Replacement	\$55,000
Oak Street Entry Plaza	Repair	\$108,700
Hunnewell School	Roof Repairs	\$36,000
District-wide Security	Upgrade	\$186,000
TOTAL		<u>\$771,030</u>

Please note that the cost of some of these projects differs from the preliminary estimates provided in the Advisory Report on page 100.

There was additional discussion of the most productive process for managing major capital maintenance and repair projects going forward. Advisory encourages the PBC, BOS, FMD and SC to work together in the coming months to define a process for overall project development, from feasibility to design to construction, so as to provide a consistent approach for all projects brought to Town Meeting for appropriation.

Advisory believes that the review conducted by the PBC has provided reasonable estimates of the scope and design work for each project listed. For these projects, Advisory supports the approach of requesting design funds at this stage to provide more accurate construction estimates in the future. Advisory anticipates that some or all of these projects will be brought forward in a future Town Meeting in a request for full project funds.

Passage requires a 2/3 vote.

Advisory will make its recommendation at Town Meeting.

MOTION 2

This Motion requests the appropriation of \$411,000 to the PBC for the replacement/repair of the School Department telephone system and to authorize the Town to fund this appropriation through borrowing.

Details of this project were previously provided on page 102 of the Advisory Report.

Passage requires a 2/3 vote.

Advisory will make its recommendation at Town Meeting.