

TOWN OF WELLESLEY



**REPORTS TO THE
ANNUAL TOWN MEETING
MONDAY, MARCH 31, 2008
7:30 P.M.**

WELLESLEY MIDDLE SCHOOL AUDITORIUM

by the

ADVISORY COMMITTEE

**SCHOOL BUILDING COMMITTEE
COMMUNITY PRESERVATION COMMITTEE
WELLESLEY HISTORICAL COMMISSION
ADVISORY COMMITTEE ON NAMING PUBLIC ASSETS
AD HOC GREEN COMMITTEE
TOWN BYLAW STUDY COMMITTEE
BOARD OF SELECTMEN**

**Please read this book and bring it with
you to the Annual Town Meeting.**

In the event that it becomes necessary to cancel any session of Town Meeting,
notice will be given between 6 and 6:30 p.m. on
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TOWN OF WELLESLEY



Town Hall
525 Washington Street
Wellesley, Massachusetts 02482

Chair
Margaret Ann Metzger

Vice Chair
Katy Gibson

REPORT OF THE ADVISORY COMMITTEE TO THE
2008 ANNUAL TOWN MEETING

TERM ENDS 2008

Ken Baer
Katy Gibson, Vice Chair
Margaret Ann Metzger, Chair
Allan Port
Katherine Macdonald

TERM ENDS 2009

Steven Hansen
Morris Kellogg
David Mooney
Marijane Tuohy

TERM ENDS 2010

Peter Cory
Paul Criswell
Judi Donnelly
Stephen Sykes
Marc Taylor

March 3, 2008

To the Citizens of the Town of Wellesley:

Annual Town Meeting convenes on Monday, March 31, 2008. Town Meeting members will be asked to consider the budget for Fiscal Year 2009 (FY09) along with several additional appropriations and proposals important to shaping Wellesley's future. This letter presents key features of the budget and highlights other significant financial requests and proposals to be considered at the meeting. It also discusses the Advisory Committee's overall perspective.

THE FY09 BUDGET: July 1, 2008 – June 30, 2009 (Article 8)

A Balanced Budget

Town Meeting will be asked to approve a budget of just over \$112.7 million. The budget is balanced without the need for an override. Achieving a balanced budget took a tremendous amount of hard work and cooperation among numerous Town volunteers and employees. It involved holding or cutting budget requests as well as achieving success in efforts to reduce costs and identify additional sources of revenue. Key elements that helped the Town achieve a balanced budget this year include:

Increased Revenue: The Town is projected to receive a substantial increase of approximately \$1.9 million in additional State aid. Local revenue, which includes interest, fees, parking meter receipts and fines, and motor vehicle excise tax receipts, is projected to increase by more than \$650,000.

Smaller Increases in Health Insurance Costs: Health insurance costs have been one of the largest drivers of increased expenses to the Town. Efforts to control these costs are beginning to yield results. The increase in FY09 will be lower than originally projected by more than \$1 million due to lower average premium increases and a more favorable enrollment mix.

Level Capital Expenditures: Cash capital budgets (which reflect the purchase of capital items that are paid for on a current-year basis without issuance of bonds) are being held flat. Initial requests were more than \$800,000 higher. Holding these budgets flat could be perceived as inconsistent with Advisory's

repeated admonitions that the Town does not invest enough to assure adequate maintenance of Town infrastructure. However, last year's \$13.2 million debt exclusion for capital spending over the next three years addresses immediate needs. In addition, the Selectmen's proposal to centralize responsibility for the maintenance of more Town buildings (Article 32) should focus attention on the need to implement a more effective plan for capital and maintenance spending in future years.

What is in the Budget?

The budget includes total spending increases of 7.8%, or \$8.1 million. Tax-impact spending is up \$3.9 million. This increase is funded, as allowed under Proposition 2 ½, through a 2.5% levy limit increase plus the levy limit increase attributable to "new growth" and the impact of previously approved debt exclusions. In addition, the Sources and Uses for FY09 shows an increase of \$4.2 million funded from non-tax impact sources, including increased State aid and local revenue and transfers from the Community Preservation Act Fund (for Community Preservation Act spending) and from free cash (for the Stabilization Fund).

Factoring in a reasonable allowance for contract settlements and adjusting to reflect offsetting revenue that is projected to fund certain new positions, the non-school department operating budgets are up roughly 3%. The budget includes funding for an office manager for the Council on Aging, one-half of an on-site outreach worker position funded through the Health Department budget to work with high school students, an additional building inspector, and an Assistant Planning Director.

School budget growth is 8.5%. The budget anticipates 96 additional students (2% growth) and includes funding for 15 additional full-time positions. The budget includes special tuition and transportation (STT) increases of approximately \$1.8 million and funds the continued implementation of the new elementary school math curriculum. There should be minimal impact on class size. The budget does not include a further 2.4% increase (\$1.2 million) in spending that was initially requested by the School Committee.

Approximately 84% of the School operating budget is for personal services. The School's union contracts expire at the end of June 2008. The School budget includes funding for projected contract settlements which, by state law, are not subject to ratification by Town Meeting.

Budget Elements Yet to be Determined

Non-school Contract settlements: Four of the Town's union contracts with non-school unions expired at the end of June 2007 and five will expire at the end of June 2008. When this Report went to press, only the Public Safety Dispatchers' contract had settled and this settlement was ratified at the Special Town Meeting last November. As roughly 70% of the Town's non-school departmental operating budgets are for personal services, these negotiations have an important impact on current and projected costs. Funding for these contractual settlements will be appropriated from free cash (money that is in the Town's general fund and available for appropriation) when the contracts settle and are brought to a future Town Meeting for ratification.

State Aid: The anticipated amount of state aid is included in the budget. However, the final state aid figure will not be known until after Town Meeting. Advisory is satisfied that there is a sufficient contingency available in the event the current assumption proves to be overly optimistic.

Advisory's Perspective on the Budget

Adequate but not excessive:

Advisory considers the proposed budget adequate but not excessive.

The increases for the non-school departments are modest and justified, particularly as each of these Town departments continue to effectively perform in the face of expanding workloads and increasing demands. The Department of Public Works and the Natural Resources Commission face increasingly complex and demanding environmental regulations that did not exist a decade ago. The challenges facing the Planning Department due to new growth, the new Large House Review Bylaw, and the need to review and evaluate

increased numbers of Projects of Significant Impact should not be minimized. The Selectmen's office organizes the work of the Town Development and Review Team (TDRT). The Finance Department must address new accounting standards and maintain the Town's credit rating in an increasingly volatile economy. The Board of Health is required to plan and prepare for pandemic disease and homeland security threats. The Recreation Department has worked toward a self-sustaining model, challenged to increase program fees and return funds to the Town. Library circulation and visits continue to increase.

A School budget increase of 8.5% is large but vital to support a top-notch system for over 4,750 students. The budget reflects enrollment increases, escalating special education costs, and projected contractual settlements. Failure to recognize the impact of escalating STT costs would only result in disproportionately limiting the services that could be delivered to the vast majority of students. On the other hand, Advisory was not convinced that all of the nearly 11% increase initially requested by the School Committee was required. Advisory supported the School Committee vote to eliminate approximately \$1.2 million of the initially proposed budget.

Advisory notes that the rapidly escalating STT costs include many elements that are not within the control of the School Department. Having tripled over the past 10 years, STT costs are growing faster than other portions of the school budget. They appear to be relatively high compared to other towns (see Appendix B). Advisory knows that this large component of the School budget and educational program requires thoughtful evaluation and planning. Advisory supports the School Committee's objective to authorize an independent assessment of the strengths, weaknesses, and cost-effectiveness of the special education policies and programs.

Not balanced at the expense of next year's budget: Advisory, recognizing that efforts to avoid a Proposition 2 ½ override now should not create future burdens, is comfortable with the methods by which this budget has been balanced. Advisory is optimistic that the steps the Town has taken to control health care costs and the efforts it is making to negotiate "Rate Saver" provisions in its contractual settlements will help to moderate future health care premium increases. The projected State aid increases are part of a catch-up adjustment that will make the payment to Wellesley more consistent with the State's adjusted distribution formula. Even after contract settlements, we expect the draw on free cash to be consistent with the Town's plan to continue to increase reserves.

There is a need to focus on the facts relating to the School Budget:

Misperceptions abound: Advisory is troubled by the growing tension over perceptions about school spending. Some believe the School budget is "out-of-control" while others believe that the School Department is on a "starvation diet" that is jeopardizing excellence. Advisory is uncomfortable with either characterization and wants to highlight a need for a town-wide discussion based on the facts.

Members of Advisory's school subcommittee have spent a substantial amount of time studying the School budget and seeking independent sources of information to evaluate it. Appendices with detailed information about the Teachers' Salary Structure, Special Education Programs, and Enrollment Forecasts are included at the end of this report to provide a better understanding of these complex issues.

Wellesley values and devotes resources to education: There can be no question that this Town values education and the excellent reputation of its schools. While the content of an "excellent" education has changed dramatically over the decades, it is clear that Wellesley's schools have a long tradition of offering such an education.

Wellesley has consistently funded the School budget at a higher rate of increase than non-school budgets and has consistently supported operating overrides that were primarily devoted to the schools. This year, Advisory's initial guideline increase for the School Department's operating budget started roughly two percentage points higher than the guideline for any other Town department, and ended almost 6 percentage points higher. School budget increases have averaged 6.8% over the past 10 years, more than double the increases for other Town departments.

The burden of paying for school services is shifting. While the School budget has risen faster than other Town departmental budgets, it is also true that the School budget does not pay for the total cost to operate the schools. The burden of certain costs has shifted as parents are asked to pay ever-increasing fees – including athletic fees, activities fees, and bus fees. The Wellesley Educational Foundation, the various school PTOs, and the parents themselves are raising private funds to pay for supplies, library books, cultural enrichment programs, playground equipment, computers and technology, and a myriad of other items. These fees and the fundraising efforts are significant in amount and represent a reallocation of some of the burden of financing public education.

Significant reductions to operating costs will require some new approaches to our delivery model. We have some assurance that Wellesley's overall spending on education is quite comparable to a number of our peer towns. Finding substantial savings in the School budget would require a very fundamental re-examination of how we organize our schools. This is worthy of a town-wide discussion. Should the School Committee consider whether it could ease the pressure on class size by redistricting more regularly or by creating a new model that clusters the elementary schools with some serving grades K-2 and some grades 3 – 5? Are we willing to investigate whether it is viable to share principals across more than one elementary school building? Are we prepared to close an elementary school when we do reach the back side of the enrollment growth? Serious questions of a fundamental nature will need to be evaluated in order to produce substantial savings.

Process improvements would be desirable: Wellesley holds one of the earliest Town Meetings in the Commonwealth. The timing required to develop and present a budget to a Town Meeting that starts at the end of March is challenging. The process starts early in the Fall of the preceding year, which means departmental guidelines are set long before several major drivers of the budget are known, particularly health insurance costs, projected State Aid and contract settlements.

In order to deliver a fiscally-responsible and realistic budget, initial assumptions tend to be conservative in the aggregate and are adjusted only as more reliable information becomes available. As a result, when the initial budget submissions are received in January, the Town typically faces a significant shortfall which creates tension within the community and for Boards and staff as they work to close the projected gap. Although the initial gap this year was \$6.4 million, as in prior years departmental cuts were sufficient to close some of the gap. However, as is often the case, open items such as health insurance costs, projected state aid, and contract settlements have the greatest impact. Health insurance costs are not known until the end of February, and state aid only begins to be more predictable by the end of February or early March. This year, both the health insurance costs and state aid crystallized to the Town's advantage at the very end of February.

While Advisory feels very positive about the result that was achieved, we recognize that a compressed decision-making process is not ideal and will undertake to confer with the Selectmen about ways to assure better communication in the future.

AN FY08 SUPPLEMENTAL APPROPRIATION (Article 7)

There will be a request for a supplemental appropriation for FY08 expenses to be funded from free cash. The DPW requires a \$400,000 appropriation for this year's winter maintenance budget. The School Department has incurred unanticipated STT costs that are more than \$1 million over budget, but has also identified offsets in excess of \$200,000, decreasing the supplemental request to approximately \$800,000. Continued efforts are underway to identify additional offsets. The exact amount of the supplemental appropriations will not be known until closer to Town Meeting. Free cash is available for this appropriation.

THE HIGH SCHOOL PROJECT (Article 17)

The School Building Committee (SBC) will request an appropriation to be expended under the direction of the Permanent Building Committee to fund further progress on the High School Project. Continued opportunities for public input are planned. The amount requested is intended to fund the completion and

final submission of a plan to the Massachusetts School Building Authority (MSBA) and, with MSBA approval, advance the project through to Town Meeting approval and subsequent town-wide debt exclusion vote.

SPRAGUE FIELD REMEDIATION AND MASTER PLAN (Article 20)

The School Committee will present options for implementing a Master Plan to improve the layout and facilities at Sprague Field and/or to remediate conditions on the portion of Sprague Field that will be subject to closure by the Massachusetts Department of Environmental Protection unless remediation requirements are met by June 2009.

WELLESLEY'S FUTURE

A number of other proposals to be presented at Town Meeting are forward-looking efforts to address issues in a proactive way. Many are the product of citizens working collectively as neighbors, or as ad hoc committees and formal committees appointed by the Board of Selectmen or the Town Moderator, and we owe these dedicated volunteers our gratitude.

Naming Rights Policy (Article 26)

The Board of Selectmen-appointed Advisory Committee on Naming Public Assets will present a Town-wide policy developed to assure that the naming of public assets is consistent with Town-wide guidelines.

Green Ribbon Study Committee (Article 28)

The Ad Hoc Green Committee has developed a report and will present a motion to create a committee to develop a Sustainable Energy Plan for the Town.

Town Bylaw Study Committee (Article 31)

The Moderator appointed a study committee that is recommending amendments to the Town Bylaws relating to how we inform citizens about the activities and business of Town Meeting. The change includes substituting publication of the Town Meeting warrant in the newspaper with publication on the Town website.

The change also substitutes the requirement that the Advisory Report be mailed to all households with a requirement that each household receive a letter from the Advisory Chair highlighting the budget and other issues coming before Town Meeting, and including information about how to obtain a copy of the full Advisory Report. Such a letter would likely contain an overview much like this letter. Copies of the Advisory Report would continue to be mailed to Town Meeting members and distributed to Town departments.

Creation of the first Neighborhood Conservation District (Article 33)

Last year, concerned residents developed and secured passage of an enabling Bylaw to permit the creation of Neighborhood Conservation Districts (NCDs) in order to permit willing neighbors to agree to mutual restraints in order to retain the character of their neighborhood. Denton Road residents are now proposing the creation of the first NCD.

Public Transportation (Article 19)

This proposal, still in development, is intended to be a first step toward understanding public transportation needs and opportunities in Wellesley.

Centralized Maintenance Proposal (Article 32)

The Board of Selectmen will propose to consolidate the responsibility for facilities maintenance of all town and school buildings, with the exception of DPW and MLP buildings, under the authority of the Town Facilities Director. The details of this proposal are still under development.

OVERALL OPTIMISM CONCERNING THE TOWN'S FINANCIAL HEALTH

Advisory believes that the Town has taken some very positive steps to assure its long-term financial strength. We note that:

- Wellesley is the only community in the Commonwealth to have a fully-funded pension plan;
- Wellesley is one of the very few communities to be funding the annual required contribution for the Town's other post-retirement employment benefits obligation;
- Steps have been taken to moderate health insurance costs, and contract negotiations are underway with respect to the adoption of "Rate-Saver" plans that would adjust employee co-payments and deductibles and could further moderate premium growth;
- A centralized building maintenance program is being proposed that will highlight and address building maintenance needs;
- Town Meeting will be asked to appropriate \$1 million to the Stabilization Fund, and Town reserves are expected to continue to increase consistent with the recommendations of the Department of Revenue and credit rating agencies;
- The School Committee recognizes the need for an independent evaluation of Special Tuition and Transportation costs;
- Projections indicate that overall school enrollment growth may peak shortly;
- The High School project is getting enormous attention, and every effort is being made to assure the project has Town-wide participation in the process, optimal reimbursement from the state, and accurate estimates of the total project cost;
- There is wider recognition that Town Boards need to focus and engage in meaningful discussion about the projections included in the Town-Wide Financial Plan. Doing so makes it far more likely that future guidelines will more accurately forecast the actual budget.

We do not suggest that overrides are a thing of the past. These steps do indicate that the Town is making every effort to budget responsibly while providing services that meet the needs of its residents.

CONCLUSION

Advisory will make every effort to keep the public informed as Town Meeting approaches. To the extent possible, late-breaking developments will be posted on the Town's website and sent to Town Meeting Members by email as they are available.

The entire Advisory Committee joins me in recognizing and thanking all the dedicated Town employees and elected and appointed officials who devote so much time, energy and expertise to the Town. I also want to pay tribute to my colleagues on the Advisory Committee. Their open minds, respectful dialogue, sound judgment, and good humor have been unflinching through many hundreds of hours working together. It is a dedicated and extraordinary group. Of course, our families have supported our efforts and also deserve our appreciation.

As always, Town Meeting is an opportunity to examine important issues, to enter into dialogue, and to vote as a community to best serve our Town and its citizens. I am honored to serve as Advisory Chair and look forward to engaging in this long-standing tradition. Annual Town Meeting convenes on March 31, 2008 at 7:30 PM in the Wellesley Middle School auditorium.

All the best,



Margaret Ann Metzger
Chair

ARTICLE 1. To choose a Moderator to preside over said meeting.

(Board of Selectmen)

Advisory expects no motion under this Article.

ARTICLE 2. To receive reports of town officers and committees, including the Annual Town Report, the Report to this Town Meeting of the Advisory Committee, and the Reports of the Board of Selectmen on the Five Year Capital Budget Program and the Town-Wide Financial Plan pursuant to Town Bylaw Sections 19.5.2 and 19.16 respectively; and discharge presently authorized special committees; or take any other action relative thereto.

(Board of Selectmen)

Advisory expects no motion under this Article.

ARTICLE 3. To see what action the Town will take relative to revenue as follows:

- a) Establish new and/or amend current fees or other charges for services and programs provided to the public;**
- b) Vote 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 2009 Tax Rate;**

or take any other action relative thereto.

(Board of Selectmen)

This Article authorizes acceptance of a \$1 million payment from the Municipal Light Plant (MLP) in FY09.

The Board of Assessors must receive annual authorization to incorporate into the tax rate the estimated receipt of funds from the MLP. Annual passage of this Article permits the Town's taxpayers to continue receiving the benefit of their ownership of the MLP. The payment to the Town incorporated into the FY09 budget is at the same level it has been for the past six years. The MLP Board has approved this payment to the Town for FY09. Passage of this Article will allow the MLP payment to be incorporated into the tax rate.

This contribution is estimated to be almost four times the amount that would be paid by a private utility if it owned the same property in Wellesley.

Advisory recommends favorable action, 12 to 0.

INTRODUCTION TO HUMAN RESOURCES ARTICLES 4-6

This section presents an overview of the Town's human resources (HR) policies as an introduction to Warrant Articles 4-6. These articles address job classifications, the setting of wages or rates of pay, other benefits, and HR policies for all Town employees except school employees. The School Department is responsible for all School Department HR matters except group insurance (health, dental, life, long-term disability). Town employees are grouped into two categories, union and non-union personnel.

Union Personnel

The Town (excluding schools) has nine unions representing approximately 240 employees. The wages and terms of employment for union employees are the result of the collective bargaining process. When each new contract agreement is reached, a motion to fund the new agreement is made at Town Meeting.

Four non-school union contracts expired on June 30, 2007. These were the Public Safety Dispatchers, DPW Production Workers, Firefighters, and MLP Production Employees. As of publication of this Report, only the Public Safety Dispatchers Union contract has been settled. The other five union contracts expire on June 30, 2008. They are the DPW/MLP Clerical Employees, DPW/MLP Supervisory Employees, Police Patrolmen, Police Superior Officers, and Library Employees. If settlements on any of the new contracts are reached before the end of Town Meeting, funds will be requested to cover the cost impact of the new contracts including wage adjustments.

Non-union Personnel

The Town's non-union employees are divided into Series 40 and Series 50 personnel. Series 40 employees (Jobs 40 through 49) usually perform staff and support functions. Series 50 employees (Jobs 50 through 69) are in managerial/professional positions. Currently, there are 45 permanent full and part-time employees in Series 40 positions and 68 employees in Series 50 positions.

Hay System

The Town uses the Hay classification system to assign each position to the appropriate job group and achieve equity in wages and conditions of employment. Under this system, each position is analyzed for aspects such as accountability, supervisory duties, and educational or training requirements. The Human Resources staff, trained in the Hay system, evaluates each position and assigns a numerical value to each job element. The sum of these values determines the position's classification and its inclusion in the corresponding job group. The purpose of Hay is to ensure that positions requiring similar skills and involving similar degrees of challenge and responsibility are classified and paid equivalently. As job requirements change over time, Human Resources reevaluates positions and will sometimes reclassify a position. This can result in an employee moving from one job group to another, with a corresponding adjustment in pay. Each year, Town Meeting is asked to approve changes made by the Human Resources Board to the Town's job classifications. (Article 4, Motion 1)

Series 40 Pay

Series 40 employees, non-managerial and non-union, have a normal workweek of 35 or 40 hours depending on the department. They receive overtime when they work more than 40 hours per week.

Within each Series 40 job group, there are six steps, which relate to job experience. A new employee whose performance is satisfactory will advance one step after six months and then advance one additional step each year until the employee reaches the highest step within the job group. If the employee continues to earn satisfactory performance reviews, he or she will achieve this maximum step after five and one-half years. Step increases only apply to employees who work more than 20 hours per week.

In past years, Town meeting approved adjustments to the step increases that resulted in a variation from step to step. The FY07 Town Meeting increased the top step (step 6) by 4% and made other adjustments to eliminate the unequal step-to-step variation. The current salary schedule sets each step increase equal to 4.5% of salary. Most Series 40 employees are at the maximum step and do not receive this increase.

In summary, an employee in a Series 40 position receives an automatic adjustment in pay as a result of movement through the six job steps until the maximum step is reached. In addition, regardless of the step, every Series 40 employee receives the recommended pay adjustment approved each year by Town Meeting.

Series 50 Pay

The Series 50 employees, which include Series 50 and 60 personnel, are in either managerial or professional positions. These employees do not receive overtime and do not have steps with automatic pay increases.

Each Series 50 job group has a salary range with a minimum, a midpoint, and a maximum salary. The midpoint of the range is set by the Human Resources Board to represent a fair salary for an experienced employee who meets the job requirements. This assessment is based on salary surveys of similar positions in Town, in similar towns and, if possible, in the private sector. In practice, the minimum and maximum salary for each group has been set at 80% and 120%, respectively, of the midpoint salary. It is the philosophy of the Town to bring Series 50 employees to the midpoint of the salary range as quickly as possible. Each year, the Town adjusts the salary ranges of the Series 50 positions. This adjustment does not automatically result in an increase for an employee, unless the employee's salary falls below the new minimum for that position.

Typically, the only pay increase awarded to an employee in this group is the result of the annual Merit Pay Plan increase awarded by the Department Head or Board. In addition, a small number of employees may benefit each year from a job reclassification.

Series 50 Merit Pay Plan

Series 50 employees receive merit pay increases instead of either a step increase or an across-the-board annual increase like the Series 40 employees. Each year, the amount of the increase is based on performance, as determined by the Department Head with guidance from the Human Resources Board. The increase may not exceed 10% of the employee's salary and the resulting salary can not exceed the approved salary range for the position's job group. Town Meeting allocates a sum of money to be used for performance (merit) based increases, and the total merit increases may not exceed the money allocated.

Annual increases for eight positions within the Series 50 job groups are funded from sources other than the amount recommended in Article 5, Motion 3. The salary ranges for the DPW Water and Sewer Superintendent and the Assistant Superintendent are set by the management pay plan ranges, but the funds for their compensation come from fees rather than tax revenues. Compensation for the Retirement Administrator is set and paid for by the Retirement System. Salary terms for the positions of Executive Director of General Government, Finance Director, Police Chief, Fire Chief, and Deputy Fire Chief are set by employment agreements with the Board of Selectmen. Salary increases for these positions are funded within the departmental operating budgets. In addition, the MLP has established its own classification plan and compensation program and does not participate in the Merit Pay Plan.

ARTICLE 4. To see if the Town will vote to amend ARTICLE 31 of the Town Bylaws by making changes in Schedule A entitled "Job Classifications by Groups" which constitutes part of said Bylaws; or take any other action relative thereto.

(Human Resources Board)

Schedule A of Article 31 of the Town Bylaws sets the job classifications by group for all Town employees, other than School Department employees. The Human Resources Board is empowered under Article 31 to amend these job classifications to reflect changes, modifications, and deletions during the year. Article 4, Motion 1 requests Town Meeting to approve all such changes made during the past year by amending Schedule A. The changes are presented in four sections: New Classifications, Reclassifications, Title Changes, and Deletions. This year there are no title changes.

New Classifications: These are new positions, which have been developed to meet the Town's needs. They are evaluated by the Human Resources Board and classified according to the Hay System as described in the *Introduction to Human Resources Articles*. This year, three new job titles have been

added to the job classifications, all in the Series 50 job groups. The pay for these positions is described in Article 5, Motion 2 and depends on the position in the salary range of the individual filling the new positions. Because these actions were taken during FY08, the incremental costs, if any, of two of these positions were covered by funds already in the FY08 budget and are already included in the proposed FY09 budget in Article 8. The Assistant Planning Director position will be established effective July 1, 2008 and is funded within the FY09 Planning Department operating budget.

<u>Classification</u>	<u>Department</u>	<u>Job Group</u>
Assistant Planning Director	PLNG	57
Public Health Nurse Supervisor	HLTH	54
Senior Human Resources Generalist	HR	55

Reclassifications: These are existing positions whose duties, functions, or requirements have changed. The Human Resources Board re-evaluated these positions based on revised position descriptions using the Hay System. This year, there are three reclassifications. All of these reclassifications resulted in an increase in Job Group while retaining their current titles. These job reclassifications took place during FY08 and the incremental costs were covered by funds in the FY08 budget and are already included in the proposed FY09 budget in Article 8.

<u>Classification</u>	<u>Department</u>	<u>From Job Group to Job Group</u>
RDF Superintendent	DPW	60 to 61
RDF Supervisor	DPW	S53 to S54
RDF Office Assistant	DPW	46 to 47

Deletions: These changes remove obsolete titles from the job classification plan. There is no budget impact for this change.

<u>Title</u>	<u>Department</u>	<u>Job Group</u>
Parking Meter Attendant	SEL	42

This motion seeks Town Meeting approval for actions taken during FY08 to reclassify positions as required to meet the personnel needs of the Town. Departments and Boards are able to seek reclassification or add new positions within their budgetary constraints. Advisory sees the requirement for Town Meeting approval as a vital part of the checks and balances in town government.

An area of concern not covered by this Article is the conversion of part-time, non-benefits-eligible employees to part-time, benefits-eligible employees. For example, an employee working 18 hours becomes benefits-eligible when his or her hours are increased to 21 hours per week. These decisions, which affect the Town's group insurance and OPEB liability, are made by individual boards and departments and are not subject to HR Board review. Advisory has requested clarification as to how these decisions can be brought under HR Board review.

Advisory recommends favorable action, 11 to 0.

ARTICLE 5. 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)

Schedule B sets the rates of pay for all Town employees, except School Department personnel. Article 5, which has three motions, seeks Town Meeting approval to make appropriate changes to the salary schedules of the Series 40 and Series 50 employees.

The Human Resources Department conducted its annual benchmarking work this past fall, including a survey of wage and salary levels and projected increases for comparable positions in the public sector, inflation (as measured by Consumer Price Index), and wage and salary adjustments approved in FY08. Results indicate that, in general, Town of Wellesley non-union employees are somewhat below par in the Series 40 group and are approximately at par in the Series 50 Group.

Motion 1

Motion 1 will amend Schedule B to adjust the Series 40 salary schedule to grant a 3.0% pay raise for the entire group of employees. These positions are non-union, non-management staff and are eligible for overtime. (See *Introduction to Human Resources Articles* for further explanation.)

This group of employees has been below par relative to comparable cities and towns for multiple years, and efforts have been made in prior years to bring their pay schedule closer to par. Although last year's 4% step 6 increase and reconstruction of the schedule was an effort to address the relative low ranking compared with other communities, this year's data confirmed an ongoing disparity. In addition, an analysis of Series 40 employees showed that since 2004 annual attrition has averaged 11% from a high in calendar year 2006 of 15% to a low in calendar year 2007 of 5%. The Human Resources Board has determined that a 3.0% increase is appropriate this year given the challenges of retaining Town employees.

SCHEDULE B--SERIES 40 HOURLY PAY RATES

Rates effective as of July 1, 2008

Hourly rates – reflects 3% increase over FY 08

Job Group	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
49	19.86	20.75	21.69	22.67	23.69	24.75
48	19.08	19.93	20.83	21.76	22.74	23.76
47	18.29	19.12	19.98	20.88	21.82	22.79
46	17.53	18.32	19.15	20.01	20.91	21.85
45	16.72	17.47	18.25	19.08	19.93	20.83
44	15.93	16.66	17.41	18.19	19.00	19.86
43	15.15	15.83	16.54	17.28	18.06	18.87
42	14.35	15.00	15.68	16.39	17.13	17.90
41	13.71	14.33	14.98	15.65	16.35	17.08

Fire Department

Weekly rates – reflects 3% increase across the board

(Mechanic - not in bargaining unit)

Job Group	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
F19	910.94	956.49	1,004.30	1,054.78	1,107.54	1,162.90

Advisory notes that this increase is consistent with the fiscal guidelines given by Advisory at the beginning of the budget process. Most group 40 employees are currently at step 6 and will not receive a step increase. Advisory believes the 3% increase recommended in this motion is appropriate.

Advisory recommends favorable action, 11 to 0.

Motion 2

Motion 2 will amend Schedule B by increasing the salary ranges for the Series 50 Merit Pay Plan employees by 2.5% at the midpoint. This proposed increase does not cause any employee to automatically receive a raise unless the employee's salary is below the new minimum for that position. This year, no employees will receive automatic increases of this type.

After analyzing the benchmarking data, the Human Resources Board has determined that the 2.5% adjustment in salary ranges is appropriate for this fiscal year. This adjustment provides sufficient flexibility to retain our valued employees. See table below:

SCHEDULE B - SERIES 50 SALARY SCHEDULES
Salary rates effective as of July 1, 2008
Reflects 2.5% increase at midpoint over FY 08

Job Group	Minimum	Midpoint	Maximum
69	115,520	144,400	173,280
68	107,040	133,800	160,560
67	99,200	124,000	148,800
66	91,840	114,800	137,760
65	85,040	106,300	127,560
64	79,360	99,200	119,040
63	74,240	92,800	111,360
62	69,440	86,800	104,160
61	64,960	81,200	97,440
60	60,720	75,900	91,080
59	56,560	70,700	84,840
58	53,040	66,300	79,560
57	49,520	61,900	74,280
56	46,320	57,900	69,480
55	43,280	54,100	64,920
54	41,280	51,600	61,920
53	39,360	49,200	59,040
52	37,280	46,600	55,920
51	35,600	44,500	53,400
50	33,920	42,400	50,880

Network and Information Systems

Job Group	Minimum	Midpoint	Maximum
61	73,360	91,700	110,040
60	68,640	85,800	102,960
59	64,240	80,300	96,360
58	59,840	74,800	89,760
57	55,920	69,900	83,880
56	52,320	65,400	78,480
55	49,760	62,200	74,640
54	47,440	59,300	71,160
53	45,200	56,500	67,800
52	42,960	53,700	64,440
51	41,040	51,300	61,560

Advisory notes that Motion 2 adjusts the salary ranges for the Group 50 and 60 employees. It does not set the salary of any individual employee unless that person is below the minimum for the new ranges. Salary increases are granted to these employees as a result of their annual performance review, as described in the *Introduction to the Human Resources Articles*.

Advisory believes that this motion will provide additional flexibility to the Town Boards and Departments to retain key personnel. It is consistent with the fiscal guidelines provided by Advisory at the beginning of the budget process.

Advisory recommends favorable action, 11 to 0.

Motion 3

Motion 3 requests \$150,000 to fund the Merit Pay Plan for the Series 50 employees.

Series 50 employees do not receive step increases or automatic salary increases based on an across the board increase. The Merit Pay Plan was designed to ensure that salary increases are granted based on performance. Under this Plan, the Boards have the flexibility to grant larger increases to outstanding employees and no increase to employees not performing up to a minimum level.

Advisory notes that the \$150,000 amount requested for the Merit Pay Plan for FY09 is unchanged from last year. The amount requested to fund the Merit Pay Plan this year is 3.8% of the Series 50 eligible salaries.

Advisory recommends favorable action, 11 to 0.

ARTICLE 6. To see if the Town will vote to amend ARTICLES 30 and 31 of the Town Bylaws by making changes in the appendix to the Classification and Salary Plans established under Sections 31.1 and 31.6 respectively, and by making changes relative to the procedure for amending the Classification Plan; the proposed changes to said appendix and procedure (which are recognized to be subject to change before or at town meeting) being on file in the Human Resources Department; or take any other action relative thereto.

(Human Resources Board)

Over the past year, the Human Resources Board undertook a review of the Salary Plan and Town Bylaws to identify areas of inconsistency where current practice differs from the requirement. Two such areas were identified and are the basis for the two motions under Article 6. Motion 1 proposes to amend Section II of the Salary Plan to adjust the method for granting personal days for benefits-eligible, part-time employees. Motion 2 proposes to amend the Town Bylaws to eliminate the requirement that the Human Resources Board review every position at least once every five years.

Motion 1

Full-time permanent employees are given two personal days of leave per year. The current policy does not address part-time, benefits-eligible personnel. Motion 1 will amend Section II of the Salary Plan relating to employee benefits by granting two personal days per year to permanent, part-time employees who work more than 20 hours per week. Personal leave would be pro-rated based on hours worked divided by the full-time schedule for the department.

The past and current practice regarding paid personal days for benefits-eligible employees is that they are granted. However, a review of the Salary Plan noted that there is no provision to grant paid personal days to part-time employees who receive benefits. Given the inconsistency between practice and the Salary Plan, the Human Resources Board studied the impact and discussed options. The part-time employees in question are eligible to receive all other benefits offered, including vacation days and sick days on a pro-rated basis. The Board felt strongly that employees eligible to receive benefits should receive all benefits and that this must have been an oversight in the Salary Plan. Currently there are ten part-time, benefits-eligible employees in the Town. The proposed pro-rated personal leave would result in a total of 99 paid personal-leave hours for these employees. Given that the practice has been to pay these hours, there is no incremental financial impact to the Town.

Advisory agrees with the Human Resources Board that the inconsistency between the current pay practice and the Salary Plan should be resolved. The options were to either (1) change the pay practice to conform to the Salary Plan or (2) change the Salary Plan to match current practice. We agree that it would be inappropriate to eliminate this “unofficial” benefit and that to do so would be counter to the spirit of

continuing efforts to attract and retain employees. Given that the positions affected are already benefits-eligible, it makes more sense to prorate the personal days in accordance with current pay practice. In addition, given the small number of employees and the lack of incremental financial impact, Advisory supports this motion.

Advisory recommends favorable action, 11 to 0.

Motion 2

Motion 2 will amend the Town Bylaw A30.5 that requires that all job positions be reviewed at least every five years, modifying this to as needed or upon request.

The proposed Bylaw provision is: “The Board, from time to time, upon appointed official or department request, or as it deems necessary and appropriate, shall review all work of all positions subject to the Classification Plan.”

A review of the Human Resources-related Bylaws noted that this requirement for a five-year review cycle is not being followed. At present, there are 188 positions subject to the Classification Plan. In order to follow this Bylaw, the Board would need to review approximately 38 positions each year. This review process, which is a collaboration among department heads, Boards and HR staff takes, in the best cases, several weeks and much longer if there are other priorities. The current staff in the Human Resources department is not adequate to perform 38 or more reviews annually, and the Human Resources Board does not believe that all jobs change enough in five years to make this requirement appropriate.

Positions are currently reviewed upon the request of a department head or Board, or as initiated by the HR staff when a position is vacant. As of February 2008, there were twenty positions under review by the HR department. During the past five years, 72 positions have been reviewed. The HR department proactively reviews positions it feels necessary. The HR Board has committed to establishing a list of positions to review each year in addition to those done upon request.

Advisory agrees that the five-year cycle is too extreme a requirement, especially given the time requirements and the overall workload of the HR department and Board. However, we do not believe that the complete elimination of the requirement is appropriate. While we support the replacement of the current bylaw with a more flexible policy, we await a chance to review the wording of the motion.

Advisory will make its recommendation at Town Meeting.

ARTICLE 7. To see what sums of money the Town will raise and appropriate, or otherwise provide, including transfer from available funds, or borrowing, to supplement appropriations previously approved by the 2007 Annual Town Meeting; or take any other action relative thereto.

(Board of Selectmen)

This article requests supplemental FY08 appropriations to the Board of Public Works for winter maintenance and to the School Committee for special tuition and transportation.

Board of Public Works

The Board of Public Works (BPW) is requesting a supplemental appropriation of \$400,000 for winter maintenance. The winter maintenance budget includes the cost of equipment maintenance, sand and salt, and the cost of some personal services. When work occurs outside of regular working hours, requiring the payment of overtime, or when outside personnel are required because of the size of the effort, the cost is applied against the winter maintenance budget. When plowing occurs during regular working hours, the personnel cost is included in the regular DPW budget. The number of storms, the timing of storms, and total snowfall all influence these costs.

The FY08 budget of \$344,599 is well below the average actual cost for FY04 – FY07 of \$599,765. Budgeting below the average cost of winter maintenance has been the Town’s usual practice.

At the beginning of February 2008, actual expenditures on winter maintenance were already \$200,000 over the FY08 budget. Any unspent funds at the end of five years will be returned to the Town’s General Fund.

School Committee

The School Committee is requesting a supplemental appropriation to the FY08 School Budget. Although the amount of the appropriation has not been finalized at the time this book goes to press, it is anticipated that it will be for approximately \$800,000; comprised of \$1 million related to additional costs for special tuition and transportation (STT) and offsetting cost savings of approximately \$200,000. The exact amount of the request has not been finalized at this time as efforts are being made by the School Department to find additional offsets.

The STT budget for FY08 was developed in late fall, 2006, based on the following:

- Students receiving services as of October 1, 2006 who were expected to continue receiving services in the next fiscal year, FY08
- Students who were not receiving services, but for whom it was anticipated that they would require services in the next fiscal year, FY08
- Expected tuition increases based on an estimate provided by the Department of Education
- Expected tuition increases due to “extraordinary relief” filings by out-of-district programs. These programs may apply for rate increases greater than the standard increase if they can justify the need based on increased costs. Many of these filings occurred after the School budget was approved.

The FY08 STT budget was based on a projection of 68 students requiring special and vocational education. However, since the FY8 budget’s approval at the 2007 ATM, the following changes have occurred:

Reason (OOD=Out of District)	Number of Students	Cost/ (Savings)
Graduation	2	(55,720)
Aged Out	1	(33,085)
Left for GED	1	(35,074)
New Placement in OOD programs	24	887,498
Placement Changes--OOD	11	246,014
Extraordinary tuition relief adjustments	13	188,330
Returning/retained	4	(298,489)
State Rate Setting: Annual increase	n/a	(96,758)
<i>Total OOD Adjustments</i>	<i>56</i>	<i>802,716</i>
Transportation (contracted)		92,000
New enrollment→Inclusion Support Staff (2.1 FTE TA, 3.45 FTE paraprofessional)		133,871
Total STT Adjustment		1,028,587

Since the budget for STT expenses is based on serving only “known” students in the system and does not account for potential new students, variances can occur. In FY08, the significant, unanticipated deficit in the STT budget is due primarily to 24 “new” students placed in out-of-district programs as a result of increasing behavioral issues. At the time the FY08 budget was finalized at the March 2007 Town Meeting, these students had not been identified as requiring special services in an out-of-district program.

The School Department will be applying for extraordinary relief under the Circuit Breaker funding program. The amount of anticipated reimbursement, which could be received by the Town in May or June 2008, has yet to be determined.

The deficit in the STT budget is offset partially by \$228,229 actual turnover savings greater than the savings budgeted. Each year the budget includes a cost savings due to salary decreases from teacher turnover, as new teachers hired typically have less experience than the ones they replace. In FY08, the cost savings realized was \$493,229, or \$228,229 more than the budgeted amount of \$265,000. In addition, savings due to final settlements and tuition costs for out-of-district programs that were lower than initially projected may further reduce this supplemental request.

Total STT Adjustment	\$1,028,587
Less: Turnover Savings	(\$228,229)
Less: Settlement/Tuition Savings	<u>TBD</u>
Preliminary Deficit, to be finalized	\$800,358

The final amount of this appropriation has not been determined at the time this book is going to press. The appropriation will come from free cash.

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 the General Laws Chapter 59, Section 21c (m), as amended;**

or take any other action relative thereto.

(Board of Selectmen)

Advisory expects two motions under Article 8. The first motion requests appropriation of the FY09 budget. The second motion would request approval of funding for a new fire truck.

OVERVIEW OF THE FY09 BUDGET

The FY09 tax-impact budget request of \$112,713,945 is an increase of \$8,110,498, or 7.8%, over the FY08 appropriation. Property taxes, including property taxes on new growth, are projected to increase by 4.6%, while revenue from all sources is projected to increase by 7.8%, or \$8,110,498, achieving a balanced budget.

Just over half of the budget increase is funded from revenue sources other than property tax increases. Revenue growth includes \$1.9 million more in state aid, based on the cherry sheet distributed in January. Revenue also includes a \$1.4 million increase in appropriation from the Community Preservation Act (CPA) fund; while CPA funds come from a real estate tax surcharge, the appropriation of money from the CPA Fund to the General Fund does not affect the level of real estate taxes. Local revenue is increasing \$0.6 million, primarily from a higher estimate of interest earnings in the General Fund (but still less than projected FY08 interest income). The FY09 budget also includes an appropriation of \$307,158 from free

cash to balance the budget and an additional appropriation of \$1 million as a transfer into the stabilization fund.

This budget does not appropriate funds to pay salary increases to Town employees in the eight non-school unions that either currently have open contracts or will have as of July 1, 2008. Contract negotiations also include proposed changes to the health insurance plans offered by the Town. When contracts are settled, appropriate adjustments will be made to personal services and the health insurance budget, and funding for the net impact will be requested from free cash. The Town has sufficient free cash to fund the FY08 and FY09 impact of these settlements, and to make up any shortfall in state aid, if necessary.

Contracts with four School unions also will be open as of July 1, 2008, if settlements are not reached before then. These contract settlements are not subject to ratification by Town Meeting. The School budget request includes funding for projected FY09 salary increases.

If a motion is made under Article 32 to transfer responsibility for maintenance of Town buildings to a newly created department, the motion will include a proposal to move funds for such maintenance from various department budgets to the new department. This proposal would affect the appropriation amounts to the various departments but would not change the total amount of the budget.

TOWN OF WELLESLEY - PRELIMINARY SOURCES AND USES OF FUNDS

	FY2008 Tax Rate	FY2009 Request	% Change
*** SOURCES OF FUNDS ***			
Tax & Other Current Revenues			
Within Levy Limits			
Real Estate & Per. Prop. Tax	78,689,438	81,856,674	4.02%
From the Commonwealth			
Local Aid	6,642,683	8,551,294	28.73%
Local Revenue	10,614,714	11,266,315	6.14%
Sub-Total (Tax & Cur. Rev.)	95,946,835	101,674,283	5.97%
Outside Levy Limits			
Real Estate & Pers.Prop.Tax	3,743,001	4,434,020	18.46%
OPEB	1,800,000	1,800,000	
Available Funds			
Parking Meter Receipts	563,224	634,198	12.60%
Appropriated/Reserved CPA Surcharge	612,146	2,087,100	240.95%
Appropriated Free Cash	928,941	307,158	
Not yet Appropriated Free Cash (Stabilization)	-	1,000,000	
School Construction Aid & Set-Asides	621,838	621,843	0.00%
Unencumbered/Transfers from other funds	387,462	155,343	-59.91%
Sub-Total (Available Funds)	3,113,611	4,805,642	54.34%
TOTAL SOURCES OF FUNDS	104,603,447	112,713,945	7.75%
*** USE OF FUNDS ***			
Personal Services (Non-School)	16,892,395	17,336,153	2.63%
Expenses (Non-School)	6,865,517	7,025,235	2.33%
Subtotal (Non-School)	23,757,912	24,361,388	2.54%
Personal Services (School)	42,369,793	44,872,014	5.91%
Expenses (School)	7,249,278	8,970,294	23.74%
Subtotal (School)	49,619,071	53,842,308	8.51%
Sub-Total (Pers. Svcs.& Exp)	73,376,983	78,203,696	6.58%
Capital & Debt:			
Within Levy Limits			
Capital/Extraord./Spec.Items	2,942,719	2,851,283	-3.11%
Debt Service - Issued	3,683,969	3,455,819	-6.19%
Debt Service - New Auth/Unissued - In	326,211	664,000	
Sub-Total (Within Levy Limits)	6,952,899	6,971,102	0.26%
Outside Levy Limits			
Debt Service Issued			
Debt Service Temporary	3,932,688	3,851,713	-2.06%
Debt service unissued (interest rate est)		-	
Debt Service - New Auth/Unissued - Out	480,000	1,204,150	
Unused			
SUB-TOTAL (CAPITAL & DEBT)	11,365,587	12,026,965	5.82%
Employee Benefits (formerly Shared Costs):			
Ins./Grp Ins./Pensions, etc.	13,934,241	14,552,815	4.44%
OPEB Liability Fund	3,000,000	3,000,000	0.00%
Sub-Total (Shared Costs)	16,934,241	17,552,815	3.65%
SUB-TOTAL (OPERATIONS)	101,676,811	107,783,476	6.01%
Special Items:			
Traffic & Parking Management	488,674	506,391	3.63%
Appropriated/Reserved CPA Surcharge	612,146	2,087,100	240.95%
State & County Assessments	1,011,978	1,011,978	0.00%
Property Tax Abatements	272,663	325,000	19.19%
Prior Fire FLSA	41,175	-	
Stabilization Fund	500,000	1,000,000	
Sub-Total (Special Items)	2,926,636	4,930,469	68.47%
TOTAL USE OF FUNDS	104,603,447	112,713,945	7.75%
TOTAL SOURCE OF FUNDS	104,603,447	112,713,945	7.75%
SURPLUS/<DEFICIT>	-	(0)	

THE BUDGET PROCESS

The Town-Wide Financial Plan (TWFP) presented to Town Meeting last spring projected a deficit of \$2.1 million in FY09.¹ This projection incorporated the following assumptions:

- Essentially flat revenue from state aid and local sources
- 12% increase in health insurance costs
- Schools: 5% growth in personal service costs and 3.5% growth in expenses
- Other Town departments: 3% growth in personal service costs and 2.5% growth in expenses
- Total cash capital at FY08 budget levels.

Following discussions about the Town's financial status and budget outlook with the Board of Selectmen and the Town's Executive Director and Finance Director, the Advisory Committee concluded that a number of factors indicated a clear need for financial restraint in the FY09 budget. These included:

- The 21% increase in property taxes on the median house FY05 – FY07
- The \$31.2 million debt exclusions approved in FY08 (primarily to fund OPEB liabilities and school building repairs)
- The increasing demand for special education services
- The expected need for additional space to accommodate increased enrollment at the High School until any High School construction project can be completed
- The projected debt that will be required for a major High School project

Advisory recognized that development of the FY09 budget was occurring in a context of even greater than normal uncertainty, given that almost all union contracts either currently are open or will expire on June 30, 2008. Contract negotiations include discussion of changes to the Town's health plan and thus affect the two largest components of cost growth—salaries and health insurance premiums.

In the face of this uncertainty, Advisory issued guidelines that asked all Town departments to develop capital and operating budgets in line with the TWFP assumptions. Advisory hoped that, if departments could achieve budgets at guideline levels, favorable changes in revenue and benefits costs and the possible use of free cash could enable the Town to achieve a balanced budget without an override. But Advisory also recognized that, with so many uncertain factors, it could not reach a conclusion about the necessity or desirability of an override until the end of the process.

After Advisory's guidelines were issued, the School Committee projected that FY08 special education costs for out-of-district programs would exceed the appropriation by \$1.0 million, because of new placements and tuition increases that were not known when the budget was developed. These higher costs are expected to continue, and continue to grow, in FY09. For FY09, the projected growth in special tuition and transportation costs reached \$1.8 million, compared with the FY08 appropriation. This one factor alone absorbed 74% of the Advisory guideline increase for Schools. Recognizing the necessity of funding mandated special education

¹ Available on the Town's website. The projection presented at Town Meeting, \$2.7 million, included a \$600,000 increase in funding for the Town's OPEB liability. Subsequent passage of the \$1.8 million OPEB exclusion eliminated the need to increase OPEB funding within the levy limit, reducing the FY09 projected deficit to \$2.1 million.

services and the severe impact on other School programs that would be required to meet its guideline, Advisory decided to revise its guideline for the School budget, to exclude the above-guideline growth in special tuition and transportation costs from the guideline. Advisory recognized that raising the School guideline very likely would increase the FY09 budget sufficiently to require an override.

When departmental budget requests were submitted at the beginning of January, the projected \$2.1 million deficit ballooned to \$6.4 million. Sources of this increase were a School budget \$3.1 million above the original guideline, cash capital requests \$0.8 million higher than the guideline, other departments \$0.2 million over guideline, and a \$0.2 million increase in debt service.

Both revenue and cost projections have changed substantially over the last seven weeks to bring the budget into balance. Departments reduced their budget requests by \$2.2 million: \$1.2 million from the School operating budget, \$0.2 million from other department operating budgets, and \$0.8 million from capital budgets. Projected health care premiums are \$1.1 million less than estimated in the TWFP, both because rates increased much less than expected (8% vs. 12%), and because employee participation has shifted from more expensive options toward less expensive options.

On the revenue side, State aid is increasing by \$1.9 million over FY08, as the State brings its allocations more into line with an adjusted distribution formula. Departments increased their projections of local revenue from fees by \$0.2 million. In addition, the estimated tax revenue from new growth increased by \$0.1 million and \$0.1 million was transferred from the Police Detail Account. Finally, it was decided that when contracts for police, fire and DPW workers are settled, the appropriation to fund FY09 salary increases will come from free cash.

The budget picture was constantly evolving during January and February. By the time of the Interboard meeting at the end of January, the Financial Services Director had identified additional revenue of \$1.4 million. The largest component of this increase was the addition of \$850,000 in state aid. This increase was based on the State cherry sheet provided in January, which showed an increase of \$1.7 million, discounted by 50%, based on the Town's experience in FY08. Other increases came from new projections of local revenue from various fees. The discussion at the Interboard meeting focused on specific requests to departments to reduce their proposed operating and capital budgets by \$2.5 million. Achievement of these reductions, including a \$1.4 million reduction in the School budget, to bring it into line with the revised Advisory guideline, was projected to leave a deficit of \$2.5 million, of which \$1.6 million represented School funding. By mid-February all the Boards had agreed to the reductions in capital budgets and all Boards except the School Committee had made changes in operating budgets and revenue projections to achieve their targets.

The Advisory Committee and the Executive Director and the Finance Director had hoped from the beginning that settlement of the health care contracts, always a late February event, and an up-to-the-minute assessment of likely state aid would further reduce the final FY09 deficit. The surprise was not the timing but the amount of these items. The combined impact of rates and participation mix cut the growth in health care costs to one quarter of the original estimate. The best information on a State budget still in flux indicated that the Town likely would receive \$200,000 more than the original cherry sheet amount. The School Committee decision to reduce the School operating budget request by \$1.2 million and a proposal to appropriate \$307,158 from free cash were the final factors in reaching a balanced budget proposal.

Funding Item	FY07 Actual	FY08 Appropriation	FY09 Request	FY08-09 \$ Δ	FY08-09 % Δ
GENERAL GOVERNMENT					
Board of Selectmen - Administration					
Executive Director's Office	\$ 648,706	\$ 709,800	\$ 702,110	\$ (7,690)	-1.08%
Central Administrative Services	20,419	21,000	18,595	(2,405)	-11.45%
Network & Information Systems	577,678	615,178	616,201	1,023	0.17%
Treasurer & Collector	336,381	352,854	357,009	4,155	1.18%
Parking Fines Processing	90,953	97,400	102,934	5,534	5.68%
Training & Development	1,500	1,500	1,500	-	0.00%
Town Report	3,950	5,000	5,000	-	0.00%
BoS Administration Subtotal	1,679,588	1,802,732	1,803,349	617	0.03%
Board of Selectmen - Facilities					
Facilities Maintenance	182,742	263,656	246,072	(17,584)	-6.67%
Building Maintenance Operations	97,773	102,244	104,800	2,556	2.50%
BoS Facilities Subtotal	280,515	365,900	350,872	(15,028)	-4.11%
Board of Selectmen - Human Services					
Council on Aging	146,230	169,048	207,581	38,533	22.79%
Fair Housing Committee	-	400	400	-	0.00%
Veterans' Services and Benefits	53,595	58,199	58,668	469	0.81%
Youth Commission	75,283	79,213	79,211	(2)	0.00%
BoS Human Services Subtotal	275,108	306,860	345,860	39,000	12.71%
Board of Selectmen - Other Services					
Housing Development Corporation	233	3,500	3,500	-	0.00%
MetroWest Planning	5,034	5,043	4,418	(625)	-12.39%
Historical Commission	206	250	525	275	110.00%
Historical District Commission	46	250	250	-	0.00%
Human Relations Committee	-	200	200	-	0.00%
Memorial Day	3,875	2,500	2,500	-	0.00%
Celebrations Committee	-	4,700	4,700	-	0.00%
Zoning Board of Appeals	42,130	52,160	52,160	-	0.00%
BoS Other Services Subtotal	51,524	68,603	68,253	(350)	-0.51%

Funding Item	FY07 Actual	FY08 Appropriation	FY09 Request	FY08-09 \$ Δ	FY08-09 % Δ
Board of Selectmen - Shared Services					
Law	187,194	266,264	267,000	736	0.28%
Risk Management	348,517	381,359	369,000	(12,359)	-3.24%
BoS Shared Services Subtotal	535,711	647,623	636,000	(11,623)	-1.79%
Selectmen - General Government Total	2,822,447	3,191,718	3,204,334	12,616	0.40%
Other General Government					
Town Clerk/Election & Registration	273,886	267,849	290,871	23,022	8.60%
Board of Assessors	274,903	303,197	312,431	9,234	3.05%
Planning Board	159,594	181,224	243,083	61,859	34.13%
Advisory Committee	44,811	48,941	50,202	1,261	2.58%
Advisory Committee Reserve Fund	175,000	175,000	175,000	-	0.00%
Audit Committee	53,550	65,100	56,250	(8,850)	-13.59%
Permanent Building Committee	9,237	14,650	14,950	300	2.05%
Human Resources Board	229,111	269,533	269,329	(204)	-0.08%
Merit Pay Plan Balance (2007 trf to departments)	-	3,717	150,000	146,283	
Other General Government Subtotal	1,220,093	1,329,211	1,562,116	232,905	17.52%
GENERAL GOVERNMENT TOTAL	4,042,540	4,520,929	4,766,450	245,521	5.43%
PUBLIC SAFETY - SELECTMEN					
Police Department	4,729,656	4,891,961	4,987,787	95,826	1.96%
Special School Police	63,104	95,438	97,486	2,048	2.15%
Fire Department	4,118,217	4,102,350	4,132,367	30,017	0.73%
Building Department	299,222	324,275	381,394	57,119	17.61%
Emergency Medical Services	115,400	119,000	122,600	3,600	3.03%
Sealer of Weights & Measures	8,468	18,241	18,241	-	0.00%
PUBLIC SAFETY TOTAL - SELECTMEN	9,334,067	9,551,265	9,739,875	188,610	1.97%

Funding Item	FY07 Actual	FY08 Appropriation	FY09 Request	FY08-09 \$ Δ	FY08-09 % Δ
DEPARTMENT OF PUBLIC WORKS					
Engineering	514,565	527,304	528,453	1,149	0.22%
Highway	1,195,720	1,256,715	1,303,560	46,845	3.73%
Fleet Maintenance	152,792	155,496	156,789	1,293	0.83%
Park	1,076,401	1,107,315	1,133,543	26,228	2.37%
Recycling & Disposal	1,869,375	1,998,405	2,027,396	28,991	1.45%
Management	310,165	345,553	345,202	(351)	-0.10%
Street Lighting	181,824	209,550	196,500	(13,050)	-6.23%
Winter Maintenance	389,913	344,599	344,599	-	0.00%
PUBLIC WORKS TOTAL	5,690,755	5,944,937	6,036,042	91,105	1.53%
WELLESLEY FREE LIBRARY					
Library Trustees	2,046,865	2,128,983	2,152,106	23,123	1.09%
Regional Services (Non-Tax Impact)	224,822	205,502	212,789	7,287	3.55%
LIBRARY TOTAL	2,271,687	2,334,485	2,364,895	30,410	1.30%
RECREATION					
Recreation Commission	368,532	392,966	401,930	8,964	2.28%
Recreation Programs - (Non-Tax Impact)	-	-	-	-	-
RECREATION TOTAL	368,532	392,966	401,930	8,964	2.28%
HEALTH					
Board of Health	335,725	399,059	401,291	2,232	0.56%
Mental Health Services	157,808	178,923	208,316	29,393	16.43%
HEALTH TOTAL	493,533	577,982	609,607	31,625	5.47%
NATURAL RESOURCES					
Natural Resources Commission	158,132	183,693	187,428	3,735	2.03%
Morses Pond Project - (NRC, DPW, Rec)	41,354	166,500	160,370	(6,130)	-3.68%
NATURAL RESOURCES TOTAL	199,486	350,193	347,798	(2,395)	-0.68%
MLP - TAX IMPACT					
Fire & Traffic Signal Systems	83,750	85,155	94,791	9,636	11.32%
MLP - TAX IMPACT TOTAL	83,750	85,155	94,791	9,636	11.32%
NON-SCHOOL TOTAL	22,484,350	23,757,912	24,361,388	603,476	2.54%

Funding Item	FY07 Actual	FY08 Appropriation	FY09 Request	FY08-09 \$ Δ	FY08-09 % Δ
WELLESLEY PUBLIC SCHOOLS					
Instruction	34,971,585	37,664,774	39,760,742	2,095,968	5.56%
Administration	944,930	1,014,263	1,010,941	(3,322)	-0.33%
Operations	4,177,497	4,484,559	4,794,068	309,509	6.90%
Community Service	3,192	5,000	5,000	-	0.00%
Special Tuition/Transportation/Inclusion	6,447,775	6,450,475	8,271,557	1,821,082	28.23%
SCHOOL TOTAL	46,544,979	49,619,071	53,842,308	4,223,237	8.51%
EMPLOYEE BENEFITS					
Group Insurance	11,873,100	13,297,872	13,595,000	297,128	2.23%
OPEB Liability Fund	600,000	3,000,000	3,000,000	-	0.00%
Workers' Compensation	261,476	386,736	714,382	327,646	84.72%
Unemployment Compensation	100,000	100,000	100,000	-	0.00%
Compensated Absences	90,000	90,000	90,000	-	0.00%
Non-Contributory Pensions	65,273	59,633	53,433	(6,200)	-10.40%
EMPLOYEE BENEFITS TOTAL	12,989,849	16,934,241	17,552,815	618,574	3.65%
ALL PERSONAL SERVICES & EXPENSES	82,019,178	90,311,224	95,756,511	5,445,287	6.03%
CAPITAL & DEBT					
Departmental Cash Capital					
Public Works Capital	1,107,500	1,303,500	1,303,500	-	0.00%
Public Works - Site remediation	-	200,000	-	(200,000)	-100.00%
School Capital	1,165,319	982,811	982,415	(396)	-0.04%
School Capital (reconfigure classrooms)	-	-	-	-	-
Selectmen Capital	35,272	132,104	207,268	75,164	56.90%
Building Maintenance Projects (moved)	156,100	159,800	159,800	-	0.00%
Library Capital	23,700	42,504	36,300	(6,204)	-14.60%
NRC Capital	25,000	56,000	35,000	(21,000)	-37.50%
Planning Capital	20,000	50,000	25,000	(25,000)	-50.00%
Town Clerk	16,000	16,000	52,000	36,000	225.00%
Recreation Capital	6,400	-	-	-	-
Morses Pond Project	-	-	50,000	50,000	-
Subtotal - Cash Capital	2,555,291	2,942,719	2,851,283	(91,436)	-3.11%

Funding Item	FY07 Actual	FY08 Appropriation	FY09 Request	FY08-09 \$ Δ	FY08-09 % Δ
New Debt Service - Inside Levy					
Debt Service					
Current Inside Levy Debt Service - Issued	4,007,875	3,683,969	3,455,819	(228,150)	-6.19%
New Debt Service - Inside Levy	25,000	312,211	655,000	342,789	109.79%
Temporary Interest inside	-	14,000	9,000	(5,000)	-35.71%
Current Outside Levy Debt Service - Issued	4,028,064	3,932,688	3,851,713	(80,975)	-2.06%
<u>New Debt Service - Outside Levy</u>	<u>444,975</u>	<u>480,000</u>	<u>1,204,150</u>	<u>724,150</u>	<u>150.86%</u>
Subtotal - Debt Service	8,505,914	8,422,868	9,175,682	752,814	8.94%
CAPITAL & DEBT TOTAL	11,061,205	11,365,587	12,026,965	661,378	5.82%
SPECIAL ITEMS					
Receipts Reserved for Appropriation					
Traffic & Parking Operations	357,478	402,174	449,891	47,717	11.86%
Traffic & Parking Maintenance Capital	109,000	86,500	56,500	(30,000)	-34.68%
Community Preservation Appropriated	460,500	612,146	2,087,100	1,474,954	240.95%
Prior or Current Period Expenses					
Fire FLSA retro payment	-	41,175	-	(41,175)	-100.00%
Union Contracts expired 2007	-	-	-	-	-
Union Contracts expired 2008	-	-	-	-	-
Other Special Items					
Stabilization Fund	-	500,000	1,000,000	500,000	100.00%
Property Tax Abatements	298,486	272,663	325,000	52,337	19.19%
<u>State & County Assessments</u>	<u>990,245</u>	<u>1,011,978</u>	<u>1,011,978</u>	<u>-</u>	<u>0.00%</u>
SPECIAL ITEMS Subtotal	2,215,709	2,926,636	4,930,469	2,003,833	68.47%
TOTAL USES OF FUNDS	\$ 95,296,092	\$ 104,603,447	\$ 112,713,945	\$ 8,110,498	7.75%

8.1 GENERAL GOVERNMENT OPERATING BUDGETS

This section of the budget funds operations of a diverse group of functions, grouped for this discussion into:

- A. General Government – Board of Selectmen
Those departments and Boards under the supervision of the Board of Selectmen, except for Public Safety departments reported in Section 8.2
- B. Other General Government
Certain specialized Boards and the Moderator-appointed committees

8.1 A. GENERAL GOVERNMENT – BOARD OF SELECTMEN

The total FY09 appropriation request for the 16 entities discussed in this section is \$3,204,334, which is \$12,616, or 0.4 %, less than the FY08 budget. None of these budgets include salary increases for series 50/60 administrative staff, except for two positions in the Executive Director’s Office. Funding for series 50/60 salary increases is provided under Article 5.

Other factors contributing to this reduction are a reduction of \$40,000 in personal services in the Executive Director’s Office, a \$12,359 reduction in expenses for Risk Management, and a reduction of \$33,917 in personal services in the Facilities Maintenance Department. In addition, expenses have been held flat in many functions. Partially offsetting the reductions are the upgrading of a position in the Executive Director’s Office (\$25,722), and the addition of an office manager for the Council on Aging (\$38,056).

Board of Selectmen – Administration Executive Director/Financial Services Office

	FY07 Actual	FY08 Approp.	FY09 Request	FY08-09 Variance	
				Dollars	Percent
Personal Services	\$614,302	\$668,375	\$663,385	(\$4,990)	-0.7%
Expenses	\$34,404	\$41,425	\$38,725	(\$2,700)	-6.5%
Total Tax Impact	\$648,706	\$709,800	\$702,110	(\$7,690)	-1.1%
Non-tax Impact Personal Service			\$40,000	\$40,000	
Total Budget	\$648,706	\$709,800	\$742,110	\$32,310	4.6%

This budget funds the work of the Office of the Executive Director and the Office of Financial Services. The Executive Director of General Government Services serves as the senior executive for the Board of Selectmen, and manages and directs the activities of the Board. The Office of Financial Services coordinates and administers the financial reporting, accounting, treasury, collection, and annual budget activities of the Town.

The personal services budget includes annual salary increases for six series 40 staff members and the Executive Director and Finance Director; salary increases for other series 50/60 positions are appropriated under Article 5. In addition, the budget provides funds to upgrade one position.

In FY09, a portion of the salary of the Deputy Director will be charged to the non-tax impact Parking and Traffic Fund, to reflect his substantial time commitment to overseeing traffic studies and negotiating traffic mitigation initiatives associated with development projects. Traffic studies are funded from the Traffic and Parking Fund. This time allocation is projected to continue for several more years. Staff time from the Executive Director's Office was allocated to the Parking and Traffic Fund in FY06 and prior years.

Network and Information Systems

	FY07	FY08	FY09	FY08-09	
	Actual	Approp.	Request	Dollars	Percent
Personal Services	\$379,369	\$418,822	\$414,978	(\$3,844)	-0.9%
Expenses	\$198,309	\$196,356	\$201,223	\$4,867	2.5%
Total	\$577,678	\$615,178	\$616,201	\$1,023	0.2%

The Network and Information Systems (NIS) Department provides programming and computer services to all Town departments. It prints vehicle excise bills, real estate and personal property tax bills, and payroll checks. It maintains records of all vendors, payrolls, and monthly payments to retirees or beneficiaries. The department also maintains records on taxable real estate in Town and records all utility accounts.

The NIS Department also provides support services for departments using personal computers, the Town fiber network, and the Town web page. The NIS budget includes funds to bring all departments up to certain basic PC hardware and software standards, which enables departments to use and share information Town-wide. The FY09 budget also includes funds for PC and server training, for continued expansion of high-speed access through the Town's network, and a planned conversion of utility billing to the MUNIS software.

Annual salary increases for this department are appropriated under Article 5. The budget numbers shown here are the tax-impact costs, net of reimbursement by the enterprise funds (water, sewer, and Municipal Light Plant) for work performed on their behalf.

Treasurer and Collector

	FY07	FY08	FY09	FY08-09	
	Actual	Approp.	Request	Dollars	Percent
Personal Services	\$214,857	\$225,954	\$231,459	\$5,505	2.4%
Expenses	\$121,524	\$126,900	\$125,550	(\$1,350)	-1.1%
Total	\$336,381	\$352,854	\$357,009	\$4,155	1.2%

This office is responsible for all cash management activities of the Town and administers the Town's employee group benefit programs (except retirement). The office also is responsible for debt management and assists in the administration of other Town-wide functions such as the self-insured Worker's Compensation Program.

The personal services budget includes salary increases for the two accounting clerks. Salary increases for the Treasurer and Assistant Treasurer are appropriated under Article 5. The small reduction in expenses primarily reflects an expectation of lower postage costs.

Parking Fines Processing

	FY07	FY08	FY09	FY08-09	
	Actual	Approp.	Request	Dollars	Percent
Personal Services	\$40,000	\$42,200	\$42,734	\$534	1.3%
Expenses	\$50,593	\$55,200	\$60,200	\$5,000	9.1%
Total	\$90,593	\$97,400	\$102,934	\$5,534	5.7%

The Parking Clerk administers and processes over 25,000 citations to motorists who violate the Town’s parking regulations and conducts hearings for appeals from motorists who challenge the validity of a ticket.

The increase in expenses for FY09 reflects larger payments to the contractor who handles ticket processing. The expense is directly related to the number of tickets processed. Receipts from parking fines are deposited in the Town’s General Fund.

Central Administration Services

	FY07	FY08	FY09	FY08-09	
	Actual	Approp.	Request	Dollars	Percent
Expenses	\$20,419	\$21,000	\$18,595	(\$2,405)	-11.5%

The Central Administration Services budget captures the costs for maintaining copiers and providing the telephone system at Town Hall.

Miscellaneous

	FY07	FY08	FY09	FY08-09	
	Actual	Approp.	Request	Dollars	Percent
Expenses	\$5,450	\$6,500	\$6,500	\$0	0.0%

These expenses are for the production of the Town Annual Report and the Town’s share of costs for a multi-town training consortium.

**Board of Selectmen – Facilities
Facilities Maintenance**

	FY07	FY08	FY09	FY08-09	
	Actual	Approp.	Request	Dollars	Percent
Personal Services	\$104,709	\$178,349	\$156,222	(\$22,127)	-12.4%
Expenses	\$78,033	\$85,307	\$89,850	\$4,543	5.3%
Total	\$182,742	\$263,656	\$246,072	(\$17,584)	-6.7%

The Facilities Maintenance staff maintains Town Hall, provides staff support to the Permanent Building Committee, and provides support for the maintenance of other Town buildings under the Selectmen’s jurisdiction (Police Station, Fire Stations, and Warren Building). Personal Services costs are declining in FY09 because FY08 costs were temporarily elevated due to staff turnover and overtime. The expenses portion of this budget is primarily utility costs for Town Hall.

Building Maintenance Operations

	FY07	FY08	FY09	FY08-09	
	Actual	Approp.	Request	Dollars	Percent
Expenses	\$97,773	\$102,244	\$104,800	\$2,556	2.5%

This budget covers costs associated with HVAC, elevator, and fire alarm contractor agreements. Contracts cover services to Town Hall, both Fire Stations, the Police Station, the Warren Building, and the Farms train station.

**Board of Selectmen – Human Services
Council on Aging**

	FY07	FY08	FY09	FY08-09	
	Actual	Approp.	Request	Dollars	Percent
Personal Services	\$85,561	\$105,898	\$144,106	\$38,208	36.1%
Expenses	\$60,669	\$63,150	\$63,475	\$325	0.5%
Total	\$146,230	\$169,048	\$207,581	\$38,533	22.8%

The Council on Aging provides information and referrals to seniors needing help with housing, transportation, medical services, benefit programs, home care services, long-term care, and other related issues. Services offered by the Council include outreach, assessment, newsletters, volunteer opportunities, a subsidized transportation program, and a variety of social, educational, and recreational activities.

The addition of an office manager position, increasing staffing from 2.4 to 3.4 FTE, drives the FY09 increase in personal services cost. During the past year the Council has gathered information, through a survey and a forum, on the types of programs senior residents want. The new position will free up time for the Director of Senior Services to focus on assessing existing programs and developing new programs to meet the interests expressed. Salary increases for the current staff are budgeted under Article 5.

The Town subsidy for the senior transportation program, \$30,000, accounts for almost half the expenses in the Council budget. Grants (\$48,000), fare receipts (\$4,500), and funds from the Transportation Gift Account (\$16,500) also are used to pay the full cost of the transportation program.

Youth Commission

	FY07	FY08	FY09	FY08-09 Variance	
	Actual	Approp.	Request	Dollars	Percent
Personal Services	\$54,164	\$57,365	\$57,363	(\$2)	0.0%
Expenses	\$21,118	\$21,848	\$21,848	\$0	0.0%
Total	\$75,282	\$79,213	\$79,211	(\$2)	0.0%

Wellesley’s Youth Commission serves as an advocate and provides services and programs for the support of a broad spectrum of the Town’s middle school and high school age youth. Activities include assessing their needs and promoting educational and extra-curricular programs that address and serve these needs, creating opportunities for this group to interact with other segments of the Town’s residents and using their talents to serve others. The annual salary increase for the Youth Director is appropriated under Article 5.

Veterans’ Services

	FY07	FY08	FY09	FY08-09 Variance	
	Actual	Approp.	Request	Dollars	Percent
Personal Services	\$49,385	\$51,559	\$51,558	(\$1)	0.0%
Expenses	\$4,210	\$6,640	\$7,110	\$470	7.1%
Total	\$53,595	\$58,199	\$58,668	\$469	0.8%

The Veteran’s Services Department provides financial assistance to veterans and their dependents who meet the eligibility requirements of federal and state programs. The department keeps the necessary records of aid and maintains 15 memorial sites within Town. The annual salary increase for the Director of Veterans Services is appropriated under Article 5.

Fair Housing Committee

	FY07	FY08	FY09	FY08-09 Variance	
	Actual	Approp.	Request	Dollars	Percent
Expenses	0	\$400	\$400	\$0	0.0%

The Fair Housing Committee promotes the Town’s fair housing policy. The Committee provides education programs to inform residents of anti-discrimination laws and monitors the enforcement of those laws.

Board of Selectmen – Other Services Zoning Board of Appeals

	FY07	FY08	FY09	FY08-09 Variance	
	Actual	Approp.	Request	Dollars	Percent
Personal Services	\$38,198	\$43,695	\$43,695	\$0	0.0%
Expenses	\$3,932	\$8,465	\$8,465	\$0	0.0%
Total	\$42,130	\$52,160	\$52,160	\$0	0.0%

The Zoning Board of Appeals hears and decides appeals, petitions for variances, Special Permits, Findings, Site Plan Approvals and Comprehensive Permits pursuant to the provisions of and in compliance with the Zoning Bylaw of the Town and the Zoning Act (MGL Chapter 40A and 40B). The office of the Zoning Board of Appeals manages the appeal and decision-making process in compliance with legal requirements and timetables pursuant to the Zoning Bylaw and the Zoning Act; and provides the public with information in response to zoning questions and assistance in the petition process.

Other Services

	FY07	FY08	FY09	FY08-09	
	Actual	Approp.	Request	Dollars	Percent
Expenses	\$9,394	\$16,443	\$16,093	(\$350)	-2.1%

This is the combined expense to support the Wellesley Housing Development Corporation, Metrowest Regional Planning, Veterans’ Observances, Celebration Committee, Human Relations Committee, Historical Commission, and the Historic District Commission.

Board of Selectmen – Shared Services

Law

	FY07	FY08	FY09	FY08-09	
	Actual	Approp.	Request	Dollars	Percent
Expenses	\$187,194	\$266,264	\$267,000	\$736	0.3%

This budget funds legal services for Town Boards and Departments. It provides for Town Counsel and other outside counsel. It also includes recording fees, transcripts fees, copying charges and expert witness fees. The budget does not include funding for services related to activities of the Enterprise Funds, which pay for their own legal services

While actual expenses FY05 through FY07 have been less than \$200,000 per year, the Board of Selectmen and Executive Director judge that it is prudent to budget at a higher level.

Risk Management

	FY07	FY08	FY09	FY08-09	
	Actual	Approp.	Request	Dollars	Percent
Expenses	\$348,517	\$381,359	\$369,000	(\$12,359)	-3.2%

This budget provides for the premium costs for general liability, automobile, property insurance, and public official liability insurance for all Town operations, as well as funds for occupational health services. Work-related medical expenses of retired disabled police and fire personnel also are funded within this budget. The reduction in FY09 expenses reflects the elimination of payment to an insurance consultant, who assisted with contract negotiations in FY08 that resulted in a 5% reduction in the premium for comprehensive liability, largely offset by the addition of

insurance to cover salary replacement of injured firemen and policemen. In FY08 and prior years, the Town has self-insured for this risk.

8.1 B. OTHER GENERAL GOVERNMENT

Other general government includes eight boards, committees or officials that are elected or appointed by the Town Moderator and do not report to the Board of Selectmen. In aggregate the FY09 budget request for this group is \$1,412,116, an increase of \$86,622 or 6.5%. This increase is driven by the addition of a new Assistant Planning Director position and an increase in the number of per diem election workers in the Town Clerk’s office. The Planning Board projects that revenues from Large House Review application fees will more than offset the cost of the new Planning Department position. Election worker costs are increasing because three elections are scheduled in FY09 versus two in FY08.

Town Clerk

	FY07	FY08	FY09	FY08-09 Variance	
	Actual	Approp.	Request	Dollars	Percent
Personal Services	\$227,357	\$221,708	\$238,301	\$16,593	7.5%
Expenses	\$46,529	\$46,141	\$52,570	\$6,429	13.9%
Total	\$273,886	\$267,849	\$290,871	\$23,022	8.6%

The Town Clerk’s office conducts all federal, state and local elections in Town, and maintains an accurate voting list. The office also maintains vital records (births, deaths, and marriages) and other Town records required under the laws of the Commonwealth and the Town’s Bylaws, and issues various licenses, certifications, permits and reports.

During an election the Town Clerk’s office engages approximately 75 per diem tellers and other voting place personnel. Pay for these temporary workers varies from year to year depending on the number of regularly scheduled elections. The FY09 budget increase is largely a result of three scheduled elections versus two in FY08. The FY07 budget, which also funded three elections, was \$21,328 more than the FY08 budget. The budget does not include funding for unscheduled elections such as overrides or debt exclusions, which are normally funded by a request from the Reserve Fund.

The Town Clerk’s office generates slightly more than \$100,000 per year in revenue from fees for processing items such as dog licenses, vital records certificates, and passport applications. This revenue is reported as Local Revenue in the General Fund.

Board of Assessors

	FY07	FY08	FY09	FY08-09 Variance	
	Actual	Approp.	Request	Dollars	Percent
Personal Services	\$205,099	\$224,047	\$226,731	\$2,684	1.2%
Expenses	\$69,804	\$79,150	\$85,700	\$6,550	8.3%
Total	\$274,903	\$303,197	\$312,431	\$9,234	3.0%

The Board of Assessors is part of Town government, but is regulated by the Massachusetts Department of Revenue. The Board is responsible annually to make a fair valuation of all taxable

property, both real and personal; establish and maintain an accurate data base of specific property characteristics and valuations for internal and public use; assess and apportion Town taxes and certain state and county taxes; prepare, process and issue motor vehicle excise tax bills; and act upon applications for tax abatements and exemptions, including appearing before the State Appellate Tax Board.

Every third year the Department of Revenue requires an in-depth analysis of assessments prior to granting certification and FY09 is such a year. The increase in FY09 expenses reflects the need for additional analysis and documentation to meet Department of Revenue requirements.

Planning Board

	FY07	FY08	FY09	FY08-09	
	Actual	Approp.	Request	Dollars	Percent
Personal Services	\$149,326	\$155,799	\$206,433	\$50,634	32.5%
Expenses	\$10,268	\$25,425	\$36,650	\$11,225	44.1%
Total	\$159,594	\$181,224	\$243,083	\$61,859	34.1%

The Planning Department has operated for a number of years with the same staff of two professional planners and a part-time assistant. Implementation of the newly enacted Large House Review Bylaw is expected to increase the workload of the department significantly. Accordingly, the Planning Board is recommending the addition of a position for an Assistant Planning Director. Revenue from Large House Review application fees, which the Town will receive in the General Fund, is projected to offset the cost of this additional position.

The American Planning Association's Massachusetts Chapter awarded its 2007 Outstanding Planning Award for Comprehensive Planning to the Town's recently completed Comprehensive Plan for 2007-2017.

Major projects the Planning Board will work on in FY09 include continued permitting reviews of the Wellesley Inn site, the Grossman's site, and the Wellesley Motor Inn site; potential permitting review of the Taylor block (the buildings surrounding College Square Pizza and White Mountain Creamery); recodification of the Zoning Bylaw; and completion of a master plan for the Wellesley West Gateway (the Route 9 area from the Natick line up to and including the St. James parcel).

Advisory Committee

	FY07	FY08	FY09	FY08-09	
	Actual	Approp.	Request	Dollars	Percent
Personal Services	\$7,756	\$7,223	\$10,940	\$3,717	51.5%
Expenses	\$37,055	\$41,718	\$39,262	(\$2,456)	-5.9%
Total	\$44,811	\$48,941	\$50,202	\$1,261	2.6%

The Advisory Committee consists of 15 residents appointed by the Moderator for three-year terms. Its statutory responsibilities include considering, reporting and making recommendations to the Town residents and Town Meeting members on all Town Meeting articles. The Advisory Committee's responsibilities also include making recommendations to Town Boards and Committees regarding balancing the Town budget and acting on all requests for transfers from the

Reserve Fund. The Advisory Committee has the authority to investigate and review books, accounts, records and management of any Town Board or Committee, official or department for any purpose it deems necessary or advisable.

The budget funds the production and distribution of the Committee’s reports and a 0.2 FTE Administrative Assistant. The FY09 budget request reflects a shift of money from expenses to personal services because the administrative assistant now handles preparation of the report for the printer, work formerly done by a consultant.

Reserve Fund

	FY07	FY08	FY09	FY08-09	
	Actual	Approp.	Request	Dollars	Percent
Expenses	\$175,000	\$175,000	\$175,000	\$0	0.0%

The Reserve Fund provides funding during a fiscal year for expenses that are extraordinary or unforeseen at the time Annual Town Meeting appropriates the budget for the year. This reduces the need to defer critical expenses and/or to call Special Town Meetings to deal with events with limited expense impact. Transfers from the Reserve Fund are made under motions passed by one of the Town Boards and approved by the Advisory Committee. Any under-spending of this annual buffer is returned to the General Fund.

The Reserve Fund has been budgeted at \$175,000 for many years. This amount represents less than 0.2% of the annual budget. Advisory encourages increasing the budget for this fund by \$50,000 per year in future years, until it reaches at least 0.5% of the annual appropriation.

Audit Committee

	FY07	FY08	FY09	FY08-09	
	Actual	Approp.	Request	Dollars	Percent
Expenses	\$53,550	\$65,100	\$56,250	(\$8,850)	-13.6%

The Audit Committee is responsible for the annual examination of the Town’s consolidated financial statements in accordance with auditing standards generally accepted in the United States. The Committee defines the scope of the external auditor’s assignments and reviews its findings and recommendations with appropriate Boards and Committees. The budget funds outside auditor fees.

Permanent Building Committee

	FY07	FY08	FY09	FY08-09	
	Actual	Approp.	Request	Dollars	Percent
Personal Services	\$7,201	\$7,450	\$7,450	\$0	0.0%
Expenses	\$2,035	\$7,200	\$7,500	\$300	4.2%
Total	\$9,236	\$14,650	\$14,950	\$300	2.0%

The Permanent Building Committee oversees all construction projects for which the Town issues bonded debt. Excluded from the charge of the PBC are maintenance of Town owned property, road and civil projects of the Department of Public Works, and projects of the Municipal Light Plant and

the Housing Authority. The PBC does not initiate projects, but provides management and control services to the Town Boards pursuing construction projects. The budget funds support services to the PBC itself. The cost of services provided by the architects and engineering firms that PBC engages to execute the projects, as well as costs of the Facilities Administrator and Project Administrator are included in the relevant project budgets.

In FY09 the PBC will focus on the construction of the MLP/DPW garage, working with the School Building Committee on the high school project, and coordinating various school building infrastructure projects.

Human Resources Board

	FY07	FY08	FY09	FY08-09	
	Actual	Approp.	Request	Dollars	Percent
Personal Services	\$215,489	\$248,863	\$248,109	(\$754)	-0.3%
Expenses	\$13,622	\$20,670	\$21,220	\$550	2.7%
Total	\$229,111	\$269,533	\$269,329	(\$204)	-0.1%

The Human Resources Board serves all town employees, except school personnel, in the areas of recruitment, administration of classification and salary plans, administration of union contracts, oversight of personnel policies and procedures, training, affirmative action, employee performance evaluations, and compliance with applicable laws pertaining to employment. In addition, the Board administers the insurance benefit plans for all Town employees including school personnel and retirees.

8.2 PUBLIC SAFETY – BOARD OF SELECTMEN

Police Department

	FY07	FY08	FY09	FY08-09	
	Actual	Approp.	Request	Dollars	Percent
Personal Services	\$4,033,023	\$4,200,277	\$4,273,846	\$73,569	1.8%
Expenses	\$ 696,633	\$ 691,684	\$ 713,941	\$22,257	3.2%
Total	\$4,729,656	\$4,891,961	\$4,987,787	\$95,826	2.0%

The FY09 budget funds positions for a total of 44 sworn personnel, including the Chief, Deputy Chief, three Lieutenants, six Sergeants and 32 Police Officers. This budget also funds 11 civilian dispatchers, an animal control officer, three secretaries (one funded from revenue) and two custodians. The dispatchers work in the Public Safety Communications Center, which facilitates appropriate responses to police, fire and medical emergencies. The number of positions is unchanged from FY08. Currently six police officer positions are unfilled. These positions must be filled from the state lists of qualified candidates; at this time four candidates have been identified.

Separate collective bargaining agreements for superior officers (Lieutenants and Sergeants) and for patrolmen expire June 30, 2008. The FY09 budget does not include any salary increase for these personnel. A contract with the dispatchers, covering FY08 and FY09, was approved at the Special Town Meeting in November 2007 and negotiated salary increases for the dispatchers are included in the FY09 budget. A salary increase for the Chief is included in the department

budget and salary increases for the Deputy Chief and Animal Control Officer are appropriated under Article 5.

More than 43% of the expense budget is spent on vehicle replacement (\$178,000), vehicle maintenance (\$32,500) and gasoline (\$98,800). Utility and telephone costs account for another 17% (\$123,971). An additional 27% is spent on the following four categories: equipment maintenance and equipment rentals (\$56,500); tuition, training and professional memberships (\$50,425); various kinds of supplies (\$46,900); and uniforms (\$40,000).

The Police Department generates over \$200,000 in revenue from fines and permit fees, and receives nearly \$200,000 in state reimbursement for education costs. These are components of Local Revenue and State Aid in the Sources and Uses statement.

Special School Police

	FY07	FY08	FY09	FY08-09	
	Actual	Approp.	Request	Dollars	Percent
	Personal Services	\$ 60,448	\$ 92,720	\$ 94,768	\$ 2,048
Expenses	\$ 2,566	\$ 2,718	\$ 2,718	\$ -	0.0%
Total	\$ 63,014	\$ 95,438	\$ 97,486	\$ 2,048	2.1%

The school crossing guards provide safe passage for school children at busy intersections and thoroughfares. The FY09 budget funds 17 school crossing guards and 1 substitute guard, unchanged from previous years. These are part-time positions that can be difficult to fill. Currently four positions are open; police officers are assigned to cover unfilled posts.

Fire Department

	FY07	FY08	FY09	FY08-09	
	Actual	Approp.	Request	Dollars	Percent
	Personal Services	\$3,822,646	\$3,787,987	\$3,808,488	\$20,501
Expenses	\$ 295,571	\$ 314,363	\$ 323,879	\$ 9,516	3.0%
Total	\$4,118,217	\$4,102,350	\$4,132,367	\$30,017	0.7%

The Fire Department operates out of two stations, one at Central Street and Weston Road and one on Worcester Street in Wellesley Hills. Staffing includes 35 Firefighters, 12 Lieutenants, four Captains working four shifts and a Captain Fire Inspector, working days only. The Fire Chief, Deputy Fire Chief, mechanic and secretary complete the staff. In addition to fire-fighting responsibilities, the Fire Department provides emergency medical services and handles hazardous materials incidents. The Fire Chief also serves as the Town's Emergency Management Director.

Front line operating apparatus consists of two pumping engines, one combination pump/ladder, and one tower ladder. It also provides units such as an emergency response vehicle for hazardous materials and special operations, and two boats for water and ice rescues and scuba operations.

The contract with the firefighters has been open since July 1, 2007. Therefore neither the FY08 budget nor the FY09 budget includes salary increases for them. The small increase in personal service costs includes step increases at the rates in the expired contract, and increases for the Chief, Deputy Chief, mechanic and clerical positions.

Utility and phone costs (\$97,267) account for 30% of the expense budget while vehicle parts and fuel (\$64,202) add another 20%. Uniforms and supplies each account for about 12% of the expense budget.

The Fire Department generates receipts from master firebox alarm fees and permits totaling around \$90,000. These receipts are recorded in the Town's Sources and Uses statement as Local Revenue.

Emergency Medical Services

	FY07	FY08	FY09	FY08-09	
	Actual	Approp.	Request	Dollars	Percent
Expenses	\$ 115,400	\$ 119,000	\$ 122,600	\$ 3,600	3.0%

The Town provides emergency medical service through a contract with American Medical Resources (AMR) to provide ambulance service 24 hours a day, 7 days a week. Two trained paramedics staff the Advanced Life Support-equipped ambulance at all times. In larger emergencies, the contract provides for increased support from other ambulance services. Revenue generated from ambulance fees is insufficient to cover the cost of this contract and the Town appropriates funds to cover the shortfall.

Building Department

	FY07	FY08	FY09	FY08-09	
	Actual	Approp.	Request	Dollars	Percent
Personal Services	\$ 281,390	\$ 302,670	\$ 355,739	\$53,069	17.5%
Expenses	\$ 17,832	\$ 21,605	\$ 25,655	\$ 4,050	18.7%
Total	\$ 299,222	\$ 324,275	\$ 381,394	\$57,119	17.6%

The Building Department is charged with enforcing all applicable codes, state statutes, rules, regulations, ordinances and bylaws. It conducts mandated field inspections for all work authorized under any required permit.

The FY09 budget provides for the addition of one building inspector position, necessitated by the current heavy workload and the anticipated increase generated by the new Large House Review bylaw. Revenue generated from application fees for Large House Review are projected to recover half the cost of the new position. With this addition, the staff will consist of the Inspector of Buildings, four additional Inspectors (Wires, Plumbing and Gas, and two Local Building), and two administrative support personnel. Anticipated income in FY09 from permit fees of \$1.4 million is included in Local Revenues in the Town's Sources and Uses Statement.

Sealer of Weights and Measures

	FY07	FY08	FY09	FY08-09	
	Actual	Approp.	Request	Dollars	Percent
	Personal Services	\$ 6,366	\$ 14,741	\$ 14,741	\$ -
Expenses	\$ 2,103	\$ 3,500	\$ 3,500	\$ -	0.0%
Total	\$ 8,469	\$ 18,241	\$ 18,241	\$ -	0.0%

The Sealer of Weights and Measures provides consumer protection by ensuring equity between buyer and seller when the price of goods is determined by weight or by linear and/or liquid measure. Activities include regular inspection of supermarket and shop scales, unit pricing labels, service station pumps, fuel oil truck meters, pharmacies and random inspections. One part time person, who is certified by the Division of Standards, staffs this function.

8.3 BOARD OF PUBLIC WORKS

This motion requests the appropriation of \$6,036,042 to the Board of Public Works (BPW) from tax-impact funds to pay operating expenditures in FY09. This request represents an increase of \$91,105, or 1.5 percent, over the FY08 budget, but does not include any provision for salary increases for DPW supervisory, production or clerical workers. The Town and the unions are currently engaged in collective bargaining for a new contract.

The BPW is responsible for overseeing the delivery of essential public works, water and sewer utilities, and other services provided to the Town by the Department of Public Works (DPW). Funding for these services includes both tax revenues and customer payments. Town tax revenues fund the DPW Engineering, Park and Highway, Recycling and Disposal, and Management Services Divisions. DPW services paid by tax revenues are often referred to as the DPW “tax-impact programs.” Rate-paying customers fund the services provided by the DPW Water and Sewer Divisions, which do not affect the Town’s tax rate. Budgets for these programs, referred to as “enterprise fund programs,” are presented in Articles 12 and 13.

DPW Services

The Park and Highway Division maintains 110 miles of roadway, 118 miles of sidewalk, 78 miles of curb, and 1,100 street name signs. It also maintains 3,650 catch basins, 75 culverts, and 121 miles of storm drains. It maintains 255 acres of parks and playgrounds, 3,150 public shade trees and 15 miles of brooks and streams. The Recycling and Disposal Facility (RDF) is responsible for disposing of 9,300 tons of solid waste and more than 6,000 tons of recyclable materials. The RDF is the Town’s most used facility with over 350,000 vehicle trips to the facility annually.

The Engineering Division designs and provides project management services for all DPW projects. The Division also reviews private plans for conformance to Town standards for the Planning Board, Zoning Board of Appeals, and other Town departments. Other responsibilities include implementation of the storm water management plan and maintenance of Town plans and files related to deeds, easements, and construction.

**FY09 Budget
EXHIBIT 1**

DPW Tax Impact Operating Budgets for FY07 - FY09

	FY07	FY08	FY09	FY08-09	
	Actual	Approp.	Request	Dollars	Percent
Personal Services	\$3,099,351	\$3,280,401	\$3,316,079	35,678	1.1
Expenses	\$2,182,804	\$2,245,431	\$2,300,858	55,427	2.5
Winter Maintenance	\$ 389,913	\$ 344,599	\$ 344,599	0	0.0
Subtotal	\$5,672,068	\$5,870,431	\$5,961,536	91,105	1.6
RDF Opportunities PS	\$ 6,795	\$ 20,506	\$ 20,506	0	
RDF Opportunities EXP	\$ 11,891	\$ 54,000	\$ 54,000	0	
Total Appropriation	\$5,690,754	\$5,944,937	\$6,036,042	\$ 91,105	1.5%

The Personal Services budget includes funding for a 3% increase in salaries for Group 40 personnel, and step increases for all applicable employees. Personal services are expected to increase further as a result of negotiation of new contract terms with the supervisory, production and clerical workers bargaining units. No amount has been included in this budget for these contract settlements.

The winter maintenance budget is level funded for FY09. The FY09 budget of \$344,599 is well below the four-year average of actual snow removal costs (\$599,765). Budgeting below the average cost of winter maintenance has been the Town's usual practice. If actual costs are greater than the budgeted amount, as is the case in FY08, the Town has the option, under Massachusetts law, of funding the overrun through a supplemental appropriation from free cash or of rolling the cost forward into the next fiscal year. Given this flexibility, which is not available for other expenditures, it has been the Town's position, supported by Advisory, not to tie up budget funds in anticipation of heavy snowfall that otherwise could be allocated to other purposes.

Budget Risks

Under certain circumstances, the DPW can charge personal services to either DPW capital projects or other Town programs, when DPW personnel perform services for the project or programs that otherwise would be performed by outside contractors. For FY09, the budget assumes that approximately \$1.3 million in DPW personal services costs will be funded in this manner. In some cases, the occurrence and timing of work are controlled by other departments and accordingly DPW might not be able to recover all of these projected costs in FY09 or subsequently. Significant variations from these and other budget assumptions, such as fuel prices or trash tons disposed by the RDF, could have a material effect on the budget.

FY09 DPW Program Budget

Consistent with recent budget reporting practice, the BPW FY09 budget motion provides for an appropriation for Personal Services and an appropriation for Expenses, with *recommended* specific personal services and expense allocations made to each of the DPW programs. These allocations are shown in Exhibit 2. Appropriating aggregate funds for Personal Services and for

Expenses with only a recommendation for the allocations allows the Board the ability, if necessary, and only after a voted approval by the Board, to transfer funds between the program allocations. As in the past, unused appropriations at year-end will go into the Town's General Fund account. Funding for deficiencies must be obtained from the Reserve Fund or approved by Town Meeting.

EXHIBIT 2
Summary by Individual Program

*Note: These amounts do not include provisions for salary increases
for supervisory, production or clerical unit employees*

	FY07 Actual	FY08 Request	FY09 Request	FY08-FY09 Variance	
				Dollars	Percent
Engineering					
Personal Services	440,191	449,689	451,365	1,676	0.4
Expenses	74,374	77,615	77,088	(527)	-0.7
Subtotal	514,565	527,304	528,453	1,149	0.2
Highway					
Personal Services	806,355	860,093	868,460	8,367	1.0
Expenses	389,365	396,622	435,100	38,478	9.7
Subtotal	1,195,719	1,256,715	1,303,560	46,845	3.7
Park & Tree					
Personal Services	828,583	853,540	867,873	14,333	1.7
Expenses	247,817	253,775	265,670	11,895	4.7
Subtotal	1,076,401	1,107,315	1,133,543	26,228	2.4
RDF					
Personal Services	652,847	716,233	727,065	10,832	1.5
Expenses	1,153,342	1,163,166	1,181,325	18,159	1.6
Subtotal	1,806,189	1,879,399	1,908,390	28,991	1.5
Management					
Personal Services	272,390	299,157	299,627	470	0.2
Expenses	37,775	46,396	45,575	(821)	-1.8
Subtotal	310,165	342,047	345,202	(351)	-0.1
Fleet Maintenance					
Personal Services	98,985	101,689	101,689	0	0.0
Expenses	53,807	53,807	55,100	1,293	2.4
Subtotal	152,792	155,496	156,789	1,293	0.8
Winter Maintenance					
Expenses	389,913	344,599	344,599	0	0.0
Street Lighting					
Expenses	181,824	209,550	196,500	(13,050)	-6.2
Baler Replacement Fund					
Expenses	44,500	44,500	44,500	0	0

	FY07 <u>Actual</u>	FY08 <u>Request</u>	FY09 <u>Request</u>	FY08-FY09 Variance	
				<u>Dollars</u>	<u>Percent</u>
RDF Business Opportunity					
Personal Services	6,795	20,506	20,506	0	0
Expenses	11,891	54,000	54,000	0	0
Subtotal	<u>18,686</u>	<u>74,506</u>	<u>74,506</u>	<u>0</u>	<u>0</u>
Appropriation Total	5,690,754	5,944,937	6,036,042	91,105	1.5

RDF Revenues

The DPW projects FY09 RDF revenues of \$801,000, a 10% increase. This \$72,500 increase is projected to come from higher market values for recycled materials. These revenues are a component of Local Revenues in the Town budget. Revenues are from tipping fees, recycling, and sale of compost, as shown in Exhibit 3.

EXHIBIT 3 Recycling and Disposal Statistics

	FY06 <u>Actual</u>	FY07 <u>Actual</u>	FY08 <u>Budget</u>	FY09 <u>Budget</u>
VOLUME HANDLED				
Trash				
Commercial Tons Tipped	1,774	1,384	1,000	1,500
Residential Tons Tipped	7,870	7,333	8,100	7,500
Municipal Tons Tipped	<u>427</u>	<u>327</u>	<u>400</u>	<u>325</u>
Total Trash Tons Disposed	10,071	9,044	9,500	9,325
(1,200 tons of wood recycled rather than disposed as trash in FY08)				
Earth Products				
Residential Tons Tipped	6,941	7,136	7,500	7,500
Municipal Tons Tipped	1,298	862	350	1,000
Commercial Tons Tipped	<u>479</u>	<u>406</u>	<u>650</u>	<u>500</u>
Total Earth Products Tipped	8,718	8,404	8,500	9,000
Recycled Material Sold (Tons)*	4,759	6,272	6,200	6,200
* Purchased material not included				
REVENUE GENERATED				
Recycling	326,875	477,065	332,500	450,000
Business Opportunities		56,103	145,000	100,000
Tipping Revenue				
Trash	226,477	180,377	180,000	180,000
Earth Products	28,824	22,135	25,000	25,000
Compost	<u>3,124</u>	<u>8,128</u>	<u>46,000</u>	<u>46,000</u>
Total Revenue Generated	585,300	743,808	728,500	801,000
TRASH DISPOSAL COSTS				
Trash Disposal Fees Paid by DPW (including cost for wood recycling)	\$774,491	\$736,574	\$753,000	\$771,605

8.4 BOARD OF LIBRARY TRUSTEES

The total FY09 budget appropriation for the Wellesley Free Library is \$2,364,895. This total is the sum of the tax-impact budget, paid with Town funds, and outside funding for regional interlibrary services.

Tax Impact Budget

	FY07	FY08	FY09	FY08-FY09	
	Actual	Approp.	Request	Dollars	Percent
Personal Services	\$1,467,195	\$1,531,230	\$1,538,570	\$7,340	0.5%
Expenses	\$579,670	\$597,753	\$613,536	\$15,783	2.6%
Total	\$2,046,865	\$2,128,983	\$2,152,106	\$23,123	1.1%

Regional Services

Personal Services	\$148,112	\$138,631	\$141,255	\$2,624	1.9%
Expenses	\$76,710	\$66,871	\$71,534	\$4,663	7.0%
Total	\$224,822	\$205,502	\$212,789	\$7,287	3.5%

Town Funds (tax-impact) portion of the budget

The Board of Library Trustees has requested a tax-impact budget for FY09 of \$2,152,106. The personal services budget includes funding for step increases and two additional Sunday openings in FY09. It does not include annual salary increases for employees covered by the contract with the Employees Association, which expires in June 2008. Rising electricity costs are the primary reason for the increase in expenses.

Regional Funding for Interlibrary Loan Services

The Wellesley Free Library provides Interlibrary Loan services to patrons of the Metrowest region through a yearly contract with the regional office of the Board of Library Commissioners. These services, although voted as part of the total library appropriations, are not funded by Wellesley municipal taxes. The FY09 budget is \$212,789. Costs have risen slightly due to an anticipated increase in postage and salary increases. FY09 is the second year of a three-year contract for the delivery of these services.

Other Funding

Through funding from various endowments and private fundraising efforts, the Library Trustees pay for other programs that are not reflected in this budget. Advisory has had only limited visibility to these funds and how the expenses supported by these sources relate to those funded by taxes.

Library Overview

The Library continues to be an important resource and meeting place for a wide cross-section of citizens. Close to 70% of the Town's residents have library cards and during 2007 the Library offered 488 programs attended by almost 11,000 children and 3,800 adults.

In its fourth year, the new library efficiently serves a growing number of patrons while maintaining a high level of service; the current productivity level would not have been possible in the old building. Well over a half-million items were circulated in FY07, with almost ten percent remote renewals adding to the efficiency of the circulation desk. The Library provides 53 public access computers where patrons can access databases, the library catalogue and the Internet. In addition, wireless connections increased significantly, to almost 9,500 during the year.

Branches

The FY09 budget does not include any branch expenses. The Trustees continue to wrestle with the effects of the branch closings on senior citizens, families with young children, the handicapped and other branch library users. A citizen Branch Campaign is currently underway to raise funds to reopen one or both branch libraries with a possible combination of private funding and leased space. The Wellesley Community Children’s Center is currently leasing the Fells Branch building for their after-school program, and also space in the Hills Branch for office use.

Summary

The Library Trustees have worked aggressively to explore and experiment with new ways to maximize the benefits and potential of the new Library building. The increases in usage and the extensive number and variety of programs now available are testimony to the success of many of these efforts. They have also been committed to finding ways to permit the reopening, at some level, of the Branches, obviously without encumbering the Town.

Advisory recognizes that public libraries face increasing challenges to provide a fully developed level of service and materials with municipal funds. The Wellesley Free Library is supported by a number of private funding sources. For example, the Centennial Fund is relied on for the purchase of materials that enhance but do not replace core materials, and all programming provided by the Library is sponsored by the Friends of the Library.

Advisory again encourages the Trustees to provide Advisory with a complete presentation of Library funding, which details sources and uses outside the tax impact budget and would enable a fuller understanding by Town Meeting of its financial picture.

8.5 RECREATION

	FY07	FY08	FY09	FY08-FY09	
	Actual	Approp.	Request	Dollars	Percent
Personal Services	\$296,969	\$314,066	\$331,564	\$17,498	5.6%
Expenses	\$71,562	\$78,900	\$70,366	(\$8,534)	-10.8%
Total	\$368,531	\$392,966	\$401,930	\$8,964	2.3%

The Recreation Commission’s budget covers personal services for professional staff, administrative expenses, building maintenance expenses and Morses Pond water treatments. Staffing for FY09 is flat. The apparent increase in personal services reflects an understatement in the FY08 budget.

The 2007 Annual Town Meeting approved the establishment of a revolving fund for Recreational program revenues. Any unreserved balance in excess of \$10,000 at the end of the fiscal year is returned to the General Fund. Recreation programs, which showed a \$40,000 deficit in FY03,

yielded a surplus of \$90,000 returned to the Town in FY07. Program revenue is expected to fund all Recreation cash capital needs in FY08 and FY09.

8.6 BOARD OF HEALTH

	FY07 Actual	FY08 Approp.	FY09 Request	FY08-FY09 Variance	
				Dollars	Percent
Personal Services	\$266,273	\$316,142	\$311,888	(\$4,254)	-1.3%
Expenses	\$69,451	\$82,917	\$89,403	\$6,486	7.8%
Total	\$335,724	\$399,059	\$401,291	\$2,232	0.6%
Mental Health Services	\$157,808	\$178,923	\$208,316	\$29,393	16.4%

The FY09 personal services budget does not include annual salary increases for the professional staff; these are appropriated under Article 5. The increase in expenses in FY09 is largely the result of a 13% increase in the Health Department's share of utility costs in the Warren Building and the addition of equipment maintenance costs for the emergency preparedness trailer and generator.

The increase in the FY09 Mental Health budget provides for a full-time, on-site outreach worker at Wellesley High School, expanded from three days per week in FY08. On-site services at the Middle School will remain at two days per week.

8.7 NATURAL RESOURCES

Natural Resources Commission

	FY07 Actual	FY08 Approp.	FY09 Request	FY08-FY09 Variance	
				Dollars	Percent
Personal Services	\$138,300	\$164,043	\$167,288	\$3,245	2.0%
Expenses	\$19,832	\$19,650	\$20,140	\$490	2.5%
Total	\$158,132	\$183,693	\$187,428	\$3,735	2.0%

The NRC manages park and conservation land, cares for public shade trees, acquires land and conservation restrictions, sets policy for pest control and pesticide use, protects the Town's forests and serves as the Town's wetlands protection agency.

The NRC plays an active role in a broad array of collaborative efforts with other boards including the Morses Pond Comprehensive Management Plan, the Playing Fields Task Force, and others.

Morses Pond Comprehensive Plan

	FY07 Actual	FY08 Approp.	FY09 Request	FY08-FY09 Variance	
				Dollars	Percent
Expenses	\$41,354	\$166,500	\$160,370	(\$6,130)	-3.7%

This appropriation provides the operating expenses required to carry out activities under the Morses Pond Comprehensive Plan, principally the services of a Pond Manager consultant, the operation of the weed harvester, and the operation of the phosphorous inactivation system. This appropriation does not include expenses for water treatment and related activities carried out by the NRC, Recreation and DPW within their own budgets.

8.8 MUNICIPAL LIGHT PLANT – TAX IMPACT

	FY07 Actual	FY08 Approp.	FY09 Request	FY08-FY09 Variance	
				Dollars	Percent
Personal Services	\$ 66,739	\$ 67,957	\$ 67,957	\$ -	0.0%
Expenses	\$ 17,011	\$ 17,198	\$ 26,834	\$ 9,636	56.0%
Total	\$ 83,750	\$ 85,155	\$ 94,791	\$ 9,636	11.3%

The Municipal Light Plant oversees the maintenance of the Town's fire alarms and traffic signals. Costs related to these items are paid from tax revenues. The MLP pays one full-time employee and uses the services of a retired signal alarm foreman to maintain the fire alarms and traffic signals.

Approximately two-thirds of the total expense is attributable to fire alarm maintenance and one-third to traffic signals. Private users of the fire alarm system are projected to pay approximately \$55,200 in FY09, or approximately 92% of the cost of the fire alarm program. Town buildings are connected to the alarm system without charge.

The budget request exceeds guideline because of the need to replace approximately 4,000 feet of cable that is over 60 years old, at an estimated cost of \$7,500. Contributing to increased costs are the addition of fourteen new pedestrian crossing signals in recent years, the addition of traffic signals at Walnut and Cedar Streets and on Linden Street, the cost of video detection equipment, increased use of electricity, and higher electrical rates.

The MLP has invited consideration of whether it is the best entity to oversee the Town's fire alarms and traffic signals. While not ripe for consideration at this time, this may be a matter for a future Town meeting.

8.9 SCHOOL COMMITTEE

SCHOOL BUDGET SUMMARY

	FY07 Actual	FY08 Approp.	FY09 Budget	% Change from FY08
I. INSTRUCTIONAL				
Personal Services				
Regular Education	28,025,042	30,153,215	32,166,586	7%
Special Education	5,674,427	6,149,735	6,103,178	-1%
Expenses				
Regular Education	1,217,176	1,267,528	1,376,963	10%
Special Education	96,705	94,296	114,015	21%
Instructional Subtotal	35,013,350	37,664,774	39,760,742	6%
II. CENTRAL ADMINISTRATION				
Personal Services	795,046	827,388	833,191	1%
Expenses	158,550	186,875	177,750	-5%
Administration Subtotal	953,596	1,014,263	1,010,941	0%
III. OPERATIONS				
Personal Services	2,164,874	2,276,296	2,368,215	4%
Expenses	2,200,074	2,208,263	2,425,853	10%
Operations Subtotal	4,364,948	4,484,559	4,794,068	7%
IV. COMMUNITY SERVICES				
Subtotal Categories I - IV	3,192	5,000	5,000	0%
V. SPECIAL TUITION and TRANSPORTATION				
Personal Services				
Inclusion Program	2,155,599	2,516,419	2,936,152	17%
Transportation	311,055	441,740	459,692	4%
Expenses	4,218,001	3,492,316	4,875,713	40%
Subtotal Category V	6,684,655	6,450,475	8,271,557	28%
TOTAL	47,019,741	49,619,071	53,842,308	8.5%

NOTES:

Instructional - All regular education and a portion of special education for services to students with mild to moderate special needs.

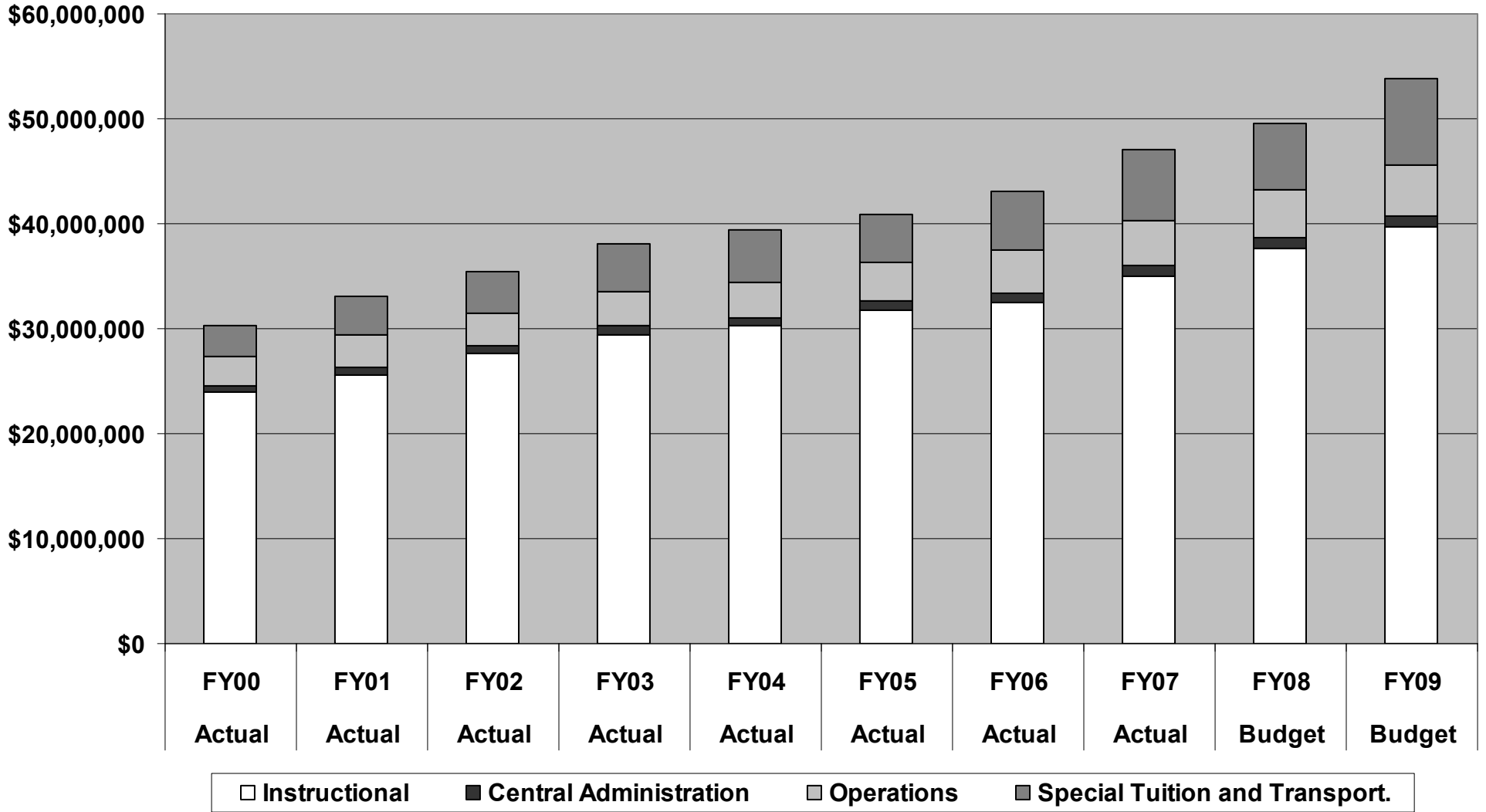
Central Administration - District wide administration including the School Committee and the Office of the Superintendent.

Operations - School business services, custodial and maintenance costs, utilities and regular education transportation.

Community Services - Non-school activities, Town Meeting and voting.

Special Tuition and Transportation – “Inclusion” programs within district and out-of-district tuitions for students with intensive special needs, including special transportation costs.

Ten Year School Budget Summary



The School Committee is requesting an appropriation of \$53.8 million for school operations in FY09, an increase of \$4.2 million (8.5%) from the FY08 budget. The School operating budget accounts for 68% of the Town's total tax impact budget for personal services and expenses

Over the last ten years, the year-to-year growth of the School budget and enrollment have varied considerably. The annual increases shown below are based upon actual results, except for FY08 and FY09 where budget figures are used. The annual increase in the School budget has averaged 6.9% over the past ten years, and 6.5% over the last five years. The annual increase in enrollment has averaged 3.0% over the past ten years, and 2.7% over the last five years.

Ten Year Increase in Total School Budget and Student Enrollment										
	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09
School Budget	9.0%	9.2%	7.3%	7.2%	3.4%	3.7%	5.4%	9.2%	5.5%	8.5%
Enrollment	3.4%	2.4%	2.4%	3.9%	3.9%	3.4%	3.4%	1.6%	3.2%	2.1%

I. Getting to a Budget

The School Committee's requested budget of \$53.8 million represents an increase of 8.5% over the FY08 budget. This budget is a reduction of \$1,200,000 from the School Committee's initial \$55.0 million budget, approved by the School Committee in early January.

This year there have been several iterations of the School budget and many concerns raised by both the School Committee and parents about the process of assessing the Town's total shortfall in revenue compared to projected expenditures and the reductions required to arrive at the final budget request. The Advisory guideline for the FY09 School budget was a 5.0% increase in personal services and a 3.5% increase in expenses (for an overall increase of 4.78%). For all other Town Departments and Boards, the guideline was 3.0% and 2.5%, respectively. These Advisory guidelines were principally based upon the Town Wide Financial Plan presented at the 2007 Annual Town Meeting, and the goal of avoiding, or minimizing, an operating override. In December, the Superintendent recommended a \$54.3 million budget based upon the School Committee's instructions that represented a 9.5% increase over FY08, and which included additional funding for special education, enrollment growth, and contract settlements. As part of the School Committee's review of the recommended budget, several additional requests were considered for sustaining and advancing the educational program to reflect the impact of enrollment and special education growth, bringing the approved budget to the \$55.0 million mentioned above - an increase of 10.9% over the FY08 budget.

Some \$1.8 million, or one-third of the total budget increase (3.7% of the 10.9% increase), related to Special Tuition and Transportation (STT). In light of the difficulty of meeting the Advisory guideline with an increase of this magnitude in the costs of services and programs that are mandated by federal and state regulations, and thereby difficult to control or reduce, Advisory proposed to the School Committee that the portion of the budget increase related to STT be excluded from the guideline. If the School Committee could meet the Advisory guideline for the 'non-STT' portion of the budget, then the STT increase could be funded with an operating budget override of approximately \$1.6 million. This proposal required reductions totaling \$1,440,000 from the School Committee's \$55.0 million January budget, and the School Department prepared a list of proposed reductions. These were discussed at some length by the School Committee.

On the day of the School Committee meeting to vote the final budget, it was learned that there were approximately \$2 million of favorable changes to the Town's FY09 budget projection. The details of these changes are more fully described in the Advisory Committee Chairman's letter at the beginning of this report. These favorable budget developments were sufficient to completely fund the projected increase in STT costs without the need for a budget override, and to also provide \$200,000 additional funding, so that the reductions from the initial School budget could be lowered from \$1.4 million to \$1.2 million. The budget presented here includes the \$1.2 million of reductions, which were voted by the School Committee on February 26, 2008, as this report was being finalized. Some of the detailed allocations to specific budget categories may be changed by the School Committee before the Annual Town Meeting.

II. Analysis of FY09 Cost Growth

The following analysis of the FY09 School budget examines the components of the 8.5% cost growth. Additional information and analysis of the most significant aspects of the School budget may be found in three appendices at the back of this report. Additionally, there is substantial "benchmarking" information included within the Appendices that compares Wellesley's schools with a group of nearby similar towns' schools.

Appendix A – Teachers' Salary Structure
 Appendix B – Special Education Programs
 Appendix C – Enrollment Forecasts

It is important to understand not only the components of cost increases in FY09, but also how that cost growth compares to the budgeted increases in FY07 and FY08. A comparison of the year-over-year cost drivers is shown in the table below, and discussed in detail following the table.

Drivers of Cost Increases						
Percentage of Prior Year's Total Budget						
	FY07		FY08		FY09	
	\$	%	\$	%	\$	%
Total Prior Budget	42,721,441		47,032,871		49,619,071	
Personal Services	1,791,284	4.2	2,333,867	4.9	1,485,700	3.0
Special Tuition & Transport.	1,034,323	2.4	25,916	0.1	1,821,082	3.7
Enrollment Increases	490,626	1.2	275,840	0.6	500,558	1.0
Utilities Expense	516,851	1.2	(63,298)	-0.1	209,467	0.4
Program Enhancements	308,800	0.7	54,315	0.7	184,631	0.4
All Other Changes, net	169,546	0.4	(40,440)	-0.1	21,799	0.0
Total Current Budget	47,032,871	10.1	49,619,071	5.5	53,842,308	8.5

- Personal Services Increase (Level Services) Increase of \$1,485,700 (3.0%)**

The School Department's FY09 budget includes \$44.8 million for all personal services, an increase of 5.7% from the FY08 personal services budget of \$42.4 million. The table immediately above looks at personal services costs a bit differently. It shows the personal services increase as a percent of the total budget increase and assumes 'level services,' i.e., stable staff size, providing the same programs for the same number of students. This excludes personal service increases due to special tuition and transportation, enrollment increases, and program enhancements. For FY09, the level service increase is \$1,485,700, or 3.0% of the total budget increase of 8.5% from FY08. The year-over-year increase in personal services is lower than in the two prior years in both the dollar amount and in percent of the

increase. This reflects a substantial projected savings from ‘staff turnover,’ as described below, as well as assumptions about the settlement of the new teachers’ contract.

As more fully described in Appendix A to this report, the teachers’ salary structure has a system of “steps and lanes,” which provide a salary increase for each added year of experience (a “step”) and for achievement of additional educational milestones (a “lane change”). There is also a base annual percentage increase to all salaries; over the three years of the current teachers’ contract, the average annual increase to the base has been 3.25%. There are several other salary adjustments that affect the year-to-year change in Personal Services expense, including changes for steps and lanes, increases for the groups not covered by collective bargaining, changes for retirements, returns from leaves of absence, and savings from ‘turnover’ as new teachers are hired, typically with less experience and lower salaries than the ones they replace.

The current collective bargaining agreement between the Wellesley Teachers’ Association and the School Department is in its third and final year. Teachers’ salaries, which are set by the contract, are the major driver of personal services (approximately 75%). As this report goes to press, negotiations are underway for a new contract with the teachers, and with several other employee groups, including secretaries, custodians, and cafeteria workers. Unlike the other collective bargaining agreements in Town, the school employee contracts are not subject to specific ratification by Town Meeting. Therefore, by state statute, funds are included in the FY09 budget to meet anticipated possible settlements of these collective bargaining negotiations. It is possible that by Town Meeting one or more of the agreements may be settled; the School Committee could then describe more specifically the financial impact of any such agreements on the FY09 budget. Teacher contracts in nearby towns similar to Wellesley have recently been negotiated with annual base increases in the range of approximately 2.5% to 3.5% (an average lower than Wellesley’s current contract’s average nominal increase of 3.25%, and lower than the FY08 effective increase of 3.89%). Although the FY09 budget includes a provision for anticipated salary increases, the final contract agreement could require adjustments to spending on new hires, or in other areas, in order to stay within the proposed budget.

- **Special Tuition and Transportation** **Increase of \$ 1,821,082 (3.7%)**
Special Tuition and Transportation (Category V in the Budget Summary) contains the costs associated with educating the students with the most intensive special needs. Special Tuition and Transportation (STT) does not include costs associated with educating the students with mild to moderate disabilities, which are reflected in the Instructional category of the budget. The FY09 budget for STT, based upon those students identified with intensive special needs as of October 1, 2007, is \$8,271,557, an increase of \$1,821,082, or 28%, over FY08. However, this percentage increase is not an accurate comparison, as there have been substantial unbudgeted STT costs in FY08 due to unanticipated out-of-district placements and tuition changes. When these additional costs of approximately \$1 million are added to the FY08 STT budget, the increase for FY09 is approximately 11%, slightly below the average annual increase of 15% in the STT budget for the prior three years. Under Article 7 of the Annual Town Meeting Warrant, the School Committee will request a supplemental appropriation to the FY08 budget to fund these additional FY08 costs.

The significant increase in projected STT expenses for FY09 is due primarily to the following:

- An increase in the number of students placed in out-of-district programs
- Significant increases in tuition rates for out-of-district programs
- The addition of a second inclusion classroom and special educator at the Elementary level

In order to understand the impact of STT on the operating budget, it is important to understand its components. STT includes: 1) the staff salaries and expenses to educate students with intensive special needs who receive instruction in the “Inclusion” program within the Wellesley schools, 2) the expenses (tuition) for those students who must be educated “out-of-district”, and 3) state ‘circuit breaker’

reimbursement for out-of-district tuitions that exceed a threshold amount. In addition, STT includes the transportation costs (either van driver salaries or contracted transportation services) for any special needs students who require transportation. See Appendix B for a more detailed discussion of STT programs, services, and funding.

Special Tuition and Transportation				
	FY07	FY08	FY08	FY09
	Actual	Budget	Budget Adj*	Budget
Number of Students				
Inclusion	87	96	119	132
Out-of-District	66	68	84	93
Transportation	123	128	136	141
Costs				
Personal Services	2,466,654	2,958,159	3,092,030	3,395,844
Expenses:				
Inclusion	306,400	465,600	465,600	437,900
Out-of-district tuition	4,388,824	4,575,282	5,377,998	6,010,741
Less: Circuit breaker	(1,270,009)	(1,899,644)	(1,899,644)	(2,040,466)
Transportation	390,176	351,078	443,078	467,538
Total Net Cost	6,684,655	6,450,475	7,479,062	8,271,557
* FY08 Budget Adjusted for the unanticipated and unbudgeted STT costs that were incurred in FY08. See Article 7 for additional details.				

Approximately 70% of the growth in the FY09 STT budget is due to the increase in out-of-district tuitions, which, net of circuit breaker reimbursement, increased 48% from the FY08 budget. However, due to 24 students requiring unanticipated placements outside of the Wellesley school system, and to an increased number of students qualifying for transportation during the FY08 school year, STT actual expenses rose dramatically during FY08. Comparing the FY09 budget to the FY08 budget, adjusted for the Article 7 supplemental request, yields a 14% year-to-year increase in out-of-district tuitions net of circuit breaker reimbursement. The FY08 increases have carried forward to the FY09 budget, as all of the students currently in out-of-district programs (plus nine new placements) are expected to continue receiving services in out-of-district programs in FY09. Eleven students currently, and in the FY09 budget, are in residential programs: eight are in 12-month programs and three are in 11-month programs. The remaining 82 students are in day placements (58), collaborative placements (17), or vocational programs (7). FY09 budgeted costs and FY08 annual tuitions ranges are as follows:

FY09 Budget Out-of District Students and Tuition Cost					FY08 Range of Tuitions	
	FY09 Students	Out of District Tuitions	Circuit Breaker Offset	Net Tuition Cost	Low	High
Residential	11	2,143,413	(1,326,770)	816,643	49,418	358,812
Day	58	3,084,399	(604,480)	2,479,919	26,919	120,051
Collaborative	17	637,798	(109,219)	528,582	35,310	51,838
Vocational	7	145,131	-	145,131	17,400	20,413
Total	93	6,010,741	(2,040,466)	3,970,275		

The FY09 tuition budget also includes a 3.5% across-the-board increase from FY08 for out-of-district tuitions, as advised by the Massachusetts Department of Education, as well as tuition increases ranging from 4.8% to 63.5% at seven special education schools that have applied for extraordinary tuition relief, allowing them to raise their tuitions in excess of the standard 3.5% in FY09.

In an effort to contain the growing costs of transportation services for special needs students, the School Department operates 13 vans to provide transportation to 88% of Wellesley's special needs/vocational students. The School Department estimates that these vans will provide a savings of approximately \$1,226,000 as they reduce the need to use more costly outside vendors. Nevertheless, FY09 budgeted expenses for contracted transportation services increased approximately \$114,000 from FY08 due to the increasing number of special needs students requiring transportation services.

Whenever possible, the School Department creates new programs to educate more special needs children in Wellesley, thereby allowing students to be educated in-district and avoiding the more costly out-of-district placements. Currently, Wellesley's inclusion program includes two pre-school classes, three elementary school classes, a Middle School Intensive II program, and a High School Bridges program. The FY09 budget includes the addition of a second ISS, "Inclusion Services at Sprague School," classroom, and a Special Educator (1.0 FTE) to provide services for four students "aging up" from the preschool. If these programs were not created, these children would need to be educated outside of Wellesley at significantly greater cost. As an additional cost saving measure, the budget includes a behavior analyst (1.0 FTE) to support, train, and provide behavioral consultation for students on the autism spectrum. Currently, services are contracted from four external agencies to support these students.

The FY09 budget also includes \$98,000 to hire a full-time Out-of-District Coordinator to provide comprehensive oversight of all out-of-district placements. Currently, special education department heads, directors, and psychologists serve as liaisons between families, students in need of placement, out-of-district schools, and the Department of Education. As the out-of-district caseload has grown, the Schools have identified the need to hire a person dedicated to understanding and overseeing all out-of-district placements, both to manage the associated tuitions and expenses, and to enable department heads to spend more time on the needs of students within the district.

- **Enrollment Increase Cost Growth** **Increase of \$500,558 (1.0%)**
There is considerable variability in the impact of any one year's enrollment growth on staffing levels and budgets, depending not only on the absolute size of the year's enrollment growth, but also on the changing "mix" of students represented in the student body. The distribution of students across schools, grades, academic interests, and learning skills does matter, as do existing staffing patterns, class sizes, and so on. In certain years, enrollment increases can be absorbed without significantly impacting class size guidelines, while in other years enrollment increases reach a level that requires hiring additional teaching staff. The challenge is to absorb the enrollment increases while maintaining class size guidelines and the full breadth of program offerings.

The table below presents the projected enrollment increase for FY09 and for the last several years, along with the associated operating budget increase. FY09 appears to be a year of modest impact on the total School budget increase, at 1.0% of the total budget increase of 8.5%, compared to the projected enrollment growth of over 2%. The FY09 budget increase is based upon nine new FTE positions (seven professional and two support) together with \$46,000 in additional expenses. In the FY08 budget the School Department had also projected an increase of 96 students, and based the budget upon eight new FTE (three professional and five support) with no additional expenses. The FY09 budget increase is higher for the same number of projected students due to a staffing mix of more professionals and higher budgeted expenses. Of course, the 'projection' used to build the budget may turn out to be incorrect: in FY06 and FY07, the actual enrollment was only one or two students different from the projection, but in FY08, the actual enrollment was 146 compared to the projection of 96, due in some considerable part to

the enrollment of 32 more first-grade students moving into Town than anticipated, referred to as ‘in-migration’ in the enrollment projections.

Enrollment Projections and Budget Increases				
	Projected Additional Students		Operating Budget Increase	
	Students	% Students	Costs	% of Total
FY06	146	3.4%	\$840,000	2.1%
FY07	71	1.6%	\$491,000	1.2%
FY08	96	2.1%	\$276,000	0.6%
FY09	96	2.1%	\$501,000	1.0%

Totals K to 12, not including Pre-K or Out-of-District Students

- Utilities Expense** **Increase of \$209,467 (0.4%)**

Total utilities expense, including fuel oil, natural gas, electricity, telephone, trash, water, and sewer, are budgeted at \$1,896,565, or approximately 3.5% of the total School Department’s FY09 budget. The budgeted increase of \$209,467 in this category accounts for 0.4% of the total 8.5% FY09 budget increase. This follows a slight decrease in the FY08 budget, after having been a major driver of the FY07 budget increase due to higher costs of all energy.

Within the utilities expense category, the largest cost is gas and oil used for building heating, which is projected to decline modestly next year to \$1,045,675. The School Department purchases oil and natural gas under contracts negotiated through The Educational Collaborative (TEC), and the budgeted costs are based upon the most current information provided by TEC. Other Town departments also purchase oil and gas through these School Department contracts. Electricity costs, the second largest item in the category, are projected to increase very sharply in FY09, from \$391,171 in FY08 to \$601,345 in FY09, an increase of more than 50%. This is the result of the Town’s Municipal Light Plant charging higher rates. Most of the other component costs within the Utilities Expense category are projected to be flat to modestly lower next year.

- Program Enhancements** **Increase of \$184,631 (0.4%)**

Due to budget constraints, the FY09 budget provides only \$184,631 for program enhancements and restorations, more than double the \$54,315 in the FY08 budget, but only two-thirds the amount provided in FY07. The only enhancement in the FY08 budget was the implementation of a state mandated elementary English Language Learners’ (ELL) program. The FY09 budget provides for expanding the ELL program to the Middle School and High School to be in compliance with Department of Education regulations, and to provide additional support at the Fiske Elementary School. The budget also adds a new professional position at the High School in the principal’s office, as well as a 0.5 FTE support staff for system wide building technology.

- All Other Changes, net** **Increase of \$21,799 (0.0%)**

In the FY09 budget, all other changes, totaling approximately \$2,100,000, are over a wide variety of items not included in one of the cost driver categories above. These changes include ‘Expenses’ which increased approximately \$97,000 over FY08, but which were offset by \$75,000 in staffing adjustments and increased fees. There are no major changes from the FY08 expense budget, and many expenses were level funded. However, because there is some level of general price inflation, the real value of supplies and materials and other expenses are probably actually declining. The budget request of \$51,000 for library books was one of the items cut from the budget again this year. While this would be the fourth

year of book purchases being cut from the budget, there may be alternate funding for library purchases from PTOs and other outside sources.

III. Observations

School Budget's Structural Increase

Just as the Town's budget has a 'structural deficit' due to the revenue limits imposed by Proposition 2 1/2 and the growth of salaries and benefits, the School budget has its own structural challenges. Together, the three largest cost drivers – salary increases, mandated special education expenses, and enrollment growth – generate significant pressures on school spending. Salary increases are largely determined by the structure of the salary schedule and the outcome of the teachers' contract negotiations. It should be noted that contract negotiations are not conducted in a vacuum – salaries in Wellesley need to be reasonably competitive with those in peer towns in order to attract and retain the best teachers. The School Department does have some flexibility in determining the total salary budget, as, for instance, adjusting "replacement" hiring policies to maximize the "turnover" savings. The demand for special education services is a growing trend due to changes in the profile of student needs. Because these services are mandated, there is limited opportunity to control the increasing costs. Finally, as long as class size, the student teacher ratio, and program breadth are principal benchmarks of a quality school system, enrollment growth would contribute to the structural budget increase.

FY09 Budget Reductions

The FY09 Budget went through several iterations to get to a guideline budget that is \$1,200,000 less than the \$55.0 million budget initially voted by the School Committee in January. While there is a perception that this required draconian cuts, the total FY09 budget is still 8.5% higher than the FY08 budget, and the regular education (non- STT) portion is up 5.6%. In comparison, the total FY08 budget represented an increase of 5.5% over FY07, and the regular education (non-STT) portion an increase of 7.0%. The FY09 budget reflects an increase in professional staff of 15 FTE, compared to the average increase of 17 FTE over the prior two years. STT had a very large increase from FY08 to FY09, even adjusting for the approximately \$1 million supplemental budget request for FY08. The FY09 enrollment growth budget for 96 additional students is almost twice the amount budgeted in FY08 for the same number of projected new students, and about equal to the FY07 amount budgeted for 72 new students. Likewise, the FY09 budgets for program enhancements, utilities and all other expenses increased over the FY08 budget amounts. The reason increases in these budgets were possible within the 8.5% overall increase is the result of less aggressive salary increases. In the FY09 budget, all personal services are projected to increase less than 6%, while for the two prior years it has increased over 7%. This is a significantly lower growth in personal services, by far the biggest component of the budget, than experienced over the past three years under the current teachers' contract.

Enrollment Growth and Class Size

Significant growth in system-wide enrollments has been a fact of life for the School system since around 1990, and has been an important driver of operating budget increases throughout the period. As discussed elsewhere, Wellesley's enrollment growth over the past five- and ten-year periods has been among, if not the, highest of any of the peer towns. Year-over-year enrollment increases in the range of 75-155 students, or 2%-4%, have been typical, and the School Department's FY09 enrollment forecast projects a continuation of this trend. However, relief from these pressures may occur soon; the projected system-wide enrollment peak is projected at 4,820 in FY12 compared to the FY09 budgeted enrollment of 4,774. Peak enrollment at the Elementary schools is forecast in FY09, with the Middle School following in FY14, and the High School in FY18. However, costs may not immediately decline as total enrollment declines because the cost per student is greater at the middle and high school level than the elementary level, and enrollment will decline first at the elementary level.

The School Department has successfully managed a challenging period of substantial enrollment growth. There has been an effort made to avoid significant increases in the size of classes and in the numbers of classes over guideline. Elementary schools in the past three years have had fewer classes “under” size guideline and more classes “over” guideline than in the prior three-year period. However, less than 10% of classes are over guideline. In no case is there a class more than 1 over guideline, and there are far more classes under guideline than over guideline. At the Middle School it would appear that class size has been appropriately managed despite growing enrollments. Over the past three years, the number of Middle School classes over guideline has been basically level at slightly over 10%. During the past three years at the High School, classes have been basically level at close to 20% over guideline for core academic classes.

Special Tuition and Transportation Costs

The STT portion of the School budget increased 28% over the FY08 budget, or, when adjusted for the FY08 supplemented request under Article 7, approximately 11%. Of the total School budget increase of 8.5%, the increase in STT cost is 3.7%, more than the cost increase in any other category. The STT cost has grown from 10% of the total School operating budget in FY00 to 15% of the budget in FY09. Benchmarking the special education budget (STT and Instructional special education) to other peer towns indicates that Wellesley’s special education budget is the highest percentage of its total school budget at approximately 25% and that the average out-of-district per pupil expenditure is the second highest at approximately \$61,000. Based upon these observations of substantial growth, and major budget significance, of STT costs, the School Department has been encouraged to obtain an independent evaluation to assess the strengths, weaknesses and cost-effectiveness of the special education program.

Capital Budget

It should be noted that the School Committee reduced their original FY09 cash capital budget request of \$1,341,569 by \$329,000 (25%), to comply with Advisory’s request to all departments to keep cash capital requests at the same amount as last year. The School Department faced a significant challenge in doing so because of the need for approximately \$156,000 of capital spending for classroom conversions at the High School to accommodate growing enrollments. Additional capital spending for space conversions and temporary modular classrooms will likely be required in the next few years.

IV. Conclusion – School Budget Process

Preparation and communication of the School budget is typically a challenging task for a variety of reasons. First, it is by far the largest and most complex budget in Town. Secondly, the budget receives intense scrutiny by school parents and others interested in the school system - far more than other Town budgets. The initial budget uses enrollment projections, class size guidelines, curriculum standards, contracted salary rates, special education requirements and expense estimates to develop a budget that maintains a level educational program. This approach provides a baseline upon which to assess the School budget’s impact on the Town’s financial resources. However, this approach also provides the school proponents with information to establish this initial budget as the “acceptable level” of expenditures, without having to accept known or possible financial constraints.

Getting to the final School budget this year was a particularly lengthy and frustrating process for all. It required the School Department to prepare several iterations of the budget, initially increasing the budget for ‘sustaining’ and ‘advancing’ items, and then reducing the budget to meet the Town’s financial constraints. While this year’s experience was unique in several ways, the basic budget process could be improved. The current budget preparation process follows an incremental ‘add on’ approach from the prior year’s budget without consideration of the resources available. This produces an unexpectedly large budget increase, which typically is followed by a ‘cut back’ process to arrive at the final budget. Therefore, much of the discussion and evaluation becomes focused only on reductions.

Developing the FY10 School budget could provide an opportunity to substantially change this process. The School Committee has provided an estimated increase of 6.8% for the FY10 School budget, and 5.8% for the following year, to be incorporated into the Town Wide Financial Plan (TWFP). A copy of the TWFB is included in this report and will be presented to Town Meeting. The budget guidelines proposed by Advisory each year are largely based upon the TWFP, and an accurate estimate from the School Committee could avoid a repeat of this year's unexpected and substantial difference between the FY09 Advisory guidelines for the School budget and the initial School budget approved by the School Committee. It is reasonable to expect that the School Committee's estimated increase could differ from what they may ultimately request, especially in light of the many variables that determine the School budget mentioned above. However, working with a common expectation should reduce, somewhat, the very large difference between an initial budget and the Town's financial plan, and encourage a collaborative effort to achieve both an educationally-responsible and fiscally-balanced budget.

8.10 EMPLOYEE BENEFITS

The Town's Employee Benefits costs are appropriated and largely managed at the Town-wide level under the oversight of the Board of Selectmen. Unlike standard practice in many private sector organizations, most municipalities budget these costs centrally and do not formally allocate them to the boards and departments that are generating the cost. As a result, it can be more challenging to ensure that hiring boards understand the full costs borne by the organization when considering whether to use full-time staff, consultants, or part-time staff. The Executive Director has taken an active role in communicating this information throughout the organization and working with the boards to raise awareness.

The FY09 budget includes \$17,552,815 in funding for Employee Benefits, a 3.7% increase from FY08. This increase comes entirely from higher costs for Group Insurance, primarily health insurance (\$297,128 increase), and for the Town's self-funded Workers' Compensation program (\$327,646 increase).

Group Insurance

	FY07	FY08	FY09	FY08-FY09	
	Actual	Approp.	Request	Dollars	Percent
Expenses	\$11,873,100	\$13,297,872	\$13,595,000	\$297,128	2.2%

The Group Insurance budget covers the Town's share of the cost of employee and retiree health and life insurance benefits. In addition, it includes the cost of the employee assistance program and the Town's share of the Federal Medicare tax, long term disability insurance, and dental insurance. The tax-impact budget request is net of a reimbursement from the Enterprise Funds for their personnel and a credit for interest earnings on the Group Insurance Fund.

Group Health Insurance constitutes 93% of the total in this budget. The Town offers employees a choice among four health plans. The budget request is based on approved premiums for FY09 and the current distribution of employees among the plans. The average increase in FY09 premiums for the four plans is approximately 8%. However, a shift by employees into the less expensive plans during the last enrollment period offsets more than half of the premium increase in the budget-to-budget comparison, yielding a 3% increase in group health insurance costs.

Contract negotiations include a proposal to make changes in the health plans offered by the Town. The cost of Group Health Insurance could be reduced if contract settlements include adoption of the Rate Saver plans.

Costs for the other components of the group insurance budget listed above are declining \$56,840 in aggregate.

OPEB Liability Fund

	FY07	FY08	FY09	FY08-FY09	
	Actual	Approp.	Request	Dollars	Percent
Expenses	\$600,000	\$3,000,000	\$3,000,000	\$0	0.0%

Other Post Employment Benefits (OPEB) liabilities are the actuarially calculated cost of the Town's obligation, incurred in payment for services received in current and prior years, to provide medical insurance in future years to retired Town employees. Because the Town, as other municipalities, funded retiree health care costs on a pay-as-you-go basis until FY06, the Town has an unfunded liability for benefits earned during prior years of over \$90 million (in today's dollars.) This \$3 million appropriation reduces that unfunded liability. Of this funding, \$1.2 million comes from within the levy limit taxes and \$1.8 million comes from a ten-year exclusion voted in FY07.

Workers' Compensation

	FY07	FY08	FY09	FY08-FY09	
	Actual	Approp.	Request	Dollars	Percent
Expenses	\$261,476	\$386,736	\$714,382	\$327,646	84.7%

The Town's Workers' Compensation program is self-funded, with the payment of all claims made directly from the Town's Workers' Compensation Fund. The Town contracts for certain administrative services and an excess coverage policy. The program provides workers' compensation coverage for all Town employees with the exception of uniformed Fire and Police personnel, who are excluded by state statute.

Contributions to the Fund are decided on the basis of an actuarial analysis of potential liabilities. Contributions have increased each year since FY05, following a seven-year period when the Town did not make any new contributions to the Fund. Although the increase in FY09 is substantial, the FY09 contribution is about equal to the premium paid by the Town in 1992, the last year that the Town purchased workers' compensation insurance. The Town Treasurer does not anticipate a significant increase in the FY10 contribution.

Unemployment Compensation

	FY07	FY08	FY09	FY08-FY09	
	Actual	Approp.	Request	Dollars	Percent
Expenses	\$100,000	\$100,000	\$100,000	\$0	0.0%

This Unemployment Compensation budget is used to reimburse the Massachusetts Division of Employment Security for actual claims paid on behalf of the town. The Town has the option of paying a fixed percentage of payroll or actual expenses and has chosen the latter approach. Qualified claims may be reimbursed for a period of up to 30 weeks. Because of the unpredictable nature of claims, the Town tries to keep a balance of approximately \$50,000 in this fund at the end of each fiscal year. As of June 30, 2007, the balance was \$137,526.

Compensated Absences

	FY07	FY08	FY09	FY08-FY09	
	Actual	Approp.	Request	Dollars	Percent
Expenses	\$90,000	\$90,000	\$90,000	\$0	0.0%

The Compensated Absences budget provides funds to pay eligible employees for vacation and sick leave earned in prior years when it is probable that the payment will occur during the budget year. Upon retirement, termination, or death, certain employees are compensated for unused vacation and sick leave, subject to specific limitations, at their then-current rates of pay. For example, firefighters are paid 100% of their unused sick leave days up to a maximum of 520 hours upon termination of employment. Uniformed police personnel are paid 50% of their unused sick leave days upon termination of employment. Employees may not accumulate vacation days for subsequent use in future years. Unspent funds in this budget revert to free cash at the end of the fiscal year.

Non-Contributory Pensions

	FY07	FY08	FY09	FY08-FY09	
	Actual	Approp.	Request	Dollars	Percent
Expenses	\$65,273	\$59,633	\$53,433	(\$6,200)	-10.4%

The Non-Contributory Pension budget provides retirement benefits for four retired employees or their surviving spouses who elected not to become members of the Contributory Retirement System when it was established in 1937. Allowances are also paid to certain veterans who joined the Contributory Retirement System but at retirement elected to take non-contributory benefits. In addition, the Town is responsible to reimburse two other towns for its prorated share of pensions paid for two individuals who had service to the Town.

8.11 CASH CAPITAL AND DEBT SERVICE

This section of Article 8 authorizes the Town's annual expenditure for cash capital (or pay-as-you-go capital) and the payment of debt service (principal and interest) due on Town borrowings. Various boards are requesting cash capital totaling \$2,851,283 in FY09. The budget provides \$3,455,819 to fund FY09 debt service within the levy limit on existing borrowing, \$664,000 to fund FY09 debt service on new borrowing within the levy limit, and \$5,055,863 to fund debt service outside the levy limit. Only cash capital and inside-the-levy-limit debt service affect the Town's annual operating deficit or surplus and therefore potential overrides. Outside-the-levy-limit debt service is funded through debt exclusions. As discussed below, 94% of total debt service, both inside and outside the levy limit, is an existing obligation of the Town for previously approved borrowings.

**Trends in Wellesley Capital Costs
(000s omitted)**

	FY03	FY04	FY05	FY06	FY07	FY08	FY09
Cash Capital	\$2,903	\$2,592	\$2,418	\$2,297	\$2,399	\$2,943	\$2,851
as % of Inside Levy Taxes plus Current Revenue*	4.0%	3.4%	3.1%	2.8%	2.6%	3.0%	2.8%
Inside Levy Debt Service	\$3,282	\$2,999	\$3,113	\$3,625	\$4,033	\$4,010	\$4,120
as % of Inside Levy Taxes plus Current Revenue	4.5%	3.9%	4.0%	4.5%	4.4%	4.2%	4.0%
Outside Levy Debt Service	\$2,137	\$2,379	\$2,316	\$2,862	\$4,473	\$4,413	\$5,056
as % of Total Taxes plus Current Revenue	2.9%	3.0%	2.9%	3.4%	4.7%	4.4%	4.9%
Total Debt Service	\$5,419	\$5,378	\$5,429	\$6,487	\$8,506	\$8,423	\$9,176
as % of Total Taxes plus Current Revenue	7.2%	6.8%	6.7%	7.7%	8.9%	8.4%	8.9%
Total Capital Costs	\$8,322	\$7,970	\$7,847	\$8,784	\$10,905	\$11,366	\$12,027
as % of Total Taxes plus Current Revenue	11.1%	10.1%	9.7%	10.4%	11.4%	11.3%	11.7%
Inside Levy Taxes plus Current Revenue	\$72,619	\$76,197	\$78,583	\$81,448	\$92,133	\$96,569	\$102,296
Total Taxes plus Current Revenue	\$74,756	\$78,576	\$80,899	\$84,310	\$95,927	\$100,312	\$102,918

*Current Revenue equals State Aid plus Local Revenue

The composition of capital costs has shifted noticeably since FY03, with debt service increasing. In FY09, as in prior years, cash capital has been held essentially flat. Meanwhile, building construction and renovation projects have driven up borrowing. More than 80% of the existing inside-the-levy debt service is for schools, the Warren building, and the Library. All of the outside-the-levy debt service is for school projects (Middle School, Bates, and Sprague.) New inside-the-levy limit borrowing continues this pattern, with almost 80% of requested funding for new borrowing attributable to the Seaver Street acquisitions and planning for the high school project.

Advisory believes that it is as important to invest in maintaining existing assets in good condition as it is to build new ones. In the Committee's opinion, flat cash capital budgets are not sustainable into future years. To bring cash capital into alignment with the FY09 projection in the Town Wide Financial Plan and reduce the projected budget gap, departments cut more than 20% (\$811,000) from their initial cash capital requests. In many cases these cuts represent deferrals of replacements and repairs and,

consequently, a build-up of future cash capital needs. Departments project their cash capital needs in FY10 to be \$1.5 million more than the proposed FY09 budget.

CASH CAPITAL

Board of Public Works

The Board of Public Works (BPW) is requesting \$1,303,500 in cash capital, which is nearly half of the total cash capital request. The BPW cash capital is allocated as follows:

	FY08	FY09	FY08-FY09 Variance	
	Approp.	Request	Dollars	Percent
Street and Sidewalk Maintenance	\$525,000	\$580,000	\$55,000	10.5%
Vehicle Replacement	\$378,000	\$557,000	\$179,000	47.4%
Athletic Fields/Playgrounds	\$152,000	\$107,000	(\$45,000)	-29.6%
DPW Facilities Maintenance	\$176,500	\$39,500	(\$137,000)	-77.6%
Other	\$72,000	\$20,000	(\$52,000)	-72.2%
Total	\$1,303,500	\$1,303,500	\$0	0.0%

BPW reduced their original cash capital request of \$1,538,500 by \$235,000 as a contribution to reducing the budget deficit -- \$55,000 from street and sidewalk maintenance, \$60,000 from athletic fields and playground maintenance, and \$120,000 from vehicles and facilities maintenance.

The remaining \$55,000 increase in street and sidewalk maintenance costs largely reflects the increase in the cost of petroleum-based materials that have increased as oil prices have increased. Based on the funding level for street maintenance, which is consistent (when adjusted for increased material costs) with those of the last several years, the Town is able to rehabilitate streets (not including major connector streets funded through Chapter 90 or other funds) over approximately 20 years, at the long end of the targeted 15 to 20 year targeted cycle. In contrast, the Town is spending at a level that allows sidewalks to be rehabilitated over perhaps a 100-year cycle.

Vehicle replacement is based on an annual process of repairing or replacing high-maintenance and unreliable vehicles as well as screening for vehicles that are underutilized. The FY09 vehicle replacement budget provides for the replacement of nine of the department's 129 vehicles. Two-thirds of the budget is for the replacement of three specialized trucks used for sanding/salting, sidewalk plowing, and trash pickup/compaction; two of these are more than 25 years old. Since the current replacement value of the fleet is more than \$7 million, the average effective replacement or rehabilitation cycle is between 15 and 20 years.

The major capital project within Athletic Fields/Playgrounds will be the Fiske School fields. This project is smaller in scope than work at other locations in FY08, hence the reduction in this budget item.

School Committee

The School Committee is requesting \$982,415 in cash capital, which is nearly 35% of the total cash capital request. School cash capital is allocated as follows:

	FY08	FY09	FY08-FY09	
	Approp.	Request	Dollars	Percent
Technology	\$522,049	\$488,196	(\$33,853)	-6.5%
Furniture and Furnishings	\$118,081	\$54,474	(\$63,607)	-53.9%
Roof Maintenance and Repairs	\$104,000	\$36,000	(\$68,000)	-65.4%
Copiers, Equipment and Storage	\$80,864	\$50,711	(\$30,153)	-37.3%
Environmental Safety	\$40,000	\$0	(\$40,000)	-100.0%
Modular Classroom Study	\$30,000	\$0	(\$30,000)	-100.0%
Instructional Equipment	\$30,537	\$30,534	(\$3)	0.0%
Maintenance Equipment	\$29,280	\$7,100	(\$22,180)	-75.8%
Interior Reconfigurations/Improvements	\$20,000	\$163,000	\$143,000	715.0%
Plumbing and Heating	\$8,000	\$135,800	\$127,800	1597.5%
Electrical/Fire Alarms/Emergency Lights		\$16,600	\$16,600	
Total	\$982,811	\$982,415	(\$396)	0.0%

To help reduce the budget deficit, the School Committee reduced its original cash capital request \$359,154. Reductions came from technology (\$91,803), furniture and furnishing (\$60,584), copiers/equipment (\$50,549), interior reconfiguration (\$70,000), electrical/fire alarms (\$35,000), vehicles (\$34,000), instructional equipment (\$13,918) and maintenance equipment (\$3,300).

The technology budget includes \$382,779 to replace equipment on a six-year cycle; the remainder of the technology budget provides for new equipment for increased enrollment and other purposes (\$47,385), and system maintenance, such as a network server and firewall licenses (\$47,385). The large increase in spending on interior reconfigurations is for the construction of four classrooms at the high school, to accommodate growing enrollment. Higher spending on plumbing and heating is largely for replacement of a ventilation unit in the Hunnewell gymnasium (\$52,000) and for the replacement of tubes in the High School boilers (\$55,000). Spending on other categories has been reduced in order to accommodate these items within a flat cash capital.

Board of Selectmen

	FY08	FY09	FY08-FY09	
	Approp.	Request	Dollars	Percent
Administration				
Customer Service software	\$10,000	\$0	(\$10,000)	
Mailing System	\$0	\$26,092	\$26,092	
Network and Information Systems	\$0	\$41,000	\$41,000	
Transportation Study	\$0	\$25,000	\$25,000	
Public Safety				
Police	\$76,104	\$51,126	(\$24,978)	-32.8%
Fire	\$46,000	\$64,050	\$18,050	39.2%
Building Maintenance				
Total	\$291,904	\$367,068	\$75,164	25.7%

The Board of Selectmen oversees capital budgets from three functions: General Government Administration, Public Safety, and Building Maintenance. Within Administration, the mailing system costs are the Selectmen's share (30%) for a system shared with the enterprise funds. Network and Information Systems capital will pay for the first year of a three-year project to upgrade switches on the Town's network and the first year of a three-year project to upgrade desktop software for 220 users. Authorization for the transportation study is being requested under Article 19.

In FY09 the Public Safety capital budgets will be funded from the Police Detail Account, by transferring \$115,176 to General Fund revenue. Receipts from contractors and others who request a police presence at their site are recorded in the Police Detail Account and policemen are paid for this special detail work from this account. The account accumulates a surplus, because charges include an allocation for administrative and cruiser costs. The balance in the account as of June 30, 2007 was \$337,112.

The Building Maintenance budget provides for many routine maintenance projects at Town Hall, the Fire Station, Police Station, and the Warren Building.

Natural Resources Commission

	FY08	FY09	FY08-FY09	
	Approp.	Request	Dollars	Percent
Tree Planting	\$25,000	\$25,000	\$0	0%
Fuller Brook Park Restoration Study	\$0	\$10,000	\$10,000	
Warren basketball court/Trails/Markers	\$31,000	\$0	(\$31,000)	-100%
Morses Pond Project				
Design/permit stormwater management	\$0	\$50,000	\$50,000	
Total	\$56,000	\$85,000	\$29,000	52%

The NRC reduced its original capital budget request by \$22,000 to help reduce the budget deficit. The Commission also closed several old capital projects and is acting to complete several more in FY09. The \$10,000 Fuller Brook Park study will enable the NRC to update and complete a master plan for restoring the park that was initiated in FY03; NRC plans to request implementation funds in FY10. The tree-planting program is an annual capital program appropriated to NRC and implemented through the DPW to replace trees lost due to disease and weather.

The NRC also deferred several elements of the Morses Pond Comprehensive Management Plan, reducing that capital request by \$70,000, and retaining only the initiative to develop design plans and obtain permits for stormwater management.

Town Clerk

	FY08	FY09	FY08-FY09 Variance	
	Approp.	Request	Dollars	Percent
Voting Machines	\$0	\$52,000	\$52,000	
Vital Records preservation	\$16,000	\$0	(\$16,000)	
Total	\$16,000	\$52,000	\$36,000	225.0%

The vendor will no longer support the Town's current voting machines.

Board of Library Trustees

	FY08	FY09	FY08-FY09 Variance	
	Approp.	Request	Dollars	Percent
Computer/Server replacements	\$24,000	\$33,000	\$9,000	37.5%
Repaint garage floor	\$8,000	\$0	(\$8,000)	
Fells Branch doors/windows	\$10,504	\$0	(\$10,504)	
Video surveillance system	\$0	\$3,300	\$3,300	
Total	\$42,504	\$36,300	(\$6,204)	-14.6%

To help close the budget deficit, the Board of Library Trustees deferred replacement of the boiler at the Hills Branch to FY10 and agreed to provide a portion of the funding for the video surveillance system from other funds. Advisory and the Library Trustees have discussed whether the Town should bear the full responsibility for future capital investments in the branches, given the Town vote to close them.

Planning Board

	FY08	FY09	FY08-FY09 Variance	
	Approp.	Request	Dollars	Percent
Bylaw Recodificaiton	\$25,000	\$25,000	\$0	0.0%
Specific studies	\$25,000	\$0	(\$25,000)	-100.0%
Total	\$50,000	\$25,000	(\$25,000)	-50.0%

Advisory supports the Planning Board's efforts to streamline the Zoning Bylaws.

Recreation

All recreation department equipment purchases in FY08 and FY09 are being funded through the non-tax impact program budget.

DEBT SERVICE

This budget provides funds to pay the FY09 debt service (principal and interest payments) due on all Town permanent and temporary loans, except those of the Enterprise Funds, which are paid from their respective budgets.

Inside the Levy

	FY08	FY09	FY08-FY09	
	Approp.	Request	Dollars	Percent
Current	\$3,683,969	\$3,455,819	(\$228,150)	-6.2%
New	\$312,211	\$655,000	\$342,789	109.8%
Temporary Interest	\$14,000	\$9,000	(\$5,000)	-35.7%
Total Inside Levy Debt Service	\$4,010,180	\$4,119,819	\$109,639	2.7%

The current inside the levy limit appropriation covers debt service for projects and borrowings that have been approved by previous Town Meetings. The decline in this debt service reflects \$130,000 reduction in principal payment on street and sidewalk reconstruction loans, and the Town’s practice of “level principal amortization” (paying off an equal amount of principal each year), which results in a decline in interest costs over time.

The requested new inside the levy limit appropriation includes estimated debt service costs for four borrowings proposed for approval at this ATM and five previously approved borrowings:

New Proposals

- Further planning for the High School project (see Article 17)
- Improvement of Sprague Fields (see Article 20)
- Fire truck (FY09 request)
- Pedestrian signal at intersection of Linden and Weston (Article 15)

Previously Approved

- Acquisition of Seaver Street parcels (approved Fall 2007 STM)
- Road improvements at Weston Rd (approved Spring 2007 ATM)
- Road improvements at Woodside Avenue (approved Spring 2007 ATM)
- Planning for the High School project (approved Spring 2007 ATM)
- Parking machine replacement (approved Spring 2007 ATM)

Outside the Levy

	FY08	FY09	FY08-FY09	
	Approp.	Request	Dollars	Percent
Current	\$3,932,688	\$3,851,713	(\$80,975)	-2.1%
New	\$480,000	\$1,204,150	\$724,150	150.9%
Total Outside Levy Debt Service	\$4,412,688	\$5,055,863	\$643,175	14.6%

The current outside the levy limit appropriation covers debt service for the three excluded debt projects approved by previous Town Meetings and by the voters – the Sprague, Bates, and Middle School projects. The decline reflects the level principal amortization of the borrowings.

The new outside the levy limit appropriation will cover the cost of additional debt issuance to pay bills from phase III of the Middle School project and from the multiyear school renovation project, primarily for the elementary schools, approved in spring 2007.

8.12 RECEIPTS RESERVED FOR APPROPRIATIONS

Funds for various Traffic and Parking expenditures are provided by parking meter receipts, which are deposited into the Town Traffic and Parking Fund. The undesignated balance in the fund is \$223,461 as of June 30, 2007. Projected FY09 receipts are sufficient to cover these withdrawals. In FY09, \$634,198 will be withdrawn from the Fund to pay for Traffic and Parking operations (\$449,891), Traffic and Parking maintenance capital (\$56,500) and Traffic and Parking debt service (\$127,807).

Traffic and Parking Operations

	FY07	FY08	FY09	FY08-FY09	
	Actual	Approp.	Request	Dollars	Percent
Personal Services	\$ 103,872	\$ 114,524	\$ 159,691	\$ 45,167	39.4%
Expenses	\$ 253,606	\$ 287,650	\$ 290,200	\$ 2,550	0.9%
Total	\$ 357,478	\$ 402,174	\$ 449,891	\$ 47,717	11.9%

This budget funds traffic and engineering services, meter maintenance, snow removal and sanding services for the Town’s parking lots and parking lot repair and maintenance. Five part-time meter attendants and one meter repair person are included in the budget.

The largest components of expense are \$100,000 for professional traffic engineering services and \$60,000 for coin collection and counting services. Paint supplies for pavement markings and snow removal account for an additional \$85,000.

Traffic and Parking Maintenance Capital and Debt Service

	FY07	FY08	FY09	FY08-FY09	
	Actual	Approp.	Request	Dollars	Percent
Expenses	\$109,000	\$86,500	\$56,500	(\$30,000)	-34.7%

Capital items include municipal parking lot improvements, improvements to pedestrian signals, sealing of brick crosswalks, provision of wheelchair ramp access to curbs, and replacement of police radar units for enforcement of speed limits.

The Traffic and Parking Fund also pays debt service on borrowings for the new stoplight at the Walnut/River/Cedar Street intersection (\$72,275), a new pedestrian signal at Linden and Weston (\$21,600), and new parking meter machines (\$33,932). These costs are included in the inside the levy limit debt service portion of the budget.

CONCLUSION AND SUMMARY

Advisory supports the proposed FY09 budget. On the revenue side, the budget relies on sustainable sources of revenue and includes only \$307,158 of one-time funding from free cash. Advisory recognizes a risk that State aid could be less than assumed in the budget, which would require a further use of free cash, but believes that the budget incorporates the best information available at this time. Advisory also recognizes that an additional appropriation from free cash will be necessary when contracts are settled, to fund salary increases in both FY08 and FY09. The Town has sufficient free cash to fund all these needs.

On the cost side, the growth in centralized costs for employee benefits (3.7%) is a much smaller factor in the FY09 budget increase than has been the case in recent years. This deceleration reflects both the favorable projection of health care costs and stable funding for the Town's OPEB liability now that the 2007 ATM and voters approved the OPEB exclusion.

The proposed budget does not fund everything that departments originally requested. Departments requested \$0.8 million more in cash capital than is provided for in this budget. Advisory believes that flat cash capital budgets are not sustainable into the future. In particular, Advisory believes that the Town needs to spend more money on building maintenance to protect our investment in these assets. However, Advisory believes that this issue is better addressed after a decision is made on the creation of a consolidated building maintenance department. Advisory has some concern that the Town is using debt for some items that might more appropriately be handled as cash capital, in an effort to accomplish more projects within the levy limit. Inside the levy limit debt service is growing 2.7% in FY09. Both of these factors indicate upward pressure on future costs.

Advisory believes that the budget incorporates appropriate choices in the allocation of funds to the Schools and other Town departments. The School operating budget is increasing 8.5%, to accommodate salary increases, the impact of enrollment growth, and rising special education costs. It does not fund all the items that the School Committee originally requested. But until contracts are settled, it is uncertain exactly how many of the original items will not be funded.

The aggregate operating budgets for other Town departments are increasing 2.5%, although this figure is understated because it does not include salary increases for series 50/60 employees, funded under Article 5, or employees in unions that are negotiating new contracts. A reasonable estimate for the likely impact of a settlement could add around 1.5% to these budgets. Advisory has recognized some revenue offsets associated with new positions in concluding that these department budgets are in line with the guideline increase of 3%. The budget does not fund all the items that departments originally requested. It does provide for three new positions that Advisory believes are needed: an Assistant Planning Director, a building inspector, and an office manager for the Council on Aging. It also funds an increase from part-time to full-time for the on-site outreach worker at the High School, included in the Health Department budget, and the upgrade of one position in the Office of the Executive Director.

Advisory believes that the FY09 budget issue with the greatest impact on the size of the ongoing structural deficit is the settlement of the union contracts. Terms of the settlement will establish the rate of growth in personal services costs, which constitute 80% of the departmental operating budgets. Contract negotiations also involve changes to the Town's health care plans; rapid growth in health insurance costs has been a significant factor in the structural deficit in the past.

Finally, Advisory shares the frustrations that have been expressed about the budget process. It is difficult to have large components of the budget that are unknown until the last minute. The timing of the State budget process is beyond Town control, however, and the assessment of State aid potential needs to be as current as possible. The timing of health insurance rate setting is tied to the renewal of contracts for July 1. Advisory will explore with the Executive Director, the Finance Director, and the Treasurer whether anything can be done to improve the availability of information on health care costs.

Advisory commends the various Town Boards and Committees for establishing priorities that sustain the quality of services in Town while achieving a balanced budget.

Advisory recommends favorable action 11 to 0.

The second motion under Article 8, if presented, will request authorization to issue bonded debt of \$475,000 for the replacement of fire truck #1, a 1991 Pierce pumper truck. The current truck will be retained as a reserve truck. The FY09 cost of debt service on this borrowing is included in the appropriation request under motion one, section 8.11. Advisory has not yet seen this motion.

Passage requires a 2/3 vote.

Advisory will make its recommendation at Town Meeting.

ARTICLE 9. To see what action the Town will take to fix the salary and compensation of all elected officials of the Town as provided by the General Laws Chapter 41, Section 108 as amended; or take any other action relative thereto.

(Board of Selectmen)

In this Article, the Board of Selectmen is requesting approval of a 3% salary increase for the Town Clerk for FY09.

The Town Clerk is the only elected official in Wellesley to receive a salary. In 2000, the Human Resources Department evaluated the position using the Hay System and determined the position to be equivalent to a Group 59 in the Town's Classification Plan. Salary increases for employees in the Series 50 classifications are based on performance (Merit Pay Plan). Each year the Board of Selectmen review the Town Clerk's salary and make a recommendation to the Town Meeting for an appropriate merit increase for the next fiscal year. They take into consideration any adjustments made to the midpoint of the Series 50 positions under Article 5, as well as other factors.

The Town Clerk's present salary is \$71,168. The Board of Selectmen has voted approval of a 3% raise, making the proposed FY09 salary for the Town Clerk \$73,303.

Advisory recommends favorable action, 9 to 0.

ARTICLE 10. To see what sum of money the Town will raise and appropriate, or otherwise provide, for the Stabilization Fund pursuant to the provisions of Section 5B of Chapter 40 of the General Laws, as amended; or take any other action relative thereto.

(Board of Selectmen)

This Article authorizes an appropriation of \$1 million from free cash to the Stabilization Fund in FY09.

The Stabilization Fund, which the Town maintains under specific authorization of state law, is intended to stabilize or balance the budget when the Town is faced with unexpected capital needs or significant short-term demands for borrowing. The fund is a key component of the Town's financial reserves and, as such, is important to maintaining the Town's credit rating.

Shown below are the actual and projected balances in the Stabilization Fund if this Article is approved.

Approximate Fund Balance as of 6/30/07	\$ 1,980,000
FY08 Contribution and Appropriation	500,000
FY08 Projected Earned Interest	100,000
FY08 Projected Year-end Balance	2,580,000
FY09 Proposed Contribution	1,000,000
FY09 Projected Earned Interest	<u>150,000</u>
FY09 Projected Year-End Balance	\$ 3,730,000

“Contribution and Appropriation” indicates a transfer of money into the Stabilization Fund and appears as a Use in the Town’s Sources and Uses statement. “Appropriations from Fund” indicates a transfer of money out of the Stabilization Fund for use during the year and appears as a source in the Town’s Sources and Uses statement.

No appropriation from Stabilization is proposed for FY09.

Advisory believes it is important for the Town to continue to build our financial reserves. Increased reserves give the Town additional financial flexibility and contribute to the maintenance of our AAA bond rating, which is highly important as we anticipate issuing substantial debt financing for upcoming capital projects.

A 2/3 vote of the Town Meeting is required to appropriate money from the Stabilization Fund.

Advisory recommends favorable action, 11 to 0.

ARTICLE 11. To see what sum of money the Town will raise and appropriate, or otherwise provide, including transfer from available funds, to the Municipal Light Board for the Municipal Light Plant; or take any other action relative thereto.

(Municipal Light Board)

Overview

The Municipal Light Plant (“MLP”) is organized under Massachusetts General Law c.164 and operates as an independent business, owned by the Town. The MLP provides electricity to approximately 8,800 residential customers and 1,500 commercial customers in the Town. Its operations are funded from the sale of electricity to customers during the current year and retained profits from prior years. The MLP also generates a small portion of its income by providing services to other towns, notably Devens. The MLP’s principal expense is the purchase of electricity, which the MLP resells to customers in the Town. MLP also owns and is responsible for the maintenance and improvement of the electric distribution system in the Town.

Revenues

The MLP projects FY09 operating revenue to be \$30.7 million, an increase of \$2.3 million (8%) over the FY08 budget. The projected increase in revenue is attributable to a 2.5% growth in demand and continued rate increases. The MLP’s electric rates, however, are expected to remain among the lowest in the area.

Operating Expenses

The MLP projects FY09 operating expenses of \$30.4 million, an increase of \$3.2 million (11.8%) over the FY08 budget. The increase in operating expense is largely due to the increased cost of energy and to Forward Capacity Market charges that the MLP is required to pay to ISO-New England. Shown in the following chart are the principal categories of MLP operating expenses for FY05 to FY09:

Operating Expense	Actual FY05	Actual FY06	Actual FY07	Appropriated FY08	Requested FY09
Administrative & General	\$651,080	\$614,438	\$637,581	\$660,907	\$606,700
Purchased Power	10,571,042	11,669,447	10,963,449	21,619,929	24,258,300
Transmission	1,668,825	3,093,714	1,310,635	1,554,691	1,876,000
Distribution	1,050,304	893,010	1,011,123	1,087,661	995,647
Customer Service	258,103	236,924	261,551	435,539	438,004
Depreciation	1,474,652	1,569,025	1,887,298	1,860,000	2,268,846
Total Operating Expense	\$15,674,006	\$18,076,558	\$16,071,637	\$27,218,727	\$30,443,497

FY09 is the first full year the MLP will pay current market prices for energy and capacity. Prior to September 2007, the MLP had the benefit of a five-year fixed cost contract with Constellation Power Supply. The MLP's energy costs did not increase during the life of the Constellation contract, despite substantial increases in market prices for energy.

The MLP is projecting energy and capacity expense of \$20,168,300 for FY09, a 6% increase over FY08. Approximately, \$490,000 of the increase is required to serve the projected 2.5% load growth; the balance of the increase is attributable to higher energy prices.

The FY09 purchased power costs also include \$3,617,000 for Forward Capacity Market ("FCM") charges. ISO-New England implemented FCM charges in an attempt to encourage the construction of new generation plants needed to address the projected capacity shortfall in New England. The MLP began to incur this expense upon the expiration of the Constellation contract. After a transition period with fixed charges ends in 2010, FCM charges will be determined by a reverse auction with a collar that has a floor of \$4.50/per kilowatt ("kw") month and a ceiling of \$10.50. The MLP expects FY11 FCM charges to increase by \$1.4 million compared to FY09.

The MLP began funding its Other Post-Employment Benefits ("OPEB") liability over a 15-year period in FY08. The FY09 Operating Budget includes a \$92,737 OPEB charge. The MLP allocates OPEB charges by function and by service provided. To this end, the MLP includes OPEB charges within billings for all work for which it is reimbursed by persons, including services provided to Devens, customer-initiated work and telecommunication reimbursable work. OPEB is further allocated to both operating and capital work based on proportionate labor costs.

The decrease in administrative and general costs and distribution costs are reflective of the MLP's zero-based budgeting approach, which facilitates identification of cost savings. The increased depreciation are attributable to the completion of the Needham supply line and Weston Road substation.

Capital Expenditures

The FY09 MLP capital budget is \$2.8 million. Capital expenditures are summarized in the following chart:

<u>Capital Budget</u>	<u>FY08</u>	<u>FY09</u>
System Improvements	\$2,519,853	\$1,142,377
Replace Porcelain Cutouts	178,073	-0-
Replace G & W Switches	258,362	170,183
Replace Poles	104,475	125,765
Upgrade Transformers	57,150	281,609
Additional Overhead	114,375	114,500
Additional Underground	114,375	114,500
Subtotal Distribution Upgrades	\$3,346,663	\$1,948,934
Perform Customer-Related Work	305,000	353,000
Provide 400/600 AMP Service	183,000	250,200
Replace Vehicles	160,000	100,000
Maintain General Plant	24,000	24,000
Improve Technology and GIS	30,000	30,000
Replace Street Lights	28,575	35,449
Replace Mail/Inserting System	-0-	20,636
Subtotal Other Capital Projects	\$730,575	\$813,285
Replacement Garage / Warehouse	\$7,500,000	-0-
Total Capital Budget	\$11,577,238	\$2,762,219

Statement and Balance Sheet

Based on the projections of revenues and operating expenditures, the MLP projects Net Income of \$230,200 in FY09, a decrease of \$.9 million from FY08. As shown in the pro forma income statement below, this decline is the result of the purchased power costs increasing more rapidly than revenues.

Pro Forma Operating Income Statement

	<u>FY08</u>	<u>FY09</u>
Operating Revenues	\$28,392,000	\$30,746,000
Discounts Allowed	(786,400)	(1,032,400)
Non-Operating Revenue	725,000	960,000
Total Revenue	\$28,330,600	\$30,673,600
Operating Expenses:		
Purchased Power Costs	21,619,929	24,258,300
Transmission Costs	1,554,691	1,876,000
O&M Costs	4,044,107	4,309,100
Total Operating Expenses	27,218,727	30,443,400
Net Operating Income	\$1,111,873	\$230,200

The MLP will make a contribution of \$1.0 million to the Town in FY09, as it has in prior years. This contribution is estimated to be over three times the amount that would be paid by NStar as a for-profit entity if it owned the MLP's property in Wellesley. This payment will be made from the MLP general fund based on forecasted cash flow. The MLP also makes an indirect contribution to the Town by

providing electrical power to Town facilities at a reduced rate, which reflects a discount of approximately 10%.

The MLP earns non-operating revenue by providing operation and maintenance services to Devens and leasing dark fiber/antenna space to T-Mobile. Net revenue from Devens accrues directly to the benefit of ratepayers while T-Mobile revenue will be utilized to fund the MLP's expanding energy conservation programs.

Shown in the following chart is the MLP's Pro Forma Balance Sheet:

Pro Forma Balance Sheet		
	<u>FY08</u>	<u>FY09</u>
Cash and Equivalents	\$8,904,600	\$8,300,900
Accounts Receivable	1,858,900	1,858,900
Reserve for Uncollectible	(7,600)	(7,600)
Inventory-Material & Supplies	679,400	679,400
Other Current Assets	297,300	797,300
Total Current Assets	11,732,600	11,628,900
Fixed Assets:		
Property, Plant & Equipment	71,992,600	74,279,400
Vehicles & Other Equipment	3,132,500	3,232,500
Less: Accumulated Depreciation	(26,861,600)	(29,130,400)
Construction Work in Progress	500,000	500,000
Total Fixed Assets	48,763,500	48,881,500
Total Assets	\$60,496,100	\$60,510,400
Total Current Liabilities	\$3,235,000	\$3,235,000
Contribution Capital	8,694,000	8,978,100
Retained Earnings	48,567,100	48,297,300
Total Liability And Equity	\$60,496,100	\$60,510,400

Cash and equivalents are projected to decrease by \$104,000 from FY08 to FY09. The Town's General Fund retains interest and investment earnings on MLP cash.

Outlook

The MLP is seeking to manage its cash position to maintain its "AA Stable" credit rating and preserve its ability to invest in attractive power acquisition options when they arise.

In anticipation of the end of higher power costs after the end of the Constellation contract, beginning in 2006, the MLP began increasing electric rates monthly and established a \$3 million rate stabilization fund. When the Constellation contract expired in October 2007, the MLP began using the stabilization fund to offset higher power supply costs by \$150,000/month.

Advisory believes that the MLP is a well-managed organization that provides, and will continue to provide, the Town with lower rates and better service than available in most Massachusetts communities.

Advisory recommends favorable action, 12 to 0.

ARTICLE 12. To see what sum of money the Town will raise and appropriate, or otherwise provide, including transfer from available funds, to the Board of Public Works for the Water Program; or take any other action relative thereto.

(Board of Public Works)

Under this Article, the Board of Public Works (BPW) requests the appropriation of the Water Enterprise Fund FY09 Receipts and its cash on hand as of June 30, 2008, for payment of the Water Division operating and capital expenditures in FY09, provided that the total amount of expenditures in FY09 shall not exceed \$7,031,883.

Overview

The Water Division provides water supply, storage and distribution to residential, commercial and institutional customers. The Town's water supply system consists of seven wells, six pumping stations, three treatment facilities, and a 150-mile distribution system with two underground reservoirs having a combined storage capacity of 6.3 million gallons. Water is supplied primarily from Town wells with supplementation from the Massachusetts Water Resources Authority (MWRA). The principal expenses of the Water Division are the maintenance and operation of the Town wells and distribution system, and the purchase of supplemental water from the MWRA. In general, water purchased from the MWRA is more expensive than water produced from Town wells.

The expenses of the Water Division are funded through the Town's Water Enterprise Fund, which is "non-tax impact," meaning that revenues are received through rates charged to users, not from tax collections. Water usage is subject to unpredictable, weather-related variation, which can affect revenues and expenses. To offset this variability, the Water Division budget includes a substantial contingency from available cash to allow use of cash on hand to meet unplanned expenses. Cash is added to or used from a "Rate Stabilization Account" in order to smooth the rate fluctuations that would otherwise result. Overall, cash and equivalents in the Water Fund at the end of FY08 are projected to be \$1.4 million. Interest earned goes to the Town's General Fund.

The BPW projects the need for an 8% increase in rates in FY09, or about \$28/year for an average household without an irrigation system and an additional \$36/year for households with an outside irrigation system. This rate increase is needed to address increased health insurance and workers compensation costs as well as increased energy-related costs (primarily electricity and chemicals).

FY09 Operating Budget

The following table shows the Water Fund's anticipated sources and uses of funds for FY09. As shown, the Water Fund's receipts in FY09 from customer rates are projected to be \$4,820,525. This revenue is based on a projected, but not yet adopted, rate increase of approximately 8% in FY09, and estimated annual usage of 1.145 million CCF (or 856 million gallons) of water. The BPW also expects to use \$611,000 from its Rate Stabilization Account to supplement revenue from customers. The BPW will use funds from this account because water usage in summer 2007 was higher than usual, resulting in increased customer payments. However, the high water usage also required the BPW to purchase additional water from the MWRA and the MWRA bills the BPW in FY09 for water purchased in summer 2007 (FY08).

Water Enterprise Fund	FY08	FY09
Sources		
Water Fund Receipts		
Water Charges	\$ 4,548,303	\$ 4,820,525
Other Charges	\$ -	\$ -
Subtotal - Operating Revenues	\$ 4,548,303	\$ 4,820,525
Other Cash Sources		
Depreciation	\$ 790,000	\$ 815,000
Non-Operating Income	\$ 200,000	\$ 200,000
Changes in Accts Receivable, Accts Payable, etc.	\$ -	\$ -
Interest Received	\$ 4,000	\$ 4,000
Contribution in Aid of Construction	\$ 40,000	\$ 40,000
Loan Proceeds	\$ 245,000	\$ 204,630
Rate Stabilization	\$ 173,975	\$ 610,969
Contingency - From Available Cash	\$ 324,350	\$ 336,759
Subtotal - Other Cash Sources	\$ 1,777,325	\$ 2,211,358
Total Sources	\$ 6,325,628	\$ 7,031,883
Uses		
Operating Expenses	\$ 4,048,322	\$ 4,587,801
Contingency - 3%	\$ 121,450	\$ 137,634
Subtotal - Operating Expenses	\$ 4,169,772	\$ 4,725,435
Non-Operating Expenses (including Interest)	\$ 526,260	\$ 468,793
Contingency - 25%	\$ 131,565	\$ 117,198
Subtotal - Non-Op Expenses	\$ 657,825	\$ 585,991
Capital Expenses & Debt Obligations		
Capital Outlay	\$ 675,000	\$ 875,640
Expenditures of Contrib. in Aid of Construction	\$ 40,000	\$ 40,000
Debt (Principal)	\$ 711,696	\$ 722,890
Contingency - 5%	\$ 71,335	\$ 81,927
Subtotal - Capital & Debt	\$ 1,498,031	\$ 1,720,457
Total Uses	\$ 6,325,628	\$ 7,031,883

Operating expenses in FY09 are projected to be \$4,587,801, which is an increase of \$539,480, or 13.3%, compared to the FY08 budget. A large portion of this increase (\$375,302) is a one-time increase in MWRA charges for water used during the very dry summer of 2007. This higher MWRA payment does not impact FY09 rates because the higher water use resulted in higher revenues from that period, which will be used, from the Stabilization Account, to cover these MWRA charges in FY09. Increased costs for Group Insurance (\$50,119), electricity and chemicals (\$78,000) and wage adjustments (\$43,334), offset by savings elsewhere (net reduction of \$7,275) account for the balance of the budget increase.

Water usage is subject to significant annual variability, creating a need for contingencies in both revenue and expenses. The FY09 budget includes an operating expense contingency of \$137,634, a non-operating expense contingency of \$117,198, and a revenue contingency of \$336,759, which would be drawn from cash on hand if necessary.

Non-operating expenses include \$200,000, for activities such as house service connections and second meter installations, which are offset by equivalent non-operating income from such activities.

FY09 Projected Capital Budget

BPW projects capital outlays of \$875,640 in FY09, a \$200,640 increase from the FY08 budget. The FY09 capital program includes \$375,000 for water supply improvements, \$115,000 for distribution system improvements; \$162,640 for vehicle and equipment replacement; \$85,000 for the replacement of water meter batteries on a planned schedule prior to battery failure; \$38,000 for building maintenance and the GIS system; \$45,000 for well cleaning; and \$55,000 for a reserve fund for major capital expenditures, including future replacement of meters.

The existing bonded debt obligation of the Water Division was incurred primarily for the construction of water treatment plants. At the end of FY08 the remaining principal on this obligation will be \$2,150,000. The Water Department also has interest-free loans from the MWRA of approximately \$701,000 that are being used for distribution system improvements. The FY09 budget includes \$101,910 of interest and \$430,000 of principal payment on the indebtedness for the water treatment plants and \$107,465 for payment of principal on the MWRA loan.

The Town Treasurer plans to issue bonds in May for the construction of the new garage and office space for the Water and Sewer Divisions (approved at last year's Annual Town Meeting). The Water Division FY09 budget includes a provision for its projected share of the debt service associated with the construction--\$166,883 in interest and \$185,425 in principal payment.

Outlook

The BPW expects that expenses of the Water Division will continue to increase in future years, primarily because of expected increases in MWRA rates, which will require periodic rate increases. The Water Division is taking steps to improve local well yields to reduce the Town's reliance on MWRA water.

The Water Division is planning to install two satellite wells near the existing Coughlin well to increase the amount of water that can be pumped from that aquifer. It is anticipated that these satellite wells will restore the output from the aquifer to a level closer to what the original Coughlin well produced when it was first installed many years ago. Water from the satellite wells will reduce the amount of water the BPW must buy from the MWRA. Planning and permitting work was carried out last fall and design work is now underway. The installation work will be done in future years, and cost estimates will be available once the design specifications are completed.

Advisory believes the Water Division does a good job of providing an important service to the Town. Advisory supports the Water Division's efforts to encourage conservation and reduce the need for MWRA water and believes that the operating and capital budgets proposed in this Article are appropriate.

Advisory recommends favorable action, 12 to 0.

ARTICLE 13. To see what sum of money the Town will raise and appropriate, or otherwise provide, including transfer from available funds, to the Board of Public Works for the Sewer Program; or take any other action relative thereto.

(Board of Public Works)

Under this Article, the Board of Public Works (BPW) requests the appropriation of the Sewer Enterprise Fund FY09 Receipts and cash on hand as of June 30, 2008, for payment of the Sewer Division operating and capital expenditures in FY09, provided that the total amount of expenditures in FY09 shall not exceed \$8,008,867.

Overview

The Sewer Division provides for the construction, operation, and maintenance of the Town's sanitary sewer system. The system consists of 135 miles of trunks, force mains and laterals and 22 pumping and lift stations. Sewage is sent to the Massachusetts Water Resources Authority (MWRA) for treatment at the Deer Island station. MWRA charges represent 75% of the Sewer Division's expenses.

The expenses of the Sewer Division are funded through the Town's Sewer Enterprise Fund, which is non-tax impact, meaning that revenues are received through rates charged to users, not from tax collections. Customer charges are based on indoor water use, which is subject to variation. To offset the resulting variability in revenue, the Sewer Division budget includes a substantial contingency from Available Cash to allow use of cash on hand to meet expenses. Cash and equivalents in the Sewer Fund at the end of FY09 are projected to be \$2,035,970. Interest earned goes to the Town's General Fund.

The BPW projects the need for a 6.25% increase in rates in FY09, or about \$27/year for an average household. This rate increase is entirely a function of the increase in MWRA charges.

FY09 Budget

The following table shows the Sewer Division's anticipated Sources and Uses of Funds for FY09. As shown, the Sewer Fund's receipts in FY09 are projected to be \$6,148,048. This revenue is based on a projected, but not yet adopted, rate increase in FY09 of 6.25% and estimated annual usage of indoor water, the basis on which sewer charges are calculated, of 898,000 CCF (hundred cubic feet). The BPW also expects to use \$151,368 from its rate stabilization fund to supplement collections from customers.

Sewer Enterprise Fund	FY08	FY09
Sources		
Sewer Fund Receipts		
Sewer Charges	\$ 5,522,060	\$ 6,148,048
Wellesley College	\$ 430,000	\$ 450,000
Other Charges	\$ 37,000	\$ 37,000
Subtotal - Operating Revenues	\$ 5,989,060	\$ 6,635,048
Other Cash Sources		
Depreciation	\$ 313,000	\$ 315,000
Non-Operating Income	\$ 30,000	\$ 30,000
Interest Received	\$ 10,000	\$ 10,000
Contrib in Aid of Construction	\$ 5,000	\$ 5,000
Grant Proceeds	\$ 110,455	\$ 128,884
Loan Proceeds	\$ 135,000	\$ 157,525
Rate Stabilization	\$ 301,997	\$ 151,368
Contingency - From Available Cash	\$ 562,101	\$ 576,042
Subtotal - Other Cash Sources	\$ 1,467,553	\$ 1,467,553
Total Sources	\$ 7,456,613	\$ 8,008,867

Uses	FY08	FY09
Operating Expenses - Non MWRA	\$ 1,421,729	\$ 1,480,425
Operating Expenses - MWRA	\$ 4,427,000	\$ 4,919,881
Contingency	<u>\$ 363,523</u>	<u>\$ 394,037</u>
Subtotal - Operating Expenses	\$ 6,212,252	\$ 6,794,343
Non-Operating Expenses (including Interest)	\$ 235,000	\$ 196,883
Contingency	<u>\$ 117,500</u>	<u>\$ 98,442</u>
Subtotal - Non-Op Expenses	\$ 352,500	\$ 295,325
Capital Expenses & Debt Obligations		
Capital Outlay	\$ 500,000	\$ 492,640
Expenditures of Contrib. in Aid of Construction	\$ 5,000	\$ 5,000
Debt (Principal)	\$ 305,783	\$ 337,996
Contingency - 10%	<u>\$ 81,078</u>	<u>\$ 83,564</u>
Subtotal - Capital & Debt	\$ 891,861	\$ 919,200
Rate Stabilization	\$ -	\$ -
Total Uses	\$ 7,456,613	\$ 8,008,867

Operating expenses in FY09, excluding contingency, are projected to be \$6,400,306, an increase of \$551,577 or 9.4%, relative to FY08. This increase is driven by an 11.1% increase (\$492,881) in MWRA charges, which equal \$4.9 million in FY09 and constitute 75% of operating expenses. The projected MWRA charges are based on information BPW has received from the MWRA Advisory Board and are subject to change. Non-MWRA operating expenses are increasing \$58,696 or 4.1%. Group Insurance accounts for \$34,723, wage adjustments are \$18,423 and miscellaneous adjustments net out to \$5,550.

Capital Budget

Capital outlays for FY09 are projected to be \$492,640, a \$7,360 decrease compared with FY08 capital expenditures. Planned expenditures include \$370,000 for pipe system/manhole rehabilitation, \$30,000 for pumping station improvements and \$30,640 for equipment and the GIS system.

The Sewer Division had approximately \$377,000 of debt owing to the MWRA at the end of FY07 and plans to borrow about \$924,000 over the next six years. Together with these interest-free loans, the Sewer Division has received \$336,000 in grants from the MWRA and expects to receive \$756,000 in grants over the next six years. The loan and grant funds are used for improvements to the collection system to address inflow and infiltration issues. "Inflow and infiltration" means the degree to which storm or ground water seeps or flows into the sanitary sewer system. Such inflow unnecessarily increases the volume of sewage that is sent to the MWRA for treatment and increases the cost to the rate payer. In addition, from an MWRA standpoint, it increases the treatment capacity that it must provide, increasing the MWRA's costs. As a consequence, both good management practices and MWRA regulations require towns to minimize the volume of inflow and infiltration, which requires continuous effort.

The Town Treasurer plans to issue ten-year bonds in May for the construction of the new garage and office space for the Water and Sewer Divisions, which was approved at last year's Annual Town Meeting. Debt service in the FY09 projection includes a \$185,425 principal payment and \$166,883 of interest and bond fees for the Sewer Division's share of costs for the indebtedness on the water/sewer garage and offices. The budget also includes \$152,571 of principal payments to the MWRA.

Outlook

The BPW expects that MWRA charges will increase in future years, as the MWRA faces increasing principal payments under its indebtedness for the Deer Island Treatment Plant. These increased charges will result in periodic sewer rate increases.

Advisory believes the Sewer Division does a good job of providing an important service to the Town. Most of the Sewer Division's budget is based on MWRA costs and is not controllable by the BPW. Advisory believes the operating and capital budgets proposed in this Article are appropriate.

Advisory recommends favorable action, 12 to 0.

ARTICLE 14. To see if the Town will vote pursuant to Sections 53E1/2 and 53D of Chapter 44 of the General Laws, as amended, to authorize/reauthorize the establishment of one or more revolving fund(s) for the purpose of funding the activities of certain departments of the Town; or take any other action relative thereto.

(Board of Selectmen)

This Article requests authorization/reauthorization pursuant to Section 53E1/2 of Chapter 44 of the General Laws, which requires that revolving funds that may be used without appropriation and are established for particular uses by Town departments, must be authorized or reauthorized annually by vote of Town Meeting. These funds are sourced solely from the departmental receipts received in connection with the programs supported by the revolving fund.

The revolving funds currently existing under that legislation are listed below:

Department of Public Works

Street Opening Maintenance, annual expenditures not to exceed \$150,000

DPW Field Use, annual expenditures not to exceed \$200,000

Council on Aging Department

Council on Aging Bus Fund, annual expenditures not to exceed \$99,000

Council on Aging Social and Cultural Programs annual expenditures not to exceed \$45,000

Building Department,

Building Department Document Fees, annual expenditures not to exceed \$50,000

Recreation Department

Teen Center Program Revenues, annual expenditures not to exceed \$35,000

Recreation Summertime Revenues, annual expenditures not to exceed \$30,000

Recreation Scholarship Revenues, annual expenditures not to exceed \$35,000

Natural Resources Department,

Wetlands Filing Fees, annual expenditures not to exceed \$20,000.

Brookside Gardens, annual expenditures not to exceed \$5,000

Approval of this article allows the above departments to expend up to the authorized amount on a dollar-for-dollar basis using receipts collected from outside sources for a specific program or purpose. All of the above funds were established with the approval of Town Meeting in 2006, but must be reauthorized on an annual basis. The expenditure limits remain unchanged with the exception of the Council on Aging which increases from \$27,000, and the Teen Center which increases from \$30,000. Any increase in expenditure is offset by an increase in receipts. Any earnings on these funds are returned to the general fund.

Expenditures are paid from cash receipts collected from outside sources specifically for the purposes designated and without any expense to the Town. Advisory continues to support the management of these programs through revolving funds, as approved by the 2006 and 2007 Town Meetings.

Advisory recommends favorable action, 12 to 0.

ARTICLE 15. To see what sum of money the Town will raise and appropriate, or otherwise provide, to the Board of Selectmen for implementing a redesign of the Linden Street/Weston Road intersection, including a pedestrian activated traffic signal at said location; and for any equipment or services in connection therewith; to determine whether such sums shall be raised by taxation, through borrowing and/or by transfer from available funds; or take any other action relative thereto.

(Board of Selectmen)

This Article seeks approval for the redesign of the Linden Street/Weston Road intersection including the installation of a pedestrian activated traffic signal.

At the 2007 ATM the Town was authorized to complete the acquisition of 1,477 square feet of land from 2 Linden Street, now or formerly owned by Haynes Trust, for the reconfiguration of the Linden Street/Weston Road intersection, but was asked to return to TM with an intersection redesign that better considered the needs of pedestrians crossing this intersection.

The redesign of Linden Street includes the following changes: the existing westbound lane on Linden Street will be for left-turn traffic onto Weston Road southbound, and a new right-turn-only lane on Linden Street westbound would be created for traffic turning onto Weston Road northbound. The redesign of Weston Road includes the following change: Weston Road southbound approaching Linden Street would be widened to 18 feet in width to accommodate turning traffic turning onto Linden Street eastbound. There will be two crosswalks, one crossing Linden Street (existing) and a second crossing Weston Road at the north end of the intersection (*see map on the next page*).

A pedestrian-controlled traffic signal system would be installed to allow pedestrians to cross Linden Street and Weston Road safely and unabated. Under normal traffic conditions, Weston Road (north and south) would have a flashing yellow light and traffic on Linden Street would have a flashing red light. When pedestrians desire to cross the intersection, they would push the call button, and in 3-5 seconds all traffic would have a solid yellow light that changes to a solid red light. The pedestrian signal will begin a count down of crossing time remaining. At the conclusion of the pedestrian crossing time the traffic lights will revert to a flashing yellow light for Weston Road and a flashing red light for Linden Street.

There would be no tax impact for this initiative. The traffic signal cost is approximately \$90,000 which would be funded by the Traffic and Parking revolving fund.

Advisory supports the proposed design for new pedestrian safety traffic signal and the new right turn lane on Linden Street. Concerns were raised, however, about vehicular safety for drivers turning left at the end of Linden Street to go over the bridge on Weston Road. Presently this left turn is difficult. The widening of Weston Road southbound for traffic approaching Linden Street and continuing over the bridge without delay will make turning left at the end of Linden Street more challenging. Should our concerns about the proposed redesigned Linden Street/Weston Road intersection become reality, the new pedestrian crossing signal can be upgraded to a full traffic signal and coordinated with other signals in the vicinity.

ARTICLE 16. To see what sum of money the Town will raise and appropriate, or otherwise provide, for architectural, engineering and/or other services for plans and specifications for a new DPW office facility; and for the construction, reconstruction, remodeling, rehabilitation and/or modernization of the same; and for other services in connection therewith; 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)

Advisory expects no motion under this Article.

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 plans and specifications for a new High School building or for the reconstruction, remodeling, and/or addition to the existing High School, to accommodate the classroom and/or administrative needs of the School Department and/or other educational needs of the Town; and for the construction, reconstruction, remodeling, rehabilitation and/or modernization of the same; and for other services in connection therewith; to determine whether such sum shall be raised by taxation, through borrowing or otherwise; and to authorize the Selectmen to petition the Commonwealth of Massachusetts for a construction or other grant in connection thereto, if available, under the provisions of Chapter 70B of the General Laws as amended by Chapter 208 of the Acts of 2004 and regulations promulgated thereunder, or other authority; or take any other action relative thereto.

(School Building Committee)

This Article, brought by the School Building Committee (SBC), requests an appropriation to the Permanent Building Committee (PBC) to be expended under its direction to allow for continued progress on the Wellesley High School Project. The appropriation will fund the completion and final submission of the Feasibility Study to the Massachusetts School Building Authority (MSBA), and with its approval, advance the project to obtaining a Project Scope and Budget Agreement, which sets forth the scope of the project and the amount of funding from the MSBA. Within 120 days of the MSBA's approval of the agreement, the project proposal must obtain Town Meeting approval and favorable action on a town-wide debt exclusion vote.

At the time this report went to press the amount of the final appropriation had not been determined. At a meeting with the MSBA on February 28, 2008 information was provided to the Town that clarified the tasks to be funded by this appropriation and the budget request for this appropriation is being prepared.

Progress on the WHS Project

A great deal of progress on the WHS Project has been made since last year's Annual Town Meeting. In addition to its primary focus of developing the Feasibility Study for the MSBA, the SBC has been working on many aspects of this project.

The SBC has worked to inform and involve the Town on this project. The SBC has held numerous public meetings to present the various options under consideration, including visioning sessions and a 'green charrette' that focused on issues of sustainability and qualifying as a 'green' school, and has continued to receive feedback and input from many constituencies,. The SBC has produced a series of editorial articles in *The Wellesley Townsman* and e-mailed regular newsletters to inform the community of the progress and the challenges of the project. Copies of the articles and newsletters can be found at the School Building Committee's link on the Town's website (www.wellesleyma.gov/, click on School Building Committee).

The SBC has started addressing many of the issues related to developing the project. Over the summer of 2007 the SBC made site visits to several recently-renovated and newly-constructed high schools. At the Special Town Meeting last fall, Town Meeting approved the acquisition of the three Seaver Street properties, which significantly enlarged the site and enhanced the possible building options. Specific questions are being reviewed by various groups, such as: parking, an asbestos abatement policy, a policy on naming public assets, establishment of a school facility maintenance trust (Article 18), and an approach for private fundraising.

The SBC has considered many different building options, all of which have been presented and widely discussed at public forums, and narrowed the focus to two, which have been presented to the MSBA. With the site expanded by purchasing the Seaver Street properties, there were a number of additional ‘fit test’ options developed and analyzed. These ‘fit tests’ continue to include options for both a renovation-and-addition approach, and all-new construction. Preliminary cost evaluations were developed and additional design expertise has been used to refine the options for these two approaches.

The WHS Project was selected to proceed with the MSBA. There were 423 Statements of Interest for building assistance filed with the MSBA by their July 2007 deadline, and the WHS Project was one of 49 schools that received a ‘feasibility invitation’ in November 2007 to collaborate with the MSBA on a feasibility study. Of the schools that received feasibility invitations, there were only 19 high schools and Wellesley High School was one of only three that received the highest ‘needs’ rating in a MSBA study.

A full report by the SBC that describes its progress to date in more detail is included in the “Other Reports” section at the back of this report.

The FY08 Appropriation

Under Article 25, the 2007 Annual Town Meeting appropriated \$797,000 to the Permanent Building Committee for professional services related to document preparation to submit a Feasibility Study to the MSBA. This has largely been accomplished over the last eleven months, and the SBC met with the MSBA to present a progress report and draft of the study on February 28, 2008. To date, approximately 90% of the appropriation has been expended in line with the anticipated budget. There have been some tasks that have not yet been done, such as destructive testing and a scale model, pending selection of the final option. Likewise, some additional work has been performed that was not in the initial scope, such as investigating additional options, the ‘Green Charrette,’ and gathering preliminary traffic data. It is anticipated that the remaining balance of last year’s appropriation will fund the work necessary to proceed through to the end of this Annual Town Meeting.

The FY09 Appropriation

The specific amount of the current appropriation requested under this Article will be determined in collaboration with the PBC, the SBC, and the School Committee. The amount will be based upon proposals for the professional services needed to complete the final Feasibility Study, to advance to a Project Scope and Budget Agreement with the MSBA, and finally to bring the project to a vote of the Town to approve funding. The meeting with the MSBA further defined additional work necessary to complete the Feasibility Study and advance to the next step. As part of the final Feasibility Study there will be detailed cost estimates based upon more developed architectural and site drawings for the final options, and a collaborative decision with MSBA to choose one preferred option. In addition to meeting the MSBA’s requirements, this appropriation provides for testing and studies to refine the cost estimates and identify any potential site or permitting problems. This will include additional borings, site surveys, interior and exterior environmental and hazardous materials testing, parking studies, and preparation of materials for planning, design review, site plan approval, and wetlands submissions. This additional work will also include completing the project design through the typical ‘schematic design’ stage in order to obtain more accurate cost estimates. At the conclusion of the Feasibility Study, the MSBA will hold a conference to discuss the issues identified in the Statement of Interest and analyzed in the Feasibility Study. At that point MSBA would enter into a Project Scope and Budget Agreement with the Town.

This agreement will establish the amount of cost reimbursement, and include the itemized total project budget, a timeline through design development, construction documents to acceptance of project bids, and other requirements. After this agreement is approved by a vote of the MSBA, it is valid for 120 days. Within this time, Town Meeting must approve the agreement and the appropriation, and the Town must approve a debt exclusion vote in order to secure MSBA funding.

Advisory Observations

An appropriation under this Article is necessary to advance the WHS Project to the conclusion of the MSBA reimbursement grant process. However, Advisory observes there are many challenges going forward. As we commented last year, the MSBA is a new entity and the actual procedures to implement the regulations are still evolving. There are many unknowns in the process. It is possible there could be additional steps requested by MSBA and substantial delays caused by compliance with their requests or waiting for MSBA action.

The MSBA has indicated that they may reimburse a portion of the cost associated with the feasibility study and the additional work proposed under this Article. The amount of the MSBA reimbursement will be determined when the Town and the MSBA enter into a Feasibility Study Agreement which is anticipated to occur after Town Meeting. The Advisory Committee believes that in order to move the WHS Project forward funding an appropriation is necessary at this Town Meeting. The Advisory Committee intends to follow closely the issues of reimbursement for the Feasibility Study and the ultimate amount proposed by MSBA as a grant to the Town.

The amount and funding for this appropriation had not been finalized at the time this report went to press. It is anticipated that the appropriation would be combined with last year's Article 25 appropriation and require temporary bonding within the levy limit. In such an event, passage would require a 2/3 vote. If a major long-term bond issue is approved for the WHS Project, this temporary bonding will most likely be included in the total project financing.

Passage requires a 2/3 vote.

Advisory will make its recommendation at Town Meeting

ARTICLE 18. To see if the Town will vote to establish a "School Facility Maintenance Trust" dedicated to the preventative maintenance and upkeep of the Town's school facilities, thus making the Town eligible to apply for and receive cash grants from the Massachusetts School Building Authority pursuant to the regulations governing said Authority; to raise and appropriate, or otherwise provide, a sum of money therefor, including a transfer from available funds; or take any other action relative thereto.

(Board of Selectmen)

This Article, brought by the Board of Selectmen, requests authorization to establish a School Facility Maintenance Trust (the "maintenance trust"), which would be a segregated Town fund used solely for the preventative maintenance and upkeep of the Town's school facilities. As part of the project to renovate or reconstruct the Wellesley High School, the Town will apply for a substantial reimbursement grant from the Massachusetts School Building Authority ("MSBA"). The MSBA regulations provide that the establishment of a maintenance trust has two benefits: 1) it would qualify for a potential 'cash' grant from the MSBA on a dollar-for-dollar match of any funds deposited into the trust by the Town, up to 1% of the total MSBA approved project costs; and 2) may also earn incentive percentage points for calculating the MSBA's reimbursement grant.

A School Facility Maintenance Trust is described in the MSBA's regulations: "The trust must be a segregated local fund used solely for the preventive maintenance and upkeep of school facilities. The proceeds from the trust cannot be used for operating or recurring costs, salaries, purchase of routine maintenance supplies or other expenses the MSBA deems violates the spirit of the trust, nor to supplant any maintenance funding already being expended by the Town." There is little actual experience with how the trust would function. Bedford, MA is one town that has established the trust itself, but it will not be appropriating any funds into it until a Town Meeting this fall.

Depending upon agreement from the MSBA, it is proposed that in order to maximize the match, the initial Town funding of the trust might consist of a transfer of the currently unexpended funds from the \$11,207,000 appropriation for elementary school infrastructure under Article 23 of the 2007 Annual Town Meeting. The remaining work related to the appropriation would then be funded out of the trust. Additional funding for the trust also could be appropriated in future years. Advisory recognizes establishing a maintenance trust as an opportunity to obtain a substantial cash grant and to have a funding vehicle to address the long standing infrastructure needs of the schools. The Town would need to determine the appropriate long-term funding level of the trust.

The School Building Committee (SBC) is scheduled to meet with the MSBA to discuss the High School Project on February 28, 2008. As part of that meeting, the SBC may obtain more detailed information about the requirements and procedures for a maintenance trust to qualify for the matching cash grant and possible reimbursement incentive percentage points. The Board of Selectmen will not make a formal proposal until after that meeting.

Advisory will make its recommendation at Town Meeting.

ARTICLE 19. To see what sum of money the Town will raise and appropriate, or otherwise provide, to the Board of Selectmen as the first year local match for the Suburban Mobility Program through the Boston Metropolitan Planning Organization, or for the study of the Town's public transportation requirements, including the appointment of a study committee relative thereto; to determine whether such sums shall be raised by taxation, through borrowing and/or by transfer from available funds; or take any other action relative thereto.

(Board of Selectmen)

This Article seeks TM funding for a consultant to examine and integrate the Town's various public and semi-public transportation systems, as well as future transportation opportunities/challenges for the Town.

The Town of Wellesley has a number of transportation systems in place. However they are not coordinated and it is unclear to what extent these systems meet the needs of the Town and its residents.

The existing public and semi-public transportation systems include:

1. Three MBTA Commuter Rail stations with adjacent parking lots, (Wellesley, Wellesley Hills and Wellesley Farms stations) <http://www.mbta.com>.
2. Two nearby MBTA Green Line stations in Newton with adjacent parking lots (Riverside and Woodland stations).
3. "The Ride" currently provides para-transit service to Wellesley and about 60 other communities in Greater Boston. http://www.mbta.com/fares_and_passes/ride/.
4. Wellesley Public Schools provide school bus transportation for students who live more than two miles from their school. Others may pay if space is available.

5. The Council on Aging bus offers transportation for seniors within the Town as well as to several locations outside of Wellesley
http://www.ci.wellesley.ma.us/Pages/WellesleyMA_COA/transportation.
6. Between Thanksgiving and Christmas the Wellesley Chamber of Commerce sponsors the annual Holly Trolley.
7. Babson College offers regular shuttle service from the campus to several locations in the Greater Boston area, as well as two ZipCars, <http://www.zipcar.com/babson/>.
8. Wellesley College funds three different transportation systems: The Exchange Bus for the Wellesley College and MIT exchange program, the Senate Bus for weekend transportation between Wellesley and Cambridge, and the Wellesley-Olin-Babson shuttle. The campus police also operate a scheduled shuttle van each evening. Students may also make use of ZipCars.

In addition to these existing transportation systems, there are several new opportunities/challenges facing the Town.

First and foremost is the potential to join the Metrowest Regional Transit Authority, (<http://www.mwrta.com>). Ashland, Framingham, Holliston, Hopkinton, Natick, Sherborn, Sudbury, Wayland, and Weston are already members. Here there is a potential to set up a bus system on a three-year trial basis with the Town picking up 20% of the cost the first year, 50% the second, and 80% the third.

Second, there is a High School Parking Committee which is looking into shuttle services and other ways to deal with the parking situation should the Town approve a major High School project. Any solutions may be able to be extended beyond any construction phase and into the normal routine.

Finally, a recurring discussion topic is the potential for shuttle service to the Riverside “T” station (in particular from the Lower Falls area).

All of the above (current systems and future proposals) should be integrated into a comprehensive public transportation strategy, beginning with the funding for a consultant to pull it all together and to make recommendations.

As this book goes to press Advisory has not received a specific proposal with details regarding the search for a consultant, the scope of proposed work, or the projected cost.

Advisory will make its recommendation at Town Meeting.

ARTICLE 20. To see what sum of money the Town will raise and appropriate, or otherwise provide, to the School Committee (a) for the preservation, construction, reconstruction and/or rehabilitation of Sprague Field, (b) for appurtenant structures and site enhancements, and (c) for professional or other services in connection therewith; to determine whether such sums shall be raised by taxation, through borrowing and/or by transfer from available funds; or take any other action relative thereto.

(School Committee)

This Article, brought by the School Committee, seeks approval of the Sprague Field Master Plan for the renovation and remediation of the Sprague Field. This article further seeks authorization for the Town to borrow \$600,000 for this purpose. The \$600,000 in Town funds under this Article will be used in combination with (a) \$1,500,000 of Community Preservation Act (CPA) funds (Article 22) and (b) an as-yet unknown amount of private funds to carry out the Sprague Field Master Plan. In the event that Town

Meeting does not approve the complete Master Plan, the School Committee will propose that the Town adopt portions of the plan, which would comply with the June 2009 deadline described below.

Executive Summary

The Massachusetts Department of Environmental Protection (MADEP) has determined that Fields 1 and 2 at the Sprague Field contain hazardous materials. The MADEP has issued an order that the Town remediate Fields 1 and 2 by June 2009 or stop using them. The Sprague playing fields are the most heavily used of the Town-owned playing fields for youth sports, and for the past several years, the Town has experienced an increased demand for youth sports. The number of fields available, however, has decreased as a result of the construction of Sprague School and modular classrooms at Schofield School. The decrease in available fields, combined with weather-related issues, has resulted in a deterioration of all the playing fields in Town from overuse. Acceptance of the Sprague Field Master Plan (Master Plan) as proposed not only would allow the Town to meet the MADEP requirements, but also help to address the shortage of available fields. Adoption of the Master Plan will (i) provide space for an elementary school playground; (ii) restore natural grass for a multi-use area next to Sprague School; (iii) create a softball field adjacent to the Sprague School; (iv) create two synthetic turf multi-use fields; and (v) provide for two full-sized baseball fields with natural grass multi-use spaces in the outfields. The Master Plan proposes an addition to the existing garage that includes restroom facilities, storage, and a concession stand. The Plan also includes road and driveway improvements. The Sprague Field Task Force unanimously recommends adoption of the entire Master Plan.

Background

The 25 acre Sprague Field Complex is located between the Sprague and Middle Schools and is accessed by School Street through the Sprague parking lot, or by Calvin Rd or Donizetti Street, through the Middle School parking lot. Fields 1 and 2 are located directly behind the Sprague School (refer to the field layout map which follows).

From the 1940s to the early 50s, this site served as a municipal dump. During the Sprague School construction process, testing of the school site found contaminants. These contaminants were reported to the MADEP and removed as part of a remediation plan under the direction of PBC. Following this testing, an abutter to the playing fields requested that the Town, PBC, and the School Committee test the playing fields adjacent to the Sprague School site. At a Special Town Meeting in November of 2002, the School Committee and the Board of Health successfully sought \$22,000 to conduct a site assessment of the Sprague Field.

Additional testing indicated the potential for large buried objects and discovered that dangerous materials (glass and metal shards) had migrated to within 6" of the ground surface. As a result, the site became subject to closure by the DEP through implementation of an Activity and Use Limitation (AUL), restricting future uses involving construction/excavation, residential use, and child-related activities (no use by children under age 6). In September 2006, Gale Associates, the Town's environmental consultants, delivered its testing results. Gale found no hazardous material present that would force continuation of the AUL, but found that the safety hazard from metal and glass migrating to the surface would require remediation.

In order to comply with MADEP requirements and avoid closure of the fields, the School Committee, as owner, must present a remediation plan to Town Meeting. This plan must be executed and all remediation finished, with associated paperwork submitted, by June 2009.

As noted above, for the past several years the Town has experienced an increased demand for youth sports. This demand is driven by (a) the growth in the population of school aged children, (b) increased participation in organized sports by young girls, and (c) increased participation in multiple sports by the Town's youth. Between 2001 and 2007, participants in Wellesley youth league baseball, soccer, and lacrosse increased by 24%, from approximately 3,133 to 3,886. Within this same timeframe, participation

in baseball/softball increased by 41% and lacrosse increased by 89%. There are presently ten Town-owned playing field sites in Wellesley, and one Department of Conservation and Recreation owned site that is shared by the Town with Natick (Elm Bank). These facilities must meet the demands of school athletic programs, recreational programs and camps, and youth league programs. All fields in Town are presently covered with natural turf, which must be periodically rested in order to remain playable and safe. This has not been possible in recent years due to intensity of demand.

Although demand for field use has increased, the number of fields available has decreased. Construction of the new school at Sprague and modular classrooms at Schofield resulted in the loss of fields. As the Town anticipates new construction projects, there is the potential that more fields could be lost or temporarily unavailable. The decrease in available fields and the overuse of remaining fields, in combination with weather-related issues, has resulted in the deterioration of all playing fields in Town. Due to their location, size, and proximity to the Middle and Sprague Schools, the fields at Sprague are the most heavily used youth sports fields in town. The identification of hazardous materials on Fields 1 and 2 at Sprague has limited the use of these fields. Without remediation, the fields will be closed by the State.

A remediation plan presented to the 2007 Annual Town Meeting by the School Committee and the Playing Field Task Force failed to pass by a narrow margin. The School Committee created a task force to develop an alternative remediation plan for the 2008 Annual Town Meeting that would address concerns raised in opposition to the 2007 plan and meet the MADEP deadline and requirements. The Sprague Field Task Force (Task Force) is comprised of 17 Wellesley residents and Town employees representing the following groups, organizations, and town departments:

- Department of Health
- Board of Public works
- Recreation Commission
- Director of Athletics
- Natural Resources Commission
- School Committee
- Board of Selectmen
- Sprague Field Abutters
- Sprague School Administration
- Sprague School Parents
- Wellesley Cancer Prevention Project
- Youth Baseball & Softball
- Youth Lacrosse
- Youth Soccer

The Task Force studied the various issues and held public hearings to gather input from residents. Through this process, Sprague Field Master Plan was developed. The Task Force took into consideration many of the concerns raised at the 2007 Annual Town Meeting including, but not limited to, the following:

- Proximity of proposed synthetic fields to the Sprague Elementary School;
- Potential toxic issues with synthetic fields using tire crumb materials;
- Heat effect;
- Fences changing the open space and park-like setting; and
- Traffic/Parking.

The Task Force reviewed all concerns and requests voiced at a public hearing in June and agreed to make the following recommendations:

- Allow space for an elementary school playground, funded by the Sprague PTO, between Sprague School and Field 1; keep Field 1 as a natural grass field which includes a new softball field.
- Fields 2 and 3 should be synthetic and use thermoplastic elastomers (TPE) as infill in lieu of the “tire crumb” infill previously proposed. The Task Force chose TPE because it is manufactured from raw materials, contains no heavy metals, is recyclable, reusable, and not a disposal risk. A variety of TPE composites are used in healthcare packaging, children’s toys and food applications. It is inert, non-digestible, and small quantities are harmless if consumed.
- The site should include no permanent seating, scoreboards or fences, nor should it provide for lighting.

Concerns raised at recent hearings have included preserving the “Kindergarten Meadow” and opposition to the possibility of High School football games at Sprague. The committee responded by changing the plan so as to preserve the Kindergarten Meadow and to recommend that High School football games not be held at Sprague.

After considerable time, deliberation and effort, the Sprague Field Task Force developed, and recommended adoption of, the complete Master Plan. The Sprague Field Task Force believes that adoption of the Master Plan:

- would completely address the required remediation;
- would take a meaningful step toward addressing the Town’s need for additional playing field capacity;
- is the result of a thorough, transparent, and inclusive process in which a wide range of constituencies was represented, and which achieved compromise on issues that were previously viewed as contentious and divisive; and
- significantly improves an important Town asset with the vast majority of the funding coming from private and CPC-controlled funds, thus limiting the demand for other Town funds.

Subsequently, the School Committee and the Board of Selectman unanimously approved adoption of the Sprague Master Plan.

The Remediation and Construction Plan

Costs and Funding of the Plan

The total cost of remediation and construction as specified in the Sprague Field Master Plan is estimated by Gale Associates to be \$3.8 million. In order to meet the remediation deadline, the School Committee is prepared to make alternative motions if the original motion fails.

Construction Plans and sources of funding are as follows:

Proposed Motion: Sprague Field Master Plan

This Motion proposes adoption of the full scope of the Sprague Field Master Plan. The Master Plan provides for remediation of Field 1 (natural grass) and Field 2 (synthetic turf), and it improves Field 3 (synthetic turf) and Fields 4 and 5 (both natural grass). It maintains the existing full-size baseball diamond, and it adds a new full-sized baseball diamond. It creates a new softball diamond. The Plan also provides for road improvements, restrooms, storage, and concession facilities. Estimated project cost is approximately \$3,800,000, funded as follows:

Private Funds	\$1,800,000-\$2,000,000
CPA Funds	\$1,500,000 (Article 22)
Town Funds	\$300,000-\$600,000 (this Article)

Alternative Motions:

If the initial motion fails, the School Committee plans to move adoption of one of the following two Plans:

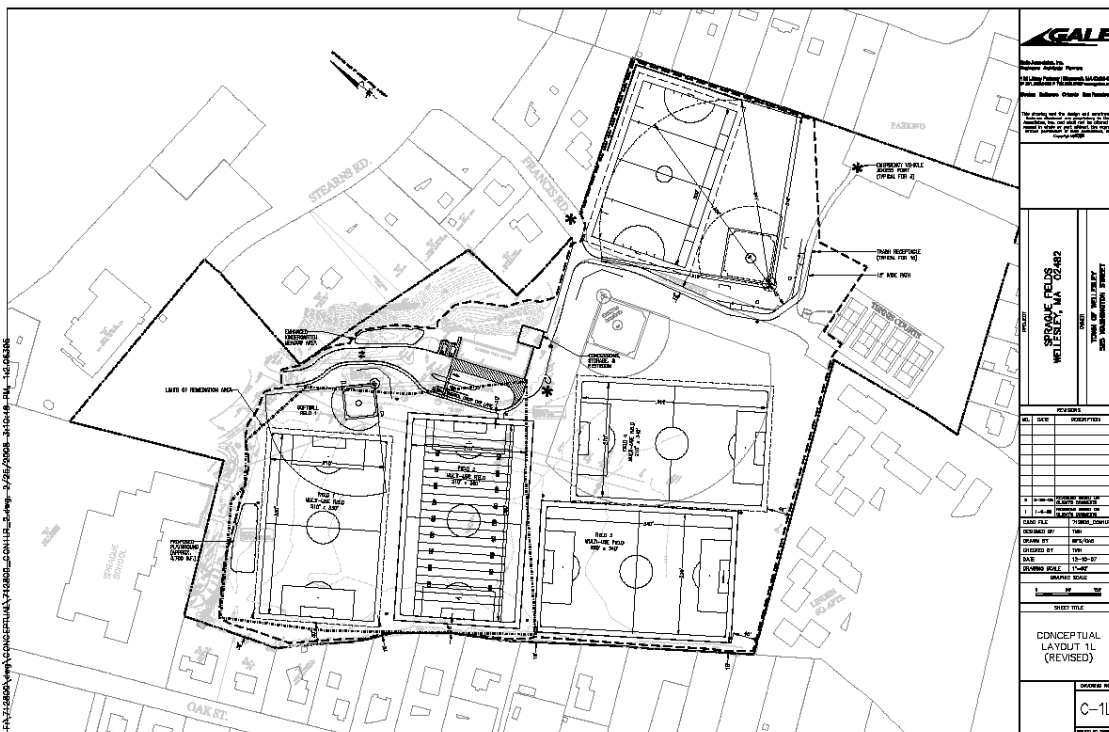
Alternative 1 -- Partial Master Plan. The partial Master Plan provides for remediation of Field 1 (natural grass) and Field 2 (synthetic turf), and it improves Field 3 (synthetic turf). It creates a new softball diamond. It also provides for road improvements. Estimated project cost is approximately \$2,800,000, funded as follows:

Private Funds	\$700,000-\$1,000,000
CPA Funds	\$1,500,000 (Article 22)
Town Funds	\$300,000-\$600,000 (this Article)

Alternative 2 -- Basic Remediation Plan. The basic remediation plan would propose the remediation of Fields 1 and 2 (both natural grass) as well as the construction of the new softball field and the related road improvements. The project cost estimate is \$950,000, funded as follows:

CPA funds	\$700,000 (Article 22)
Town funds	\$250,000 (this Article)

Advisory will vote on this Article close to the time of Town Meeting, when more information is available.



An updated copy of this field layout and the complete Master Plan will be available on the Town’s website and at Town Meeting.

Passage requires a 2/3 vote.

Advisory will make its recommendation at Town Meeting.

ARTICLE 21. To see if the Town will vote to acquire by gift, purchase, or otherwise, the Wellesley Country Club clubhouse building, including without limitation a portion, or all, of said building and/or its contents; to provide a new site for the building either on existing town-owned land or to acquire an entirely new site either by gift, purchase, eminent domain or otherwise, and to relocate the gifted portion of the building to the new site; to appropriate a sum of money for such purposes, including without limitation the careful dismantling, storage and reconstruction of the gifted portion of the building; to select a town board or committee to have jurisdiction over any new site chosen and vote to transfer jurisdiction thereof to the board or committee selected; or take any other action relative thereto.

(Historical Commission)

Original Town Hall

This Article relates to an effort to preserve and re-use elements of the former Wellesley Country Club Clubhouse, which is scheduled to be demolished following the completion of the new Clubhouse. As this goes to press, substantial work is expected to occur over the next few weeks that will provide information about the feasibility of preserving elements of the Clubhouse and of using them as part of office space for the Department of Public Works. Accordingly, this should be viewed as an interim report.

Background

A portion of the Clubhouse was the site of the meeting at which Wellesley determined to separate itself from Needham, after which the building served as the Town's first Town Hall until approximately 1885. This portion of the Country Club building is also of architectural interest, as it is built by post-and-beam construction techniques. These historical elements fall within a portion of the Clubhouse that is approximately 90 feet by 36 feet, and in the front entrance and stairway, which are approximately 16 feet by 26 feet.

The Historical Commission is seeking to work collaboratively with the Board of Selectmen, the Community Preservation Committee (CPC), and the Board of Public Works to develop a proposal to disassemble the structure and store the historical elements at a secure site. This would allow an opportunity for a determination of whether the historical elements could be used in the construction of new office space for the Department of Public Works (DPW) or incorporated in some other Town building.

The CPC, using administrative funds, and the DPW have funded a one-day examination of the historic elements of the Clubhouse. The examination has been conducted and a report about the condition of these elements will be prepared by mid-March. The DPW has also retained a consultant to advise on the re-use of the historical elements. Among other questions, the consultant is to advise on the feasibility of re-use, and the cost compared to construction of a new office building. The Board of Public Works is scheduled to consider information from the consultant in early March.

As this goes to press, the tentative plan of a working group calls for seeking private funding as well as a grant from the CPC for the disassembly and storage costs. The plan calls for storage of the historic elements of the building until mid-2011. If work has not begun by that time on a new office for the Department of Public Works or another Town building in which the historic elements could be appropriately re-used, the historic elements would be sold with proceeds used to repay the CPC and any balance reverting to the Town.

Since the working plan is still in its formative stages, Advisory will consider this Article after it has received a specific proposal.

Advisory will make its recommendation at Town Meeting.

ARTICLE 22. To act on the report of the Community Preservation Committee on the fiscal year 2009 community preservation budget and, pursuant to the provisions of General Laws Chapter 44B, to appropriate or reserve for later appropriation monies from Community Preservation Fund annual revenues or available funds for the administrative expenses of the Community Preservation Committee, the payment of debt service, the undertaking of community preservation projects and all other necessary and proper expenses for the year; or take any other action relative thereto.

(Community Preservation Committee)

The purpose of this Article is to consider the proposed appropriations of the Community Preservation Committee (CPC), as presented in the CPC's Report to Town Meeting. Included on page 109 of this book, the CPC Report reviews the background of the CPA and the nine-member Committee, the requirements for allocating the funds, and outlines the criteria used by the CPC in evaluating requests for funds presented to it. Reference should be made to this report for a more complete understanding of this information and the proposals that are recommended by the CPC for approval at this 2008 Town Meeting.

FY09 Recommendations

The CPC is recommending expenditures for four projects.

- Planning Study for Historic and Cultural Resources Inventory
- Historic Register Plaques
- Town Records Preservation Project
- Remediation of Sprague Fields

Under this Article, the CPC seeks approval for the appropriation of monies from the Community Preservation Fund for these projects. Separate motions seek approval for an appropriation of funds for administrative expenses and for the transfer of funds to each of the three dedicated reserves.

As this Report is being prepared, a fifth project involving potential preservation of elements of the Wellesley Country Club Clubhouse, Wellesley's original Town Hall, is under consideration but the exact details are still to be determined.

The four recommended projects are presented below and described fully in the CPC's Report to Town Meeting included in this book.

1. Planning Study for Historic and Cultural Resources Inventory

- Sponsor: Wellesley Historical Commission (WHC)
- Description of Project: To undertake a planning study of historic and cultural resources in the Town to assess current documentation and plan for future protection.
- CPA Category: Preservation of Historic Resources
- Recommended Amount: \$10,000

The CPC recommends an appropriation of **\$10,000** to hire a consultant to perform this work, to be taken from the Historic Resources Account of the Town's Community Preservation Fund.

Advisory recommends favorable action, 12 to 0.

2. Historic Register Plaques

- Sponsor: Wellesley Historical Commission (WHC)
- Description of Project: To provide designation plaques for two Wellesley buildings recently listed on the National Register of Historic Places.

- CPA Category: Preservation of Historic Resources
- Recommended Amount: \$1,200

The CPC recommends that **\$1,200** be appropriated from the Historic Resources Account of the Town’s Community Preservation Fund to purchase and install the plaques.

Advisory recommends favorable action, 12 to 0.

3. *Town Records Preservation Project*

- Sponsor: Wellesley Town Clerk
- Description of Project: To restore and preserve vital marriage records for permanent retention by the Town.
- CPA Category: Preservation of Historic Resources
- Recommended Amount: \$30,000

The CPC recommends that the sum of **\$30,000** be appropriated from the Historic Resources Account of the Community Preservation Fund for this project.

Advisory recommends favorable action, 12 to 0.

4. *Sprague Field*

- Sponsors: Wellesley School Committee, Sprague Field Task Force
- Description of Project: Remediation of solid waste contamination in a portion of the existing Sprague Field complex in order to preserve athletic fields, including installation of replacement natural and/or synthetic turf fields. The Master Plan calls for construction, realignment of, and improvements to various fields, the construction of a new concession stand, restrooms, and roadway/pathway improvements, in addition to the work required in the Remediation Area. If the complete Master Plan, or a partial plan, is for any reason not ready for presentation to the 2008 Annual Town Meeting, or if these plans are not approved by the Town Meeting, the School Committee intends to request Town Meeting to appropriate funds for a “Basic Plan” which focuses on work within the Remediation Area.
- CPA Category: Recreation
- Recommended Amount: \$1,500,000 for Master Plan or \$700,000 for Basic Plan

The project will also be described fully in presentations to Town Meeting by both the CPC and the project sponsors in support of motions under Article 20.

The CPC recommends that the following appropriations be made for the following options to be presented by the proponents of the Sprague Field project:

- For the various options under the Master Plan -- **\$1,500,000**, to be appropriated from the Undesignated Reserves Account of the Community Preservation Fund
- For the “Basic Plan” option (in lieu of the Master Plan) -- **\$700,000**, to be appropriated from the Undesignated Reserves Account of the Community Preservation Fund

The Sprague Fields project is the topic of Article 20. As of the publication of this Report, Advisory has not reached a decision on Article 20 and hence we have deferred a decision on this portion of Article 22.

Advisory will make its recommendation at Town Meeting.

Administrative Costs

The CPC also seeks approval for an appropriation of \$50,000 for administrative expenses. This amount is within the statutory allowance for such expenses (up to 5% of the annual revenues to the Fund). The CPC has typically spent only a portion of this allowance, and any unspent administrative funds will revert to the Fund at the end of the fiscal year.

Advisory recommends favorable action, 13 to 0.

Transfer 10% of new funds to each of the three designated reserve categories

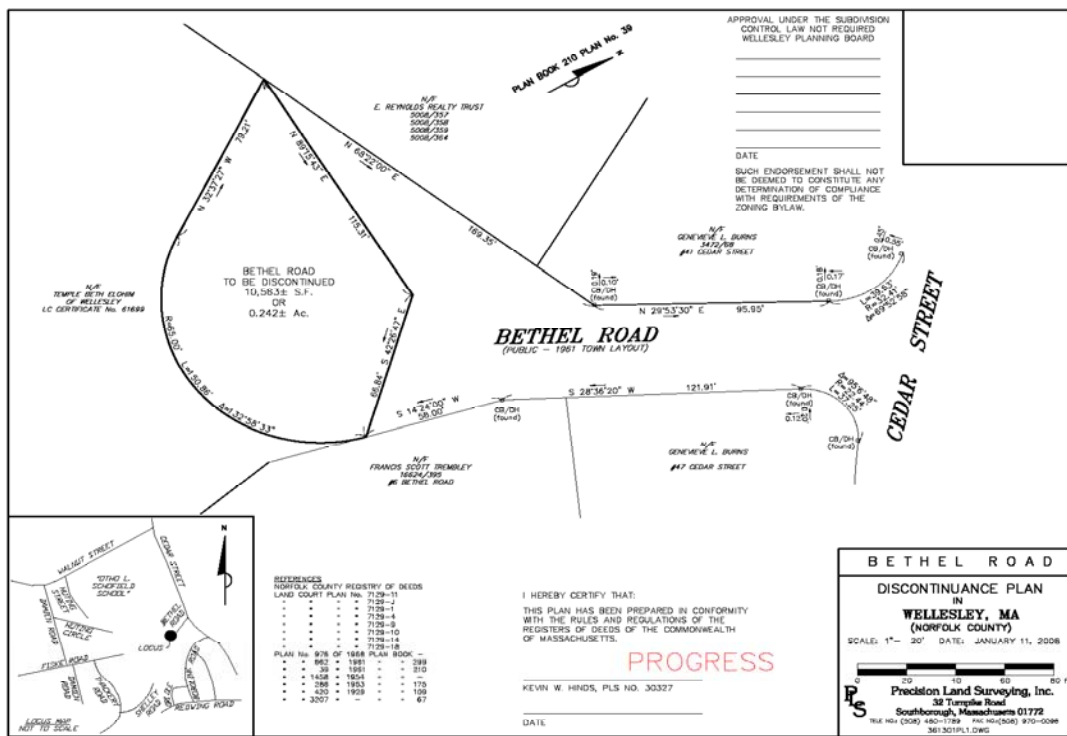
The CPC also seeks approval for the transfer of \$165,300 to each of the three dedicated reserves (Open Space, Historic Resources, and Community Housing). Each year, Wellesley is required to either spend or reserve a minimum of 10% of all revenues collected for each of the statute’s three primary purposes of open space (excluding recreation), community housing, and historic resources.

Advisory recommends favorable action, 13 to 0.

ARTICLE 23. To see if the Town will respond to the proposal to reconfigure Bethel Road by voting to abandon all or a portion of the accepted way, and/or to accept a new portion (currently on adjacent private property) as a public way (with or without betterments), and to authorize one or more easements to be granted by the private property owner to the Town (and/or vice versa) in connection therewith, all as shown on a layout plan entitled “Bethel Road Abandonment, Acceptance and Easement Plan” drawn by Precision Land Surveying, Inc., dated January 11, 2008; to raise and appropriate money therefor; or take any other action relative thereto.

(Board of Selectmen)

This Article seeks to discontinue and abandon a portion of Bethel Road and return control of this portion to Temple Beth Elohim.



Temple Beth Elohim is presently in the process of planning for a new building to be constructed on the Temple's existing property at the end of Bethel Road. The parking and access driveway for the new building will be reconfigured to accommodate more cars and to facilitate a cooperative sharing arrangement with the Schofield School next door. Bethel Road is a dead end road, and the Temple's property is at the far end.

Prior to 1961, what is now Bethel Road was a paved driveway that ran between the existing Temple building and Cedar Street. Parts of the paved driveway were used by a small number of abutters for access and egress between their properties and Cedar Street. In 1961, the Town took an easement over the paved area by eminent domain, so that it could be used as a public way.

To accommodate its new building plans, the Temple is asking the Town to discontinue and abandon a portion of the easement that was initially taken so that the property would once again be Temple property, available for use with the redevelopment. The Temple's plans for its new building and parking lots would change the layout of a portion of the existing public way, at the far end of the dead end, to accommodate a change in the traffic circulation pattern and a reconfiguration of the parking spaces in front of the new building. The portion of Bethel Road closer to Cedar Street will remain public, and the existing public frontage and access of the abutters will be preserved.

The area that will be discontinued as a public way will be used primarily as a landscaped area with new parking spaces. The landscaping will provide important drainage and runoff purification functions. The Temple has been working closely with Schofield School in a public-private collaboration so that the two neighboring institutions can share their parking spaces and pedestrian walkways at certain times. This will also help alleviate some of the queuing on Cedar Street and substantially reduce the need for walking out to Cedar Street to get from the Temple parking lot to Schofield and vice-versa. The School Committee has voted unanimously to support this collaborative effort.

As part of the discontinuance, the Temple has agreed to assume the responsibility and the cost of snow removal for all of Bethel Road under guidelines set by the Department of Public Works, and it is expected that an agreement to that effect will be entered into between the Town and the Temple. In addition, the Temple has agreed to make a number of improvements to the Schofield School property.

The Board of Selectmen and Temple Beth Elohim's representatives are working on the documentation of this discontinuance as we go to press, and it is anticipated that more information will be available on this Article at ATM.

Advisory will make its recommendation at Town Meeting.

ARTICLE 24. To see if the Town will vote to grant, accept and/or abandon one or more easements, including but not limited to utility and drainage easements, at one or more locations in the Town; or take any other action relative thereto.

(Board of Public Works)

This Article seeks approval of easements, usually for access for utility services, granted to, or abandoned by, the Town. As this book goes to press, it is anticipated that one easement will be presented to ATM.

The easement to be presented is a Stormwater Drainage Easement –Abandon and Relocate granted to the Town for the abandonment of an existing stormwater drain and relocation of the drain across a parcel located at 91 Arnold Road. The property owner has consented and the drain has been installed. The easement is part of a larger project to improve stormwater drainage in this neighborhood. The easement does not involve any expense to the Town but the Town paid for the new drainage pipe that was installed.

Advisory's recommendation below concerns the 91 Arnold Road easement. It is possible that additional easements will be presented to ATM and, if so, Advisory will make its recommendation on any additional easements at ATM.

Advisory recommends favorable action, 13 to 0.

ARTICLE 25. To see if the Town will vote to confirm town ownership of the following parcels of land on the high school grounds (parcels 1,2 & 3) and the Schofield school grounds (parcel 4) by authorizing acquisition by purchase, eminent domain, gift or otherwise:

Parcel 1, a rectangular lot of about 8,000 sq. ft. situated along the southwesterly boundary of a town-owned parcel of land abutting Seaver Street (sometimes known as the "Selectmen's Parcel"), shown as Lot 166 on an August 13, 1853 plan by Swan and Straw, recorded at the Norfolk County Registry of Deeds in the beginning of Book 222, the last known owner of record of which is the Babson Building Co. by deed dated December 7, 1921 and recorded in Book 1504, Page 256; said parcel being currently assessed as Lot 88-66 with owner "unknown" (for historical reference, said parcel was prepared for taking by eminent domain under Article 36 of the warrant for the 1938 Annual Town Meeting, but no action was taken);

Parcel 2, a triangular lot of about 2,770 sq. ft. situated completely within the boundaries of the Wellesley High School land; the last known owner of which is believed to have been Margaret J. Rollins, as referenced by Land Court Plan #5809A1, filed in 1916; said parcel being currently assessed as a part of Lot 76-11, the Wellesley High School land;

Parcel 3, a portion of Peck Avenue westerly of Seaver Street, shown on an August 13, 1853 plan by Swan and Straw, recorded at the Norfolk County Registry of Deeds in the beginning of Book 222. Lot 3 is the only remaining portion of Peck Avenue (westerly of Seaver St.) where the rights to use said road are not exclusive to the Town; and

Parcel 4, a rectangular lot of about 34,350 sq. ft. situated along the northwesterly boundary of the Schofield School land; said parcel being comprised of portions of Lots 7+8 as shown on a July, 1905 plan by Arthur P. French recorded at the Norfolk County Registry of Deeds as Plan Book 70, Plan 3376; the last known owner of said parcel being Frank Curry, who died on March 2, 1934; said parcel being currently assessed as Lot 28-82 with owner "unknown";

And to transfer and confirm, as the case may be, that said parcels are under the jurisdiction of the School Committee; to appropriate the sum of one dollar (\$1.00) for each acquisition; or take any other action relative thereto.

(Board of Selectmen)

This article seeks ATM approval to formally acquire three parcels of land thought to already belong to the Town and to discontinue the public use of one paper road.

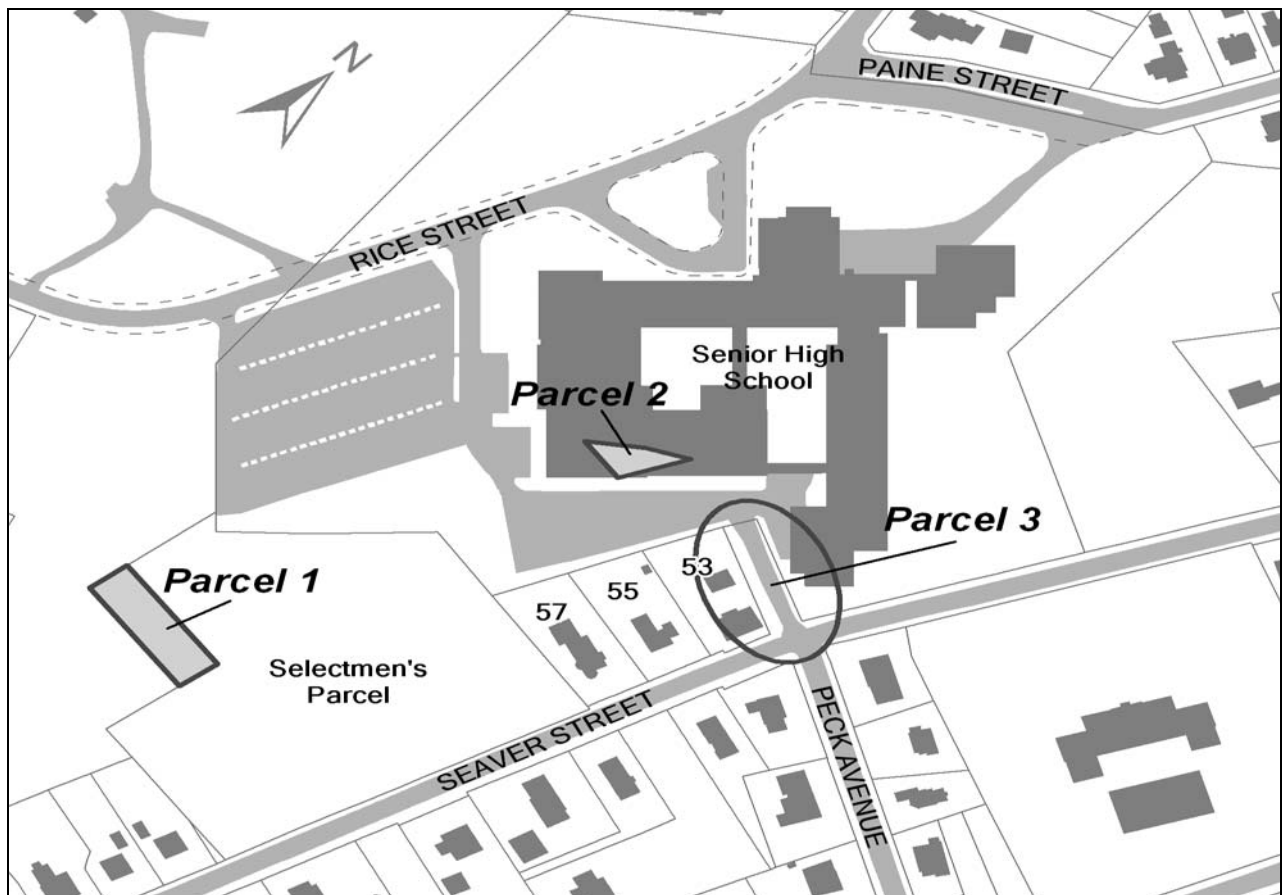
At the request of the High School Land Utilization Working Group the Town's Geographic Information Systems Office (GIS Office) was asked to perform a study of the land acquisition history of the High School property, which was then broadened to include all school properties in Town. Two parcels abutting the High School property and one parcel abutting the Schofield School property were found to have unclear title to the Town. The Selectmen would like to discontinue any public use of the final property, Peck Avenue Extension, a paper road. This Article seeks ATM approval to clear up any acquisition issues, by the taking of these properties by eminent domain (*see the accompanying maps*).

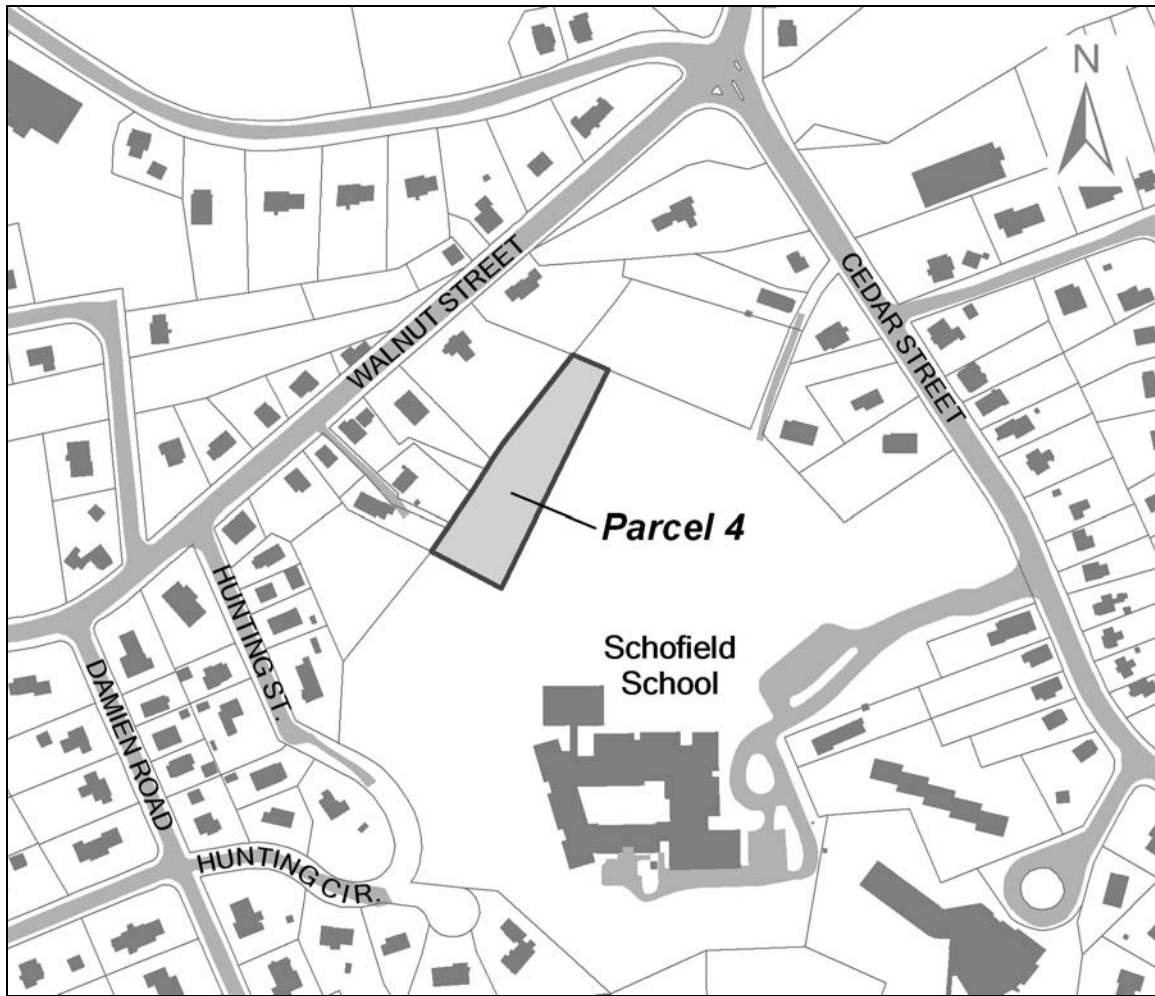
Parcel 1 is a rectangular lot about 8,000 sq. ft. of land located south of the High School parking lot and abutting what is known as “the Selectmen’s Parcel.” The last known owner of this parcel was Babson Building Co. by deed dated December 7, 1921. This lot was prepared for taking by eminent domain under Article 36 of the 1938 ATM, but no action was taken. This lot is currently known as Lot 88-66 with owner “unknown.”

Parcel 2 is a triangular lot about 2,770 sq. ft. of land completely located within the boundaries of the Wellesley High School building. More specifically, approximately one-half of the parcel is under the cafeteria and the other half is located under the gymnasium. The last known owner was known to be Margaret J. Rollins as referenced by Land Court Plan #5809A1, filed in 1916. The lot is currently known as a part of lot 76-11, the Wellesley High School land.

Parcel 3 is the paper road known as Peck Avenue Extension, more commonly known as the closed High School entrance off Seaver Street, as well as the access road for the driveway of 53 Seaver Street (property acquired by the Town in December 2007). The Town would like to discontinue the public use of this paper road.

Parcel 4 is a rectangular lot about 34,350 sq. ft. of land located behind 138 & 148 Walnut Street and 3 & 6 Walnut Place and along the boundary of the Schofield School land. This property was believed to have been taken by the Town in the 1930’s for the creation of the Cedar Street playground (subsequently known as the Schofield School property). The boundary description in the title records is not sufficiently specific to assure proper title to the Town. There has been no reference of this land in any executor’s inventory of land in probate records, nor have any taxes been collected on this parcel since the 1930’s.





Each parcel is expected to be brought to ATM as a separate motion and a 2/3 vote is necessary for passage of each motion.

Advisory recommends favorable action, 12 to 0.

ARTICLE 26. To see if the Town will adopt a town-wide Naming Rights Policy governing the authority in the several town boards, committees, commissions, to “name” town assets, including without limitation whether any such naming shall be subject to town meeting approval in any particular future case; copies of the current version of a proposed Naming Rights Policy being on file in the Office of the Board of Selectmen (said version being recognized as subject to change before or at town meeting); to amend the Town Bylaws Article 5. Policies and Procedures, to include said Naming Rights Policy as adopted; or take any other action relative thereto.

(Board of Selectmen)

This Article amends the Town Bylaw, Article 6, by adding a new section 6.21 which deals with a Town-wide policy on naming of town assets. The Board of Selectmen created an Advisory Committee on Naming Public Assets in October of 2007, which was charged with reviewing current practices and recommending a naming policy for the future in response to the growing trend in municipalities of partnering public need with private support.

The proposed Bylaw provides a broad outline for Boards to follow and draws upon existing policies developed by the Library Trustees and the Natural Resources Commission. The adoption of this Bylaw would require the Boards with jurisdiction over physical assets to adopt a policy on naming that complies with the overarching Town policy criteria as stated in this naming bylaw. Approval by a majority of Town Meeting is required in connection with the naming of major assets, as defined by each Board. Individual Boards would have jurisdiction over the naming of smaller assets or portions of a larger asset, such as a room within a building. Further background and details are included in the *Report of the Advisory Committee on Naming Public Assets* on page 120 of this book. Rather than repeat the details, Advisory urges that you read the *Report*.

Advisory concluded that the naming policy is a good first step for the Town. It allows our decentralized government to use naming policies developed by individual Boards, while providing an umbrella policy for the Town. Oversight of the naming of all major assets is achieved by the requirement that Town Meeting must vote on the name. Advisory supports the follow-up recommendation that the Board of Selectmen ask the Advisory Committee on Naming Public Assets work to create a Gift Policy for the Town that would be used in conjunction with the Naming Policy and bring it to the 2009 ATM for approval.

Advisory recommends favorable action, 10 to 0, with 2 abstentions.

ARTICLE 27. To see if the Town will vote to request that the Selectmen, Council on Aging and other town officials continue to study the feasibility of the Town accepting the conditional gift of approximately \$825,000 offered by the terms of the Mary Esther (“Billie”) Tolles Charitable Foundation, which sum may need to be supplemented by the Town through appropriation, gifts, bonding and/or other possible methods of raising money sufficient for the purpose, which gift is conditioned on the “founding, constructing and equipping [of] a senior center...on land or in a building provided for that purpose by the Town...and shall include but not be limited to offices for the Wellesley Council on Aging and the Wellesley Friends of Senior Neighbors, Inc., kitchen and dining facilities, classrooms, meeting rooms, recreational areas and the like. The name of the Center shall be ‘The Tolles-Parsons Senior Center’ and shall be dedicated in the memory of Mary Esther Tolles and Evelyn L. Parsons, M.D....”; to raise and appropriate, or otherwise provide, a sum of money for the same; to accept as a gift a sum of money offered by the trustees of said foundation for such a study; the Board of Selectmen being requested to report the results of said study to a subsequent Town Meeting; or take any other action relative thereto.

(Board of Selectmen)

Advisory expects no motion under this Article.

ARTICLE 28. To see if the Town will vote to authorize the Moderator to appoint a Green Ribbon Study Committee of not more than nine members whose focus shall be to recommend a town-wide sustainability plan and policies, and to make its recommendations to a subsequent Town Meeting; or take any other action relative thereto.

(Board of Selectmen)

This Article seeks approval for the Moderator to approve a Green Ribbon Study Committee (GRSC). The focus of this Committee shall be to recommend a Town-wide sustainability plan to be presented at a subsequent Town Meeting.

The 2007 Advisory Committee requested that the Board of Selectmen begin to explore ways that the Town might incorporate sustainability and “green” practices into Town policies. Sustainable means

“capable of being continued with minimal long-term effect on the environment.” The Board of Selectmen formed the Ad Hoc Green Committee in September, 2007, and they recommend the establishment of a new Green Ribbon Study Committee with an initial focus on energy policies and practices. Their charge would include the development of a Sustainable Energy Plan that would promote conservation and efficiency, and the reduction of dependence on fossil fuels. This plan will identify policies and actions that will lead towards those goals and would affect all sectors: municipal, commercial, and residential. The implementation of the recommended policies and actions would be in the hands of the appropriate parties: MLP, Town Meeting, Selectman, etc. Please see page 125 of this book for a copy of the Ad Hoc Green Committee report.

The GRSC would consist of nine members appointed by the Moderator. All members would have a strong interest in sustainability and at least three members would have experience in areas such as energy management, conservation, alternatives, etc. Advisory believes it is critical that the Town’s Municipal Light Plant be an active partner/participant in the development of a sustainable energy plan.

The Advisory committee recognizes the need for a sustainable energy plan and endorses the creation of the GRSC. Wellesley would join a growing number of towns that have such committees and hopefully will get ahead of the curve in this important endeavor. This would be consistent with the Town’s leadership on recycling which today is understood to both save money and be socially responsible. Advisory supports a budget of \$1,500 for GRSC expenses.

After the Green Ribbon Study Committee makes their proposal(s) at a subsequent Town Meeting, TM can then decide whether to continue the GRSC’s existence and whether to broaden their focus into other areas of sustainability.

Advisory recommends favorable action, 12 to 0.

ARTICLE 29. To see if the Town will vote to exempt from zoning density limitations Assisted Units provided in accordance with the provisions of the Town’s inclusionary zoning requirements by amending the Zoning Bylaw by adding to SECTION XVIB. INCLUSIONARY ZONING a new paragraph H, to read substantially as follows (said proposed version being subject to change before or at town meeting):

H. EXEMPTION FROM RESIDENTIAL DENSITY LIMITS

Assisted Units provided in accordance with the provisions of this SECTION XVIB, INCLUSIONARY ZONING, shall be exempt from residential density limits contained in this Zoning Bylaw provided, however, this exemption shall be limited to 20% of the total number of units on the development area. Projects under a Comprehensive Permit (Ch 40B M.G.L.) are not so limited.;

copies of any new version being proposed to be on file at the Office of the Planning Board; or take any other action relative thereto.

(Planning Board)

Advisory expects no motion under this Article.

ARTICLE 30. To see if the Town will vote to amend the Zoning Bylaw SECTION XVID. LARGE HOUSE REVIEW to alter, modify or correct language specifically responsive to any requirements or suggestions made by the Office of the Attorney General; any such requirements or suggestions, and the zoning bylaw amendments being proposed in response to them (as the same may be subject to change before or at town meeting) being on file in the Office of the Planning Board; or take any other action relative thereto.

(Planning Board)

Advisory expects no motion under this Article.

ARTICLE 31. To see if the Town will accept the recommendations of the Town Bylaw Study Committee to improve the Town's requirements regarding the Date for Annual Town Election, Notice of Town Election, Notice of Town Meeting, and Advisory Committee Report by amending Article 8. Town Meeting, Sections 8.2, 8.3, and 8.10 and Article 11. Advisory Committee, Section 11.8 of the Town Bylaws, and/or other appropriate bylaws, the study committee's current proposed version of the bylaw amendments being on file in the office of the Board of Selectmen (it being recognized said version(s) may be changed before or at town meeting); or take any other action relative thereto.

(Town Bylaw Study Committee)

This Article, brought by the Town Bylaw Study Committee (TBSC), requests approval by Town Meeting to adopt changes to the Town Bylaws to conform to current practices, including the use of the latest communications methods in order to attempt to best inform our citizens about the activities and business of Town Government.

The Committee was appointed by the Moderator and authorized by the 2007 Annual Town Meeting to investigate and make recommendations on (1) the Town's protocol for town elections and business sessions of Town Meeting (Town Bylaws Sections 8.2 and 8.6), (2) the notice provisions requirements in the Bylaws for Town elections and Town Meeting, (Bylaws Sections 4.4, 8.3, 8.10 and 11.8), and (3) generally how the overall process can be improved.

Motion 1:

Part II. TOWN ELECTIONS

8.3 Notice of Elections. At least 35 days before the date of any Town Election, the Selectmen shall give notice of their intention to call such Election by notifying the Town Clerk. The Selectmen shall also, as soon as practicable, place a notice of the Election in a newspaper generally circulated in the Town and publish the notice on the Town's website. At least seven days before a Regular Election and 14 days before a Special Election they shall post copies of the warrant in not less than two conspicuous places in the Town including but not limited to the Town Hall and Wellesley Square. The warrant shall also be made available on the Town's website.

Part III. TOWN MEETINGS

8.10. Notice of Town Meeting. Notice of each Town Meeting, whether Annual or Special, shall be given by the Selectmen by publishing a copy of the notice in a newspaper generally circulated in the Town at least seven days before the date on which the Annual Town Meeting, and at least 14 days before the date on which a Special Town Meeting, is to commence. Said notice shall state the time and place of the meeting and that the full text of the warrant shall be published on the Town's website and be available from the Selectmen's office. Additionally, the Selectmen shall post attested copies of the warrant for that Meeting in no less than two conspicuous places in the Town

including but not limited to the Town Hall and Wellesley Square and shall make the warrant available on the Town's website.

Motion 1 modifies the Bylaw Sections 8.3 and 8.10. These sections relate to the timing of the notice of Town elections and the method the notice is published. Presently the Town is required to give 20 days notice prior to any Town election; the TBSC proposes changing the required notice period to 35 days prior to any Town election. In addition to placing the notice of the election in a newspaper, this motion incorporates publishing it on the Town's website.

Modifications to Section 8.10 would remove the requirement to publish the warrant in the newspaper and require the warrant be published on the Town's website. The number of days for notice of Town Meeting remains the same; however, the means to notify now includes the Town's website.

Motion 2:

Proposed 11.8. Report. A copy of the report of the Committee shall be mailed or delivered to each Town Meeting Member and Town Department at least seven days before the commencement of any Town Meeting. A minority may present a separate report which shall be included in the report of the Committee. The report shall set forth the numerical vote of the Advisory Committee on each recommendation. The report shall be available on the Town's website, and available for pick-up at the Town Clerk's Office, and at the Wellesley Free Library. Further, the Advisory Committee shall mail a letter from the Advisory Chairman to each dwelling in the Town at least seven days before the commencement of any Town Meeting. The Chairman's letter will contain an overview of the then current status of the budget, including any anticipated overrides, information on capital projects that will require bonding, and significant factors for future budgets. The letter will also contain a summary of other significant matters coming before Town Meeting as deemed appropriate by the Chairman. The letter will indicate when and where copies of the Advisory Report will be available.

Motion 2 modifies Article 11, Advisory Committee, Section 11.8, Report, by proposing changes to the distribution of the Advisory Committee Report. The current requirement is to mail a copy of the Advisory Report to each household in Town. "Mailing" the report is a holdover from when Wellesley had an open Town Meeting (prior to 1937) when the US Postal Service was the most common form of distribution. For the past two years the Advisory Report has been published on the Town's website. Updating Section 11.8 takes into consideration this new means of communications with the public (the Internet) and a new approach for communicating the important issues coming before Town Meeting to the residents of the Town.

In lieu of mailing the Advisory Report to each household, the change would require that the Advisory Chair write and mail a letter that includes the highlights of the budget and issues coming before Town Meeting to each household in Town with instructions on how to obtain a copy of the Advisory Report. Residents will be able to access the Advisory Report in its entirety on the Town's Web site and/or pick up printed copies at the Town Clerk's office or the Wellesley Free Library. Those who wish to have the full report mailed to them may request one from the Selectmen's office. In the event there is a particularly important issue coming before TM, the Advisory Committee Report could still be mailed to each household, but would not be *required* to be mailed.

Town Meeting Members and Town Departments will continue to receive the Advisory Report by mail, prior to Town Meeting. Please see the Report of the Town Bylaw Study Committee on page 128.

Advisory recommends favorable action, 13 to 0.

ARTICLE 32. To see if the Town will vote (a) to direct that the care and maintenance of all Town buildings (including school houses, pursuant to the authority in G.L. c. 71, § 68, but excepting buildings under the jurisdiction of the Department of Public Works and the Municipal Light Plant) shall be under the general charge of the Town's Building Facilities Administrator, who shall report to the Executive Director of General Government Services; (b) to amend the Town Bylaws as appropriate to accomplish the proper implementation of said directive; the proposed version of said Bylaw amendments (which are recognized to be subject to change before or at Town Meeting) being on file in the office of the Board of Selectmen; and (c) to raise and appropriate, or otherwise provide, a sum of money for said purpose; or take any other action relative thereto.

(Board of Selectmen)

Advisory expects the Selectmen to bring a motion under this Article to seek approval of a Town Bylaw change to consolidate the responsibility for the facilities maintenance of all Town and School buildings under the authority of the Town's Facilities Director, with the exception of the Department of Public Works and Municipal Light Plant buildings. At this point, Advisory has not seen the proposed bylaw or motion language, so we can provide only general background information.

In 2006, a Facilities Director was hired to begin the process of moving the Town toward a consolidated maintenance function for both Town and School buildings. No other changes were made to support this expectation, however. No changes were made in the day-to-day supervision of the maintenance personnel or their responsibilities and funding was not transferred out of the various departmental budgets to a new consolidated department. In effect, a position was created giving the Facilities Director considerable responsibility and little authority. This approach did not prove successful. The person filling the role of Facilities Director has since left.

The Board of Selectmen feels a more consolidated approach is needed. A consolidated department could align responsibility and authority; bring greater visibility to the size and scope of the Town's maintenance needs; clarify who has accountability to develop and implement an operational and financial plan for the long-term maintenance of the Town's buildings; and increase the focus on maintenance issues. Conceptually, the School Department, the Library, and other Town departments would be relieved from handling the day-to-day staffing and direction of maintenance personnel so that they could focus more completely on their fields of substantive expertise.

The ultimate goal would be to have a consolidated maintenance group serving all Town and School buildings with strong leadership, excellent operational and financial practices, adequate funding, and appropriate service levels. The Board of Selectmen is working with the School Department to develop a framework for hiring a new Facilities Director and consolidate the maintenance budgets for all Town and School buildings into one overall account.

An integral part of this new approach is to revise the job description for the Facilities Director to emphasize the need for experience working in decentralized environments like the Town, as well as the ability to design and implement practices, procedures and training across numerous working groups. It also would be important to emphasize the "change agent" aspect of the job. The Facility Director's interaction with the School Administration, School Committee, Board of Selectmen and Permanent Building Committee will be complex; therefore these relationships and responsibilities would need to be spelled out and refined based on past experience.

The Board of Selectmen and School Committee are working on this framework and should have more to report on this subject at ATM.

Advisory will make its recommendation at Town Meeting.

ARTICLE 33. To see if the Town will vote to establish the creation of the Denton Road Neighborhood Conservation District by amending the Town Bylaw to establish a new Article 46B, to read substantially as follows (said proposed version being subject to change before or at town meeting):

1. PURPOSE OF THE DENTON ROAD NEIGHBORHOOD CONSERVATION DISTRICT

- (a) This Bylaw enables the establishment of the Denton Road Neighborhood Conservation District (NCD) in the Town of Wellesley for the following purposes:
 - (i) To recognize that the Denton Road Neighborhood, which dates back to the 1800's and which contains a variety of homes clustered along a tree-shaded, U-shaped street, is a distinctive neighborhood that contributes significantly to the diversity and character of Wellesley.
 - (ii) To promote conservation and preservation of its existing Buildings and Structures; to encourage compatible new construction that will complement existing Buildings, Structures, Settings and overall neighborhood character; and to foster appropriate reuse of and upgrades to Buildings and Structures.
 - (iii) To provide residents and property owners with the opportunity to participate in planning the future of their neighborhood.
- (b) This Bylaw will enable changing the Buildings, Structures, and Settings of Denton Road to meet the needs of current and future owners, without sacrificing the neighborhood's attractive qualities.
- (c) The NCD designation acknowledges Denton Road's distinctive architectural, aesthetic, historical, cultural, and social role in the development of the Town of Wellesley's character.

2. BOUNDARIES OF THE DENTON ROAD NCD

The Denton Road NCD shall be comprised of 31 properties and shall be bounded by 10 Denton Road on the East and 75 Denton Road on the West. Of the 31 properties bounded by the NCD, the following properties fronting Denton Road have chosen to be in the NCD: 9, 10, 11, 14, 15, 16, 19, 24, 28, 29, 31, 32, 44, 46, 48, 55, 56, 60 #1, 60 #2, 60 #3, 61, 65, 71, 72, and 75. Six properties have opted out of the NCD: 39, 40, 52, 58, 62, and 66 Denton Road.

3. THE DENTON ROAD NCD COMMISSION

- (a) Membership of the Commission shall be in accordance with Article 46A, Section 4, Neighborhood Conservation District Commissions.
- (b) To the extent possible, members of the Commission shall represent the diverse interests of residents in the District.

4. REVIEW AUTHORITY OF THE DENTON ROAD NCD COMMISSION

- (a) The authority of the Denton Road NCD Commission shall extend to the review of all

Construction, Demolition, or Alteration of exterior features on a property within the District visible from a public way, unless otherwise specified in this Bylaw, and review will follow the procedures described in Article 46 A, Section 5, Review of Construction and/or Alterations.

- (b) As described in Article 46 A, Section 5 (d) (vii), the NCD Commission shall meet periodically with the Property Owners in the NCD for the purpose of determining whether or not the District's Guidelines are still appropriate, and shall send a report to the Historical Commission containing their findings. The first of these meetings shall occur within two years from the date of the District's designation as an NCD, and subsequent meetings shall occur at no less than five year intervals thereafter, unless said 5 year interval is changed by a majority vote of the Property Owners after the first two years.
- (c) Recommendations for amendments to the District, including Guidelines, governance, procedural changes and geographical boundaries, must be approved by a majority of the District's Property Owners and the amendment procedures described in Article 46A, Section 3 (i) must be followed. Proposed changes approved by the Historical Commission and Planning Board must be approved by a majority vote of Town Meeting.

5. DETERMINATIONS BY THE DENTON ROAD NCD COMMISSION

Except as otherwise provided in Article 46 A or this Bylaw and its Guidelines, no Building, Structure, or Setting within the District shall be Constructed, Demolished, or Altered in any way unless the NCD Commission has first issued a Certificate of Compatibility, a Certificate of Hardship, or a Certificate of Non-Applicability.

(a) Exempt from review

- (i) Temporary Structures.
- (ii) Interior Alterations.
- (iii) Storm windows, storm doors and screens.
- (iv) Colors.
- (v) Accessory Structures of less than 120 square feet of floor area and less than 15 feet in height.
- (vii) Skylights and solar panels parallel to, and in close contact with, the plane of a roof.
- (viii) Exterior features of a Building or Structure and its Setting not visible from a public way or other area open to public access.
- (ix) The ordinary maintenance, repair or replacement in kind of Exterior Architectural Features and/or changes made to meet the requirements deemed necessary by the Building Inspector for public safety because of an unsafe or dangerous condition.
- (x) Fences four feet high or less and their equal height entry gates.
- (xi) Handicapped-accessible ramps or other features.
- (xii) Replacement of window(s) similar in size and style.
- (xiii) Similar or in kind replacement of plant material.

(b) Subject to Review

All Construction, Alterations, or Demolition not exempted from review in 5 (a) are subject to review by the NCD Commission, and the Commission's determinations are binding. These determinations may contain conditions necessary to fulfill the terms of

Section 7 of this Bylaw. Included are the following:

- (i) Construction of a new Building or Structure.
- (ii) Demolition of an existing Building or Structure.
- (iii) Alteration or Construction of an Addition to an existing Building or Structure which requires a building permit.
- (iv) Alteration of the existing landscape by removal of significant shrubbery or trees over 8" in diameter.
- (v) Alteration of any of the grading on the property.
- (vi) Construction of a retaining wall.
- (vii) Installation of (a) fence(s) or other built landscape feature(s) higher than four feet.
- (viii) Addition of paving or creation of a new driveway.
- (ix) Terraces, walks and sidewalks.
- (x) Permanent exterior lighting.
- (xi) Changing the siding material or trim on an existing Building or Structure.
- (xii) Replacement of windows differing in size or style from those existing.

6. THE REVIEW PROCESS

- (a) Per description in Article 46 A, Section 5 (d), any person wishing to perform Construction, Alterations, or Demolition that require review shall first file an application with the NCD Commission for a Certificate of Compatibility, Certificate of Hardship, or Certificate of Non-Applicability in such form as the NCD Commission may reasonably determine. Materials required for a building permit and other information as may be reasonably deemed necessary by the NCD Commission to enable it to make a determination on the application may be requested of the applicant. The Commission, at its discretion, may waive certain required submission documents or steps in the review process. The date of the filing of an application shall be the date of the receipt of the application by the NCD Commission
- (b) The Commission shall hold a Public Hearing within 45 days of the filing of a complete application for a Certificate of Compatibility, a Certificate of Hardship, or a Certificate of Non-Applicability, following the steps outlined in Article 46 A, Section 5 (d).
- (c) If the NCD Commission fails to make a determination within 60 days after the close of the public hearing, or after any further time the applicant, in writing, may allow the NCD Commission, a Certificate of Compatibility shall be deemed granted, and the NCD Commission shall issue a Certificate of Compatibility.
- (d) The NCD Commission shall file with the Building Inspector, Zoning Board of Appeals, Planning Board, and Historical Commission a copy of all Certificates of Compatibility, Certificates of Non-Applicability, Certificates of Hardship, and determinations of disapproval.

7. CRITERIA FOR NCD COMMISSION DETERMINATIONS

- (a) Specific Criteria for the Denton Road NCD
The following objectives are to be sought in considering applications for Certificates of Compatibility or Certificates of Hardship:

- (i) Conserving the diversity of styles and historic architectural character of the neighborhood, including the existing size and massing of abutting Buildings and Structures, as well as others elsewhere in the District.
- (ii) Conserving the District's pattern of wood frame architecture.
- (iii) Allowing for architectural diversity and individualized alterations while preserving the traditional scale of the Buildings and Structures.
- (iv) Encouraging the retention of mature landscape materials and the planting of trees and greenery to enhance the landscape amenities of the neighborhood.
- (v) Preserving the existing grade, location and setback of Buildings and Structures to maintain the sightlines of the street.
- (vi) Encouraging the separation of properties by means of landscape planting rather than fencing.

(b) General Conservation Standards

All applications shall be considered with regard to the potential adverse effects of the Construction, Alteration or Demolition of an existing Building, Structure, or Setting on the abutters, the immediate streetscape, and the District as a whole. Consideration will also be given to:

- (i) The architectural or historical significance of the Building, Structure, or Setting, if any.
- (ii) The physical characteristics of the site, including, but not limited to, existing topography and vegetation.
- (iii) The use, if possible, of energy-conserving materials and techniques.

(c) Design Guidelines

In addition to (a) and (b) above, the Commission shall base its decisions on the following specific factors when considering Applications for Compatibility or Hardship:

(i) Construction of a new Building or Structure

Review of the design of a new Building or Structure or addition to an existing Building or Structure shall be made with regard to the general compatibility of the building with its surroundings, and the following elements of the proposal shall be among those considered:

1. Site layout.
2. Volume and dimensions of the Building or Structure.
3. Provision for open space and landscaping.
4. The scale and massing of the Building or Structure in relation to its surroundings.
5. Provisions for driveways and parking.

6. The effect on the water table or subsoil conditions of adjacent properties.

(ii) Alterations to an existing Building, Structure or Setting

Review of proposed Alterations or additions to an existing Building, Structure or Setting and of all features not exempted from review in 5 (a) shall be made with regard to the following factors:

1. The architectural or historical significance of the Building or Structure to be altered. The extent to which the integrity of the original design or style has been retained or previously diminished.
2. The potential adverse effect of the Alteration of, or proposed addition to the existing Building or Structure on the neighboring properties, the immediate streetscape and on the District as a whole.

(d) Demolition Guidelines

In evaluating an application to demolish a Building or Structure, the Commission shall review and consider the following factors:

- (i) The architectural or historical significance of the Building or Structure of which any portion is to be demolished, giving consideration to its possible eligibility for listing on the National Register of Historic Places.
- (ii) The physical condition of the Building or Structure and its subsoil conditions, if applicable.
- (iii) A claim of substantial hardship, financial or otherwise.
- (iv) The design of any replacement Building(s) or Structure(s).

8. JUDICIAL REVIEW, ENFORCEMENT AND LAPSE

Procedures to be followed shall be in accordance with Article 46A, Section 7.

9. EXISTING BYLAWS NOT REPEALED

See Article 46A, Section 8;

Copies of any new version being proposed to be on file in the office of the Planning Board; or take any other action relative thereto.

(Historical Commission)

This Article represents the first petition for approval of a Neighborhood Conservation District by Town Meeting under Article 46A of the Town Bylaws, passed at the 2007 ATM. Please refer to the Town website www.wellesley.ma.gov for a copy of Article 46A. The petition has evolved since the warrant was published describing boundaries for the NCD that encompassed 31 properties. As now proposed, the NCD encompasses 20 properties, of which 16 have elected to be included.

Homeowners on Denton Road, troubled by the demolition of a home and the subsequent construction of a residence more than three times the size of the former home, and considered very much out of character with the neighborhood, have taken steps to establish an NCD, as detailed in Article 46A.

As a first step, the Denton Road Neighborhood Association (DRNA) was formed. The Association initially worked closely with the Wellesley Historical Commission to frame the NCD bylaw passed at Town Meeting, and also supported the Large House Review (LHR) amendment to the Zoning Bylaws approved at the Special Town Meeting last Fall. The DRNA and the WHC eventually determined that an NCD would be the best way for Denton Road to prevent the construction of more houses which, though they might fall below the LHR threshold, would be similarly incompatible with the style and character of the existing neighborhood.

Advisory has paid close attention to this initial effort, and observes that it conforms to the requirements of Article 46A in its process of development, structure, and establishment of guidelines. Because it does comply with the enabling Bylaw, has the requisite support of a cohesive and enthusiastic group of neighbors, many of them long-term residents of Denton Road, a significant majority of Advisory members have voted to recommend approval of this proposal.

At the same time, about half of the Advisory members voting in the affirmative have expressed concerns or reservations. Some feel that although the NCD meets the technical aspects of the Bylaw, they are uncomfortable that half of the western side of Denton Road is excluded from the district because, if included, the 80% requirement of residents voting in favor would not have been achieved. The configuration, as drawn, has been declared to be in compliance by Town Counsel. (See following drawing.) Others expressed concern that the very general guidelines will lead to complications and issues of interpretation. Additional consideration was given to a split vote by the Planning Board, which related to the concerns of a number of Advisory members.



Advisory does note that the Bylaw requires a meeting by the NCD Commission within two years of the District's designation as an NCD, to determine whether the guidelines they have established remain appropriate, with further such reviews at five-year intervals.

In the final analysis, the general sense of Advisory is that while unforeseen challenges may arise, the Denton Road neighbors have reached this point with eyes wide open, both those who have voted in favor as well as those who have opted out, and it concludes that the proposal should be permitted to go forward.

Advisory recommends favorable action, 10 to 2.

ARTICLE 34. To see what action the Town will take on the authorized and unissued loans including those identified in the list of same on file in the offices of the Board of Selectmen and Town Clerk; or take any other action relative thereto.

(Board of Selectmen)

Advisory expects no motion under this Article.

ARTICLE 35. To see if the Town will vote, as authorized by Section 9 of Chapter 258 of the General Laws, to indemnify Town Board members, officers, officials and employees from personal financial loss and expenses, including legal fees and costs, if any, in an amount not to exceed one million dollars, arising out of any claim, action, award, compromise, settlement or judgment by reason of an intentional tort, or by reason of any act or omission which constitutes a violation of the civil rights of any person under any federal or state law, if such employee or official is acting within the scope of his official duties or employment; and to raise and appropriate or otherwise provide money victullar; or take any other action relative thereto.

(Board of Selectmen)

Advisory expects no motion under this Article.

ARTICLE 36. To see what sum of money the Town will raise and appropriate, or otherwise provide, for expenses incurred by Town departments prior to July 1, 2008; or take any other action relative thereto.

(Board of Selectmen)

Advisory expects no motion under this Article.

ARTICLE 37. To see what sum of money the Town will authorize the Board of Selectmen to pay in settlement of claims, actions and proceedings against the Town; to raise and appropriate or otherwise provide monies therefor; or take any other action relative thereto.

(Board of Selectmen)

Advisory expects no motion under this Article.

ARTICLE 38. To see what action the Town will take to authorize the disposal of tangible Town property having a value in excess of \$10,000; or take any other action relative thereto.

(Board of Selectmen)

Advisory expects no motion under this Article.

ARTICLE 39. To see if the Town will authorize the Board of Selectmen to appoint one or more of their number as fire engineer; or take any other action relative thereto.

(Board of Selectmen)

This Article authorizes the Selectmen to appoint one or more of their members as Fire Engineers. When dealing with administrative matters within the Fire Department, the Board of Selectmen is required to convene as the Board of Fire Engineers. Examples of these administrative matters are hiring and termination of Fire Department personnel and review of major policy issues. It is Town custom for all of the Selectmen to be appointed to act in this capacity.

Advisory recommends favorable action, 10 to 0.

ARTICLE 40. To see how the Town will vote to raise money appropriated under any of the above articles; or take any other action relative thereto.

(Board of Selectmen)

Advisory expects no motion under this Article.

REPORT OF THE SCHOOL BUILDING COMMITTEE

PROGRESS SINCE NOVEMBER 2007 SPECIAL TOWN MEETING

MSBA ENGAGEMENT

In November 2007, the Massachusetts School Building Authority (MSBA) announced the list of schools that have received an invitation to collaborate with the MSBA on a Feasibility Study. The Wellesley High School Building Project is included in the list, a critical step to move the project forward and in the effort to gain state reimbursement. The initial meeting of the School Building Committee and the MSBA is scheduled on February 28, 2008. This meeting will occur after this report has gone to press and therefore the update will be provided through the SBC Newsletter and at Town Meeting.

RECENT INITIATIVES, RESEARCH AND DATA

The SBC has continued efforts to complete necessary research and obtain required documentation. Since the Special Town Meeting in November these have been:

- ◆ *Seaver Street properties acquisition* – after receiving authorization from Town Meeting, the Town acquired three properties on Seaver Street, adjacent to the High School property. These parcels are now Town land under the jurisdiction of the School Committee. The architects have redrafted the options to optimize use of the total available land; all subsequent work incorporates these parcels.
- ◆ *Capacity reevaluation* - the projected peak enrollment at the High School has increased from 1500 to 1600 students. The Wellesley Public Schools 2007 Enrollment Report provides the most current projections for the next ten years. The projections indicate increasing enrollment until at least 2017, the last year for which a projection is made. At that time, the projection is for 1596 students at WHS. It is imperative the building project meet the needs of the town into the future and therefore the specifications and cost evaluations have been updated to provide for 1600 students. The following specification changes reflect this increase:

	<i>Gross Square Feet</i>
Classrooms (+4)	4,760
Flex space (+1)	1,400
Cafeteria capacity (100 students/3 seatings)	693
Auditorium (+ 50 seats)	700
Learning Center	<u>1,000</u>
	8,553 sq. ft.

- ◆ *Enrollment management* – as noted above, enrollment at the High School is projected to steadily increase each year until at least 2017. Current enrollment is 1209 students in a facility suited for 1100 under the current Educational Program. In order to provide sufficient classroom space in FY09, the School Capital Budget includes \$156,000 for the reconfiguration of existing spaces into four classrooms (two in the library, one in the auto shop and one in the science project room). Funds have already been expended in the current operating budget (FY08) to enable the necessary design work so that the work will be completed prior to the start of school in September 2008. Additional classrooms beyond this will not be needed until FY11 at which time the most appropriate solutions will be weighed.
- ◆ *Parking Task Force Committee* - to investigate parking and access needs for both the completed project and during construction phases including transportation issues. The Committee will be recommending that School Committee initiate a pilot study on *shuttle transportation* during the 2009-2010 school year to better accommodate morning and after-school schedules. A review of existing and anticipated needs is being undertaken with a range of possible solutions. It is highly probable that during construction off-site parking and/or use of the football field for parking will be necessary,

requiring alternatives to displaced athletic activities. A thorough review of the accommodations and alternatives necessary to support such decisions is being conducted.

- ◆ *Green Charrette* - held in January, to review the options for sustainability and level of greenness. Options were considered that related to the site, water, indoor environment, materials and energy. These options are being developed in order to meet the guideline requirements for the Massachusetts Collaborative of High Performance Schools. Qualification as a "MA-CHPS" school provides the opportunity for increased state funding for the project. A follow-up meeting with options and anticipated costs will be held in early March with the PBC and SBC.
- ◆ *Asbestos Abatement Policy* – under review following community input and School Committee discussion. At issue is student access to the building during abatement. There are strict mandates and requirements relating to asbestos abatement during construction which will be followed. The Permanent Building Committee (PBC) has oversight of the mandated procedures and will set the procedures once a determination on the final design is made.
- ◆ *Advisory Committee on Naming Public Assets* – has completed a report of its process and recommendations to the Board of Selectmen. This is particularly relevant to the High School project since a major fundraising effort will be initiated. Such an effort requires a basis for “naming rights” which is both acceptable to the Town and consistent across Town boards and committees. The Committee was comprised of representatives from the Board of Selectmen, the Historical Commission, the Natural Resources Committee, School Committee, the Library Board of Trustees and the Recreation Commission, in addition to the Town Clerk and a resident who is a development consultant. The Committee report is found in this Advisory Committee book and its proposed bylaw is the subject of Article 26.
- ◆ *SBC Newsletter and other Communications* – The SBC is committed to frequent and thorough communication about progress and upcoming discussions/decisions. The primary means of communication is via the electronic SBC Newsletter. Individuals can subscribe by going to the town website subscriber page (www.wellesley.ma.gov/subscriber) and indicating preferences. A confirmation email is sent which requires response before the subscription is logged. Additionally, the SBC continues to publish a series of articles in *The Wellesley Townsman* on diverse aspects of the project. These articles serve as an excellent source of summary information. For a complete list of articles to date, please see the packet of information distributed at the start of Town Meeting. Links to these articles are also found at www.wellesley.ma.gov; click on *School Building Committee* at the bottom of the page.
- ◆ *Moving Forward Meetings* – at the time this report is going to press, the SBC has scheduled four meetings for community education and input on the High School project in mid-March. These “Moving Forward” meetings will be an opportunity for the residents of Wellesley to see and hear the most current information on the project options and to provide input on the decisions at hand. The meetings are scheduled on various days and times in an effort to accommodate residents’ schedules. Please check the School Building Committee website for times and dates.
- ◆ *Documentation preparation* - The SBC has been working with the architects and the School Administration to compile the information requested by the MSBA in the Feasibility Study stage. Detailed information about the existing building condition, the site, the educational specifications, enrollment projections, and the multiple fit tests has been assembled. Further, additional information is being compiled on the formation and composition of the SBC, current and projected school operating and capital budgets, the capacity of the Town to carry such costs and the efforts to engage public input. Preliminary cost evaluations will also be submitted.

COST EVALUATIONS

The SBC has prepared cost evaluations of the two approaches based on the fit-tests to date. First and foremost, it is important to view cost evaluations in context. Like the "fit tests" that provide information on spatial relationships (not design), the "cost evaluations" provide information on preliminary costs (not specific estimates). The information is drawn from current and projected construction costs, knowledge of the site conditions and phasing, and expertise in project management. The cost evaluations are comprised of four major parts:

Hard costs - the costs associated with the physical building of the structure and site, including materials and labor.

Soft Costs - the costs associated with design work, specialty consultants, project management, inspections and testing, as well as permit, insurance and bond costs throughout the entire construction period. Also includes furniture, fixtures and equipment.

Contingency - an incremental percentage included to provide for unanticipated conditions or findings, resulting in change orders. The definition of needed contingencies is further defined as the design work proceeds so that the final contingency is appropriate. The contingency factor for renovations is typically higher than for new construction.

Escalation - the annual rate at which the cost of construction goods and services is expected to rise. This rate is applied to the hard costs based on the actual start of construction and takes into account the duration of construction.

There are multiple factors which drive the cost of a major municipal building project. These have been considered for the purposes of these evaluations:

Local construction market - the state of the local market plays a major role in the pricing of a project, dependent largely on the overall construction economy and how busy is the public work portion of the market. Global impact - commodity prices such as steel, copper, oil and cement all impact on the cost of construction. Site conditions - the question of how difficult or easy is the site to work with. Every site has unique qualities which either facilitate or hinder building projects. Design - the shape, height, configuration and features of a building impact cost. Materials/durability - materials are available in a wide spectrum of cost and durability. For a structure to have a 50-year functional life, durable materials are needed that are economical and deliver value. Sustainability - there is a wide range of Green strategies which vary in cost. The preliminary costs provide for a design and construction which meet the "MA-CHPS" level (Massachusetts - Collaborative for High Performance Schools) at a minimum. Start of Construction and Escalation - project costs increase as inflation and local conditions cause price pressure. For projects with long durations, this must be factored in. Duration of Project/Phasing - the duration of a project is dictated by the site constraints, the ongoing use of the building and the number or phases required to complete the work. Phasing involves multiple mobilizations, either deferring purchasing materials or storing of materials for subsequent phases. Increased duration and/or phases ultimately increase project costs. Permitting process - there are multiple permits required for a project of this magnitude. The preliminary costs provide for a project which meets current permitting requirements. Any changes to the permitting requirements and approvals or delay in receiving the permits will add to the project cost through design changes or escalation.

The cost evaluations summarized in the following pages have been revised since first issued in October 2007 to include the increased square footage due to the change in capacity specification (to 1600 students). All evaluations assume construction begins June 2010.

For All New Construction

326,600 sq. ft., project duration 42 months

cost range of \$300 - \$325 per square foot

<i>Revised Feb 2008</i>	\$300/SF	\$325/SF
Total Hard Cost	\$97,980,000	\$106,145,000
Soft Cost 20%*	\$19,596,000	\$21,229,000
Contingency 7%*	\$6,859,000	\$7,430,000
Project Cost Today (Feb 2007)	\$124,435,000	\$134,804,000
Escalate 2.5 yrs @ 5% per yr	\$16,142,000	\$17,488,000
Escalated Project Cost	\$140,577,000	\$152,292,000
Additional costs (see below)	\$4,350,000	\$4,350,000
Total Project Cost	\$144,927,000	\$156,642,000

For Renovation/New:

358,600 sq. ft., project duration 60 months

cost ranges - gut renovation (152,000 sq. ft.): \$220 - \$238 per square foot

new (206,600 sq. ft.): \$300 - \$325 per square foot

Hard Cost			
Gut Reno \$220/SF	\$33,440,000	Gut Reno \$238/SF	\$36,176,000
New \$300/SF	\$61,980,000	New \$325/SF	\$67,145,000
Total Hard Cost	\$95,420,000		\$103,320,000
Soft Cost 20%*	\$19,084,000		\$20,664,000
Contingency 10%*	\$9,542,000		\$10,332,000
Project Cost Today	\$124,046,000		\$134,316,000
Escalate 3.5 @ 5% per yr	\$19,553,000		\$21,172,000
Escalated Project Cost	\$143,599,000		\$155,488,000
Additional costs (see below)	\$4,350,000		\$4,350,000
Total Project Cost	\$147,949,000		\$159,838,000

* Calculated based on percentage of total Hard Costs.

Additional cost considerations: There are additional costs associated with the High School Project which are not construction costs, but will be factored into the total project cost. These are as follows:

Seaver Street purchase	\$3,600,000	
Field reconstruction (grass)*	\$750,000	includes temp. parking and lights, grass field
Incremental green initiatives	TBD	
Street and sidewalk mitigation	TBD	
Modular space	TBD	
Total	\$4,350,000	

*necessary if field is used for parking

Private fundraising: Private fundraising is an opportunity to offset project costs. Additionally, the MSBA will match 0.5% of project cost for every 1% of project cost funded privately. Therefore, we are initiating a working group to investigate the potential and resources needed to maximize private fundraising. This working group will help set fundraising goals and identify specific elements of the project which can be funded through private funds either in part or in whole. At this point specific fundraising goals have not been established.

Summary: The following totals include the revised escalated project costs and the additional cost considerations. They do not include reimbursement and additional incentives from the state (see below) or anticipated private fundraising.

New construction: \$145 to 157 million

Renovation/new: \$148 to 160 million

REIMBURSEMENT AND ADDITIONAL INCENTIVES

A critical element of cost evaluation is the potential for reimbursement from the Commonwealth. The MSBA is the managing authority on school building projects and on the level of reimbursement for which a project can qualify. The SBC strives to meet the requirements necessary to achieve the maximum reimbursement level so as to build a project which delivers the most value to the Town of Wellesley and to the Commonwealth.

The MSBA has detailed the *Grant Percentage Formula* in the regulations and in Chapter 70 of the General Laws.: A base rate of 31%, applied to specific types of costs not necessarily the entire project cost; ability to pay factors; and incentive factors, which include the following incremental rates:

- up to +3% for Innovative Community Use (i.e., use of alternate facilities instead of building)
- up to +2% for Energy Efficiency
- up to +8% for Maintenance Rating, based on the maintenance record of other school buildings
- up to +4% for "Alternatives to Construction" including utilizing the *Construction Management at Risk* delivery method.
- up to 5% for renovation/ reuse
- additional cash matches for the creation of a *School Facility Maintenance Trust* (see Article 18) and for private fundraising.

The SBC has been working to understand the costs and requirements to obtain incentive factors and it will be working closely with the MSBA to develop a final project design and process that meets State requirements and best balances the value of reimbursement for the project and the overall objectives of the town.

FUNDING REQUEST AT THIS TOWN MEETING

Under Article 17, the SBC and PBC are requesting:

1. An appropriation of funds for the required steps in schematic design, cost estimates and document preparation to complete the *Feasibility Study* and, with MSBA approval, the *Project Funding Agreement* stages of the High School Building Project.
2. The Board of Selectmen authorization to seek and request grant funds ("reimbursement"), as authorized and approved by the Massachusetts School Building Authority (MSBA).

These funds will enable the continued progress of the High School Project. It is anticipated that the sum requested here will enable completion of the design and documentation required to prepare a final project proposal. Upon completion of a Project Funding Agreement with the MSBA, the final project proposal will be presented to Town Meeting for approval. Pending favorable action by Town Meeting and a Town-wide vote, PBC and SBC will complete design development and prepare construction documents for bidding.

Respectfully Submitted, **School Building Committee**

Katherine L. Babson, Jr., Chair

Steve Baker

Andrew Keough

Hans Larsen

Steve Gagosian

Rusty Kellogg

Cynthia Westerman

Bella Wong

Suzy Littlefield

Kathy Mullaney

Tom Goemaat

Report of the Community Preservation Committee March 1, 2008

I. The Community Preservation Process in Wellesley

In 2002, Wellesley accepted the Community Preservation Act (“CPA”) and formed a Community Preservation Committee (“CPC”). Pursuant to the CPA, Wellesley established a surcharge of 1% (with an exemption for the first \$100,000 of residential property valuation) on the local property tax, and began to set aside the proceeds of the surcharge in order to pursue Community Preservation activities, encompassing four purposes -- open space, historic resources, recreational uses and community housing. Funds raised through the local surcharge are “matched” annually by monies from a Massachusetts Community Preservation Trust Fund, which is made up of revenues from Registry and Land Court recording fees. The State’s payment to each CPA community is determined by a statutory formula, but in practice the State match to date has been almost 100% (the match may soon begin to drop substantially, however, as described later).

In each year, a required minimum of 10% of all revenues collected by a CPA community from its surcharge and from the State match must be expended (or “banked” in dedicated reserves for future use) for each of the statute’s three primary purposes of open space (excluding recreation), community housing and historic resources. The remaining 70% of all Community Preservation funds raised annually by a community which are not so earmarked may be used currently or retained for future appropriation, at the municipality’s discretion, for any of those three primary statutory purposes or for the fourth purpose of recreation.

Community Preservation funding proposals generally consist of capital improvements or capital expenditures for the purposes permitted by the CPA -- maintenance and ordinary operating expenses are not eligible. All expenditures from a local Community Preservation fund are subject to two basic requirements: (1) they may be made only upon appropriation adopted in the usual manner (in Wellesley’s case, by vote at an Annual or Special Town Meeting), and (2) only those projects or proposals which receive the affirmative support of the local Community Preservation Committee are eligible for appropriation.

In response to the requirements of the statute, Wellesley’s Bylaw provides that the Committee have representatives from five designated boards – Natural Resources Commission, Planning Board, Recreation Commission, Wellesley Housing Authority and Historic Commission -- and the permitted maximum of four additional members appointed by the Moderator (one of which is, by common understanding, appointed from the Wellesley Housing Development Corporation).

II. Community Preservation Activities to Date

The Committee operates pursuant to a Community Preservation Plan for the Town, including specific Decision Guidelines and Goals which are used in reaching decisions about whether and to what extent to recommend funding for the proposals submitted to the Committee. A copy of the Decision Guidelines is appended to this report. To date, four annual rounds of Community Preservation funding recommendations and appropriations have been carried out, and the Committee is now in its fifth annual funding cycle, for fiscal year 2009.

Also appended to this report is a brief summary of each of the projects which the Committee has supported during its first four years of active funding. In reviewing the list of projects undertaken to date, several broad trends and achievements are notable:

-- The Committee has had the opportunity to approve and fund at least three proposals within each of the open space, historic resources, community housing and recreation categories recognized by the CPA. The Committee is mindful of the desirability of providing assistance to a broad array of worthy projects across the entire spectrum of Community Preservation uses.

-- Many of the applications approved by the Committee have involved close working relationships with and, in some cases, matching funding or donated services from Wellesley residents, citizens groups and nonprofit organizations. This partnering with parties outside of Town government encourages the development of a stronger community consensus about a project's significance.

-- Over the first four years of activity, the Committee has expended roughly one-quarter of total Community Preservation Fund revenues for current projects; the remaining revenues have been "banked" for future uses, either as designated category reserves or as general reserves available for any future Community Preservation use. The challenge each year is to weigh the relative value to the Town of present proposals which require current funding and the potential value of significant future opportunities which may require the expenditure of substantial CPC revenues in order to be realized by the Town.

During this current FY08, the Town estimates that it will raise approximately \$762,000 from the 1% CP surcharge. The most recent State match, which was received last October, was about \$711,000. Taking into account these FY08 revenues and estimated interest accruing on all CP balances through June 30, 2008, and before accounting for any new expenditures which may be approved at the 2008 Annual Town Meeting, the Town will have total Community Preservation Fund balances on June 30, 2008 of approximately \$5,655,000. These balances will be spread among the three required reserves for open space, historic preservation and community housing and the larger undesignated reserve account, and will be available for appropriations for FY09 and for subsequent years to support new Community Preservation proposals.

One development which bears watching is a substantial anticipated drop in the percentage of the State match received in upcoming years, beginning in the fall of 2009. (At present, our understanding is that the match to be received in the fall of 2008 will not see a significant decline.) The statewide Community Preservation Coalition, an umbrella group of local CPCs, has estimated that beginning in the fall of 2009, the State match percentage may drop to 60-70% of the local surcharge amount, and may further drop to 30-40% of the local surcharge for the State match to be received in the fall of 2010 and for subsequent years, unless new funding sources are identified and/or real estate activity again picks up and begins to generate increased recording fee revenue.

III. The FY09 CPC Recommendations

The Committee is recommending that the following **four** projects receive appropriations of Community Preservation Funds, as set forth below:

1. Planning Study for Historic and Cultural Resources Inventory (Historic Resources)

Sponsor: Wellesley Historical Commission

Description of Project: To undertake a planning study of historic and cultural resources in the Town to assess current documentation and plan for future protection.

Recommended Amount: \$10,000

The Wellesley Historical Commission (WHC) has for many years maintained an inventory of historic and cultural resources within the Town. The most recent work on this inventory was over fifteen years ago, and the information base is outdated and incomplete in a number of respects. The Massachusetts Historical Commission, whose policies the WHC is charged with implementing, is encouraging all towns to bring their inventories more current.

The WHC has proposed a project to retain a consultant in order to carry out a pre-survey of the existing inventories of historic and cultural resources and determine what information needs to be added to them. The pre-survey will (1) assess the existing condition of properties already listed, (2) determine the accuracy and completeness of the information in the inventories, and what additional information is required, and (3) identify additional properties of historic or cultural significance that have not been surveyed. The WHC believes this information is essential if the Commission is to proceed to the next stage of creating a strategic preservation plan that will be a resource for itself and other Town boards and agencies.

The CPC recommends an appropriation in the full requested amount of **\$10,000** for the hiring of a consultant to perform this work, to be taken from the Historic Resources Account of the Town's Community Preservation Fund. WHC had originally hoped to cover some of these costs through a State Historical Commission grant, but this did not materialize due to limited State funding. The CPC believes that the objectives of the study are consistent with the goals and recommendations of the 2007 Comprehensive Plan for enhancing our historic and cultural resources, and we commend the WHC for undertaking this effort.

2. Historic Register Plaques (Historic Resources)

Sponsor: Wellesley Historical Commission

Description of Project: To provide designation plaques for two Wellesley buildings recently listed on the National Register of Historic Places.

Recommended Amount: \$1200

In 2004, the WHC requested and was granted funds by the CPC to apply for listing on the National Register of Historic Places for two Town structures, the Sprague Clock Tower and the Wellesley Hills Branch Library. That effort culminated in success in June of 2007 when both properties were accepted for listing by the U. S. Department of the Interior. They join only ten other National Register properties located in Wellesley.

All Register properties are typically identified with a standard exterior plaque which reflects the honor of being so designated by the Department of the Interior. In the WHC's original application to CPC for funding, the cost of purchasing and installing these plaques was omitted

from the funding request, and the Commission has now asked for funds sufficient to complete this final step in properly recognizing the historic significance of the two properties.

The CPC is pleased that its original funding for this project has yielded a positive result, and recommends that **\$1200** be appropriated from the Historic Resources Account of the Town's Community Preservation Fund to purchase and install the plaques.

3. Town Records Preservation Project (Historic Resources)

Sponsor: Town Clerk

Description of Project: To restore and preserve vital marriage records for permanent retention by the Town.

Recommended Amount: \$30,000

The Town Clerk has been engaged in a multi-year project to scan and make available electronically all birth, death and marriage records of the Town. The original written records are required by State law to be retained, and following scanning they must be de-acidified and placed in Mylar sleeves and binders or acid-free archival boxes to protect them from future deterioration.

To date all birth and death records have been treated and stored, and the costs of this work have been covered through an annual appropriation of Town capital funds. The Town Clerk is now requesting CPC funding for the last phase of the project, which is to treat and properly preserve the Town's marriage records from 1881 to 2000 (since 2000 all new vital records have been created in accordance with modern archival standards). The request is to enable the project to be completed in one year and to free general capital resources for other projects not eligible for CPC funding.

Under an amendment to the CPA enacted in 2006, the preservation of "historic resources" permitted to be funded by the CPC can now include documents, so long as the documents in question have been determined by the Town's Historical Commission to be significant to the history of the Town. The Commission unanimously found that these vital records met this standard and constituted an "historic resource" within the meaning of the CPA.

The CPC recommends that the sum of **\$30,000** be appropriated from the Historic Resources Account of the Community Preservation Fund for this project. These marriage records are mandated by State law to be properly maintained, and the Town Clerk has observed that they are important for family research and as supplementary documentation for social security purposes or driver's licenses. The Town Clerk believes that completing the project in one final phase rather than over several further years will yield a lower overall cost to the Town, and that the requested figure will be sufficient to cover all necessary costs.

4. Sprague Field (Recreation)

Sponsors: School Committee, Sprague Field Task Force

Description of Project: Remediation of solid waste contamination at a portion of the existing Sprague Field complex in order to preserve athletic fields, including installation of replacement natural or synthetic turf fields.

Recommended Amounts: \$1,500,000 for Master Plan/ \$700,000 for Basic Plan

Factual Background. Sprague Field is a public athletic field complex adjacent to Sprague Elementary School and Wellesley Middle School, and is the largest and most heavily used of the Town's playing field resources.

Substantial portions of Sprague Field were originally constructed on top of a covered former Town dump site. The two playing fields lying closest to the Elementary School, known as Fields 1 and 2 and presently used for soccer, lacrosse, and football, are located in an area where the soil cover is the thinnest. Solid objects (glass, metal, etc.) from the dump site have been working their way to the surface of Fields 1 and 2 and the immediately adjacent area (the "Remediation Area") due to the freeze/thaw cycle associated with our local climate. The solid waste contamination poses a present safety risk for all regular users of Fields 1 and 2. Field 1 is no longer used for practices or games on account of the poor condition of its surface, and Field 2 is used for practices but not for games. The Town has been ordered by the Department of Environmental Protection ("DEP") to remedy this condition by June, 2009.

The Sprague Proposal. The School Committee, which has jurisdiction over the Sprague Field, with the assistance of a Sprague Field Task Force representing various Town boards, youth sports organizations and citizens groups, has proposed addressing all necessary remediation work within the Remediation Area as part of a broader Plan for the entire Sprague Field complex (the "Master Plan"). The Master Plan calls for realignment of and improvements to various fields, the construction of a new concessions building and restrooms, and internal roadway/pathway improvements, in addition to the work required in the Remediation Area. The total estimated cost of implementing the full Master Plan is approximately \$3.88 Million, and is proposed to be financed through a combination of (a) general Town funds, (b) private fund-raising, and (c) requested CPC funding of \$1.5 Million for those improvements which are CP-eligible (under the CPA, these are limited to the Remediation Area). To the extent that private donations do not meet ambitious benchmarks by the time of the upcoming Town Meeting, the proponents are prepared to offer variations of the Master Plan which would postpone certain improvements to a later date pending further fund-raising, but under each Master Plan alternative the CPC is requested to contribute \$1.5 Million for the Remediation Area.

Under any of the options in the Master Plan, the entire Remediation Area would be fully excavated and remediated in accordance with all applicable DEP standards. This will entail the screening and removal of hazardous debris and soils, and the installation of an underlying geotextile fabric which would serve as a barrier against further migrating materials. One natural grass field (Field 1, immediately adjacent to the Elementary School) and one synthetic turf field (Field 2), each designed to accommodate soccer, lacrosse and similar sports (Field 2 will also accommodate football), would then be installed as replacement fields for the existing Fields 1 and 2. A new regulation softball field would also be built within the Remediation Area. Both the natural grass and the synthetic turf field designs are approved by DEP as acceptable remediation solutions for the environmental harm occurring in the Remediation Area.

If the overall Master Plan, or a substantial portion of that Plan, is for any reason not ready for presentation to the 2008 Annual Town Meeting, or is not approved by the Town Meeting, the School Committee intends in the alternative to request Town Meeting to appropriate funds for a "Basic Plan" which focuses exclusively on work within the Remediation Area. Under this

alternative, both Fields 1 and 2 would be fully remediated in accordance with DEP standards and the replacement Field 1 and the new softball field would similarly be installed with a natural grass surface, but the replacement surface for Field 2 would be natural grass as well, rather than artificial turf, to achieve cost savings. The total estimated costs of this alternative are approximately \$900,000, of which \$700,000 has been requested to come from CPC funding.

The CPC Decision. The Committee recommends that the following appropriations be made (in the alternative) for the following options to be presented by the proponents of the Sprague Field project:

For the various options under the Master Plan -- **\$1,500,000**, to be appropriated from the Undesignated Reserves Account of the Community Preservation Fund

For the “Basic Plan” option (in lieu of the Master Plan) -- **\$700,000**, to be appropriated from the Undesignated Reserves Account of the Community Preservation Fund

Rationale. When an earlier version of the Sprague Field proposal was brought before the 2007 Annual Town Meeting, our Committee recommended an appropriation in support of that proposal and commented in its Report as follows:

“The Committee concluded that the Sprague fields are significant Town recreational resources used by hundreds of Town families; that the ability to use the fields will soon be lost unless appropriate remediation action is taken; and that the preservation of the Sprague fields is accordingly a matter of importance to the Town which merits a substantial appropriation of Community Preservation funds.”

Although the Sprague proposal, and its price tag, have grown substantially in comparison to last year, a substantial majority of our Committee continues to believe that the CPC portion of the new Master Plan is worthy of strong support, for a number of reasons in addition to those recited last year:

-- The Master Plan as a whole provides an opportunity to reconfigure and improve all of the fields, gain two synthetic turf fields for increased play and new regulation-sized softball and baseball fields, and in general to more fully utilize this most important recreational resource. This takes on particular significance in light of the continuing demand for playing field use throughout the Town.

-- Pursuing opportunities to increase the number of playing fields in the Town is one of the Recreation goals of the Committee’s own Community Preservation Plan. Given the considerable difficulties and costs associated with any acquisition of available vacant land for recreational use, the Master Plan may be the best option to add to high-quality playing field capacity in the foreseeable future.

-- If the Committee funds the full requested sum for the CP-eligible costs associated with the Remediation Area, this will (i) tend to lower the need for general Town funds, at a time of difficult financial constraints, and (ii) tend to increase the availability of both general Town funds and private donations to be applied toward costs of other portions of the full Master Plan.

-- Consistent with our Decision Guidelines, the Master Plan proposal has been developed in an unusually collaborative manner by a wide range of interested boards, groups and individuals, and appears to be directly responsive to each of the major concerns expressed at last year's Town Meeting concerning proposed work at Sprague Field. The Master Plan also meets our guideline of offering substantial funding from sources other than the CPC.

-- Although the appropriation to be recommended is substantially larger than any amount previously proposed by the Committee, we feel that the town-wide importance and broad community support of the Master Plan proposal merits this level of unusual support. We also believe that the amount to be recommended will still leave sufficient fund balances, coupled with future growth from revenue sources, to assist other important projects in coming years.

Note: The Committee's recommendations regarding the Sprague proposal are conditioned upon (i) determining, after review and with the advice and assistance of Town Counsel Al Robinson, that the specific project costs to be covered under the CPC appropriation options are eligible for funding under the CPA, (ii) satisfactory evidence that the private funding component being relied upon to help finance any Master Plan alternative is on hand or firmly committed or otherwise assured at the time of Town Meeting action, and (iii) timely receipt of all necessary State and local approvals for the project, including the approvals of the Zoning Board of Appeals and Design Review Board.

IV. Projects Under Consideration

5. Wellesley Country Club Clubhouse (Historic Resources)

Sponsor: Wellesley Historical Commission

Description of Project: To preserve, for adaptive re-use, elements of Wellesley's original Town Hall

Amount Requested: Still to be determined

The original Clubhouse of the Wellesley Country Club, which is to be demolished or removed from its site as part of the Club's construction of a new clubhouse, encompasses the building where the original vote for Wellesley's independence was taken in 1881. The building also apparently incorporates architecturally significant post-and-beam structural elements which date to the early 19th Century, with some elements dating back into the 18th Century.

The Historical Commission has been making a concerted effort to investigate the possibility of preserving the "historic core" of the Clubhouse, or as many of its structural elements as possible, for an appropriate adaptive reuse at another location. The project would involve the disassembly and storage of at least the most historically significant structural elements of the building at an appropriate interim location, followed by the ultimate re-use of those elements in a new structure at a permanent location within the Town.

The Historical Commission has applied to the CPC for funding assistance to accomplish the disassembly, inventory and moving of the building elements to a storage location, but has not yet made a firm request for an amount due to the need to obtain firm estimates for such work. Following the submission of the project application last fall, an ad hoc working group was

formed, chaired by Greg Mills of the Selectmen, to identify what realistic alternatives might be promptly pursued for retention and re-use of portions of the building. That effort has resulted in a working plan under which the Department of Public Works is considering the possibility of incorporating the historic building elements in a new DPW Administration building, if such a structure is approved and commenced within the next three years. In addition to CPC funding, private donations for the project would also be sought.

In order to assist the CPC in its deliberations on this project, a preservationist has been hired to survey and document those components of the building that are believed to be of historical interest to the Town. This inventory will also be of use to the DPW and other potential users of the building in deciding upon materials worth saving and reusing.

Many details of this project remain to be worked out, including the specific amount of any CPC funding request. The Committee is not taking any action regarding its recommendation for the present, and will await further progress which will hopefully occur during the period prior to Town Meeting.

Respectfully Submitted,

David Dinwoodey, Chair
Kit Bowry
James Conlin

Rose Mary Donahue
Joan Gaughan
Dona Kemp

Jack Morgan, Vice Chair
Helen Robertson
John Schuler

CPC Decision Guidelines

- Preservation of a resource or opportunity that would otherwise be lost
- Involvement of two or more of the purposes designated for funding under the CPA
- Preference for large projects that would have a significant long-term benefit to the community
- Involvement of multiple sources of funding, including leveraging other public and/or private funds
- Creation of incentives for other public and/or private projects and/or collaborations to occur
- Demonstration that the proposal is feasible and the most reasonable plan to implement the project
- Provision for cost/funding that is compatible with the Town's long-range financial plan
- Provision for a dedicated source of funding (other than CPA) for ongoing maintenance, if applicable
- Consistency with Town-wide planning efforts/reports that have received broad-based scrutiny and input
- Consideration of recent Town meeting actions, supported by other Town boards and/or by the community
- Compliance with the current or proposed Wellesley zoning by-laws and/or the laws of the Commonwealth

**COMMUNITY PRESERVATION COMMITTEE
SUMMARY OF PROJECTS
FY05 - 08**

Project	Proposer/ Participant	Historic Preservation	Community Housing	Open Space	Recreation
<u>FY05 APPROVED</u>					
Farms Station Preservation	Historical Commission	\$107,500			
Clock Tower Lighting	Rotary Club	\$10,000			
National Historic Registry (Katherine Lee Bates House, Clock Tower)	Historical Commission	\$ 4,500			
4 Marshall Road (Affordable units)	WHDC, Charles River ARC		\$ 80,000 \$ 65,000		
Morses Pond Study (50%)	NRC, Recreation			\$37,500	\$37,500
Warren School Park	NRC, Recreation, DPW, Friends of Warren Park				\$49,000
		<u>\$122,000</u>	<u>\$145,000</u>	<u>\$37,500</u>	<u>\$86,500</u>
<u>FY06 APPROVED</u>					
Dadmun – McNamara House	Wellesley Hist. Society	\$ 32,694			
National Historic Registry (Fuller Brook Park, Hills Branch Library)	Historical Commission	\$ 7,450			
Open Grant to WHDC	WHDC		\$450,000		
Clock Tower Park	DPW, NRC, Hills Garden Club			\$51,110	
WCC Sanctuary Signage	Wellesley Cons. Council			\$ 4,400	
		<u>\$ 40,144</u>	<u>\$450,000</u>	<u>\$55,510</u>	<u>- 0 -</u>

**COMMUNITY PRESERVATION COMMITTEE
SUMMARY OF PROJECTS
FY05 - 08**

Project	Proposer/ Participant	Historic Preservation	Community Housing	Open Space	Recreation
<u>FY07 APPROVED</u>					
Weed Harvester - Morses Pond	NRC, DPW, Recreation			\$125,000	\$125,000
Boulevard Road Two-family House	WHDC		\$125,000		
Affordable Housing Monitoring System	WHDC		\$ 10,500		
WHA Housing Financing Study	WHDC, WHA		\$ 25,000		
		<u>- 0 -</u>	<u>\$160,500</u>	<u>\$125,000</u>	<u>\$125,000</u>

FY08 APPROVED

Phosphorous/Sediment Inactive System – Morses Pond	NRC, Recreation			\$ 76,500	\$ 76,500
TOTAL FY05 through FY08		<u>\$162,144</u>	<u>\$755,500</u>	<u>\$294,510</u>	<u>\$288,000</u>

CP PROJECT TOTALS BY YEAR:

FY 2005	\$391,000
FY 2006	\$545,654
FY 2007	\$410,500
FY 2008	\$153,000

CPC Administrative Funds:

Each year \$50,000 has been appropriated for CPC administrative expenses, as permitted by the CPA. To date, the major expenditure from this fund took place in FY05 when the CPC allocated \$35,000 for the Tailby Lot Study. \$5,250 of administrative expenditures have also been allocated to two additional smaller land use studies. At the end of each fiscal year, any remaining balance of the annual administrative expenses appropriation is returned to the Town's General Fund.

**Report of the Wellesley Historical Commission
Concerning Preservation and Re-Use of the Original Town Hall (WCC Club House)**

The Wellesley Historical Commission, as part of its mission, is spearheading a plan to preserve and re-use Wellesley's Original Town Hall (1881-1885) and Poor Farm also defined as a portion of the Clubhouse of the Wellesley Country Club. This building, constructed in 1838, is arguably the oldest public building of its size still standing in Wellesley and is one of a handful in all of New England. Its primary post and beam structure still stands on the site of the Kingsbury farm and contains significant elements from that farm pre-dating the American Revolution. Moreover, the building is the actual site of the 1880 vote to create Wellesley. However, we know that its days are numbered! This venerated building is slated to be removed or demolished by the fall of 2008.

Recognizing the historic/cultural value of this splendid building, with parts dating from the 1740s, the Wellesley Historical Commission has sought to make a preservationist inventory, and advocate for re-use of the building frame and specific historic component parts. It has been determined that the most cost effective mode of preservation is disassembly which means removing much of the current building to reveal its historic post and beam skeleton. Moreover, by saving only recommended parts from the inventory for a designated space in a reconstructed building, this plan is still more cost effective. Once disassembled, the parts would be stored in trailers for a period up to three years during which time an end user will be identified. The Wellesley Historical Commission has continuously sought various "end-users," among them the Department of Public Works, which is currently undertaking a feasibility study.

We are working with the Board of Selectmen, and have secured inventory funding from the Community Preservation Committee (CPC), and an application has been submitted for disassembly funding from the CPC. The Wellesley Historical Commission began a fundraising campaign on January 31, 2008, in cooperation with members of the Wellesley Historical Society, to offset an estimated one-third of project cost, with the remaining two-thirds to come from the CPC. The over-all project cost is estimated not to exceed \$300,000. Note: this project effectively brings together historical and cultural preservation, adaptive re-use, and the conservation of valuable resources, a pillar of sustainability.

Wellesley Historical Commission
Linda D. Buffum, Chair

Report of the Advisory Committee on Naming Public Assets

The **Advisory Committee on Naming Public Assets** is pleased to submit this report of its process and recommendations to the Board of Selectmen (BOS). Members of the Committee are: Kathleen Nagle, Chair (Town Clerk), Katherine L. Babson, Jr. (BOS), Linda Buffum (Historical Commission), Heidi Gross (Natural Resources Commission), Ann Howley (Development Consultant), Christopher Guiffre (School Committee), Marla Robinson (Library Board of Trustees), and Katherine Rooks (Recreation Commission).

Introduction

The Advisory Committee on Naming Public Assets, an ad hoc committee created by the Board of Selectmen in October 2007, was asked to propose a town-wide policy on naming of major town assets. Prior to this action, Ms. Babson, as a member of the BOS, had requested that Albert Robinson, Esq. (Town Counsel) provide information on any existing Town naming policy, including any stated authority given to Town officials to "name" new (or renovated) portions of major town assets.

In his response, Mr. Robinson advised that 1) "statutes are silent on the specific question and there are no judicial cases on point"; 2) there is no town bylaw or even a town wide set of guidelines covering the point, though several Town departments do have their own. He further advised that historically, the majority of the naming or renaming of major town assets has been done for honorific purposes and only rarely as public acknowledgment of a financial or in-kind contribution (e.g., Hunnewell Field, Sawyer Park). Often, actual naming authority has been assumed by Town Meeting (e.g. David G. Oulette Memorial Playground, Hardy, Kingsbury, Brown and Sprague Schools). Individual Town boards and departments have occasionally exercised naming rights for particular assets over which they have jurisdiction (e.g. Carisbrooke Reservation (NRC) and Felix Juliani Room and Wakelin Way at Town Hall (BOS), D'Auria Drive at the Middle School (School Department), Arnold Wakelin and Peg Arnold Rooms at the Library (Library Trustees). This issue has arisen again recently with a conditional gift from an estate for a senior center (Tolles), which includes a naming request as part of the gift.

Pointing out that partnering public need with private support is a growing trend in municipal life, Mr. Robinson suggested "a policy be proposed for Town-wide application, to be adopted by Town Meeting for the guidance of all Town boards and officials." Developing "a carefully crafted policy" would be prudent now as we approach potential situations (e.g. the High School) where the issue of naming, whether honorific or in exchange for financial contributions, will certainly arise.

In an effort to bring clarity and process to a Town issue, the BOS agreed that it would be prudent to have a policy on naming public assets in place. This would provide a point of reference as individual boards and committees consider potential naming opportunities.

It is clear that the naming or renaming of major Wellesley town assets (e.g. schools, town buildings, streets, parks, bodies of water and recreational facilities) is complex and sometimes emotionally evocative since assigning a name is a powerful and permanent identity for a public place and/or facility. The naming or renaming of town fixtures often requires significant resources in terms of changing names on signs, maps and literature. In the case of a newly named asset that is accompanied by a physical structure or piece of land, there is also the cost to the town to accept, integrate and maintain the gift. In addition, excessive and constant name changing can be the source of confusion to the public.

Process

The Advisory Committee on Naming Public Assets met throughout December and January. The group compiled an inventory of named assets within Wellesley and any known history about the process used to adopt the names. This included naming that had been done for both "large" assets (Hunnewell Field, Centennial Park, Fiske School, Morses Pond etc.) and for parts of large assets (e.g. Arnold and Wakelin

Rooms in the Library, Bezanson Pond, D'Auria Way) or individual, smaller Town areas (e.g. Abbott's Pond, Fuller Brook Park, Warren Park etc.). Current naming policies in use by Town boards and committees were reviewed and discussed. Research was done on policies adopted by local and national municipalities and organizations. Other areas of discussion included naming whole or parts of whole assets; who would approve the name; renaming existing assets; gift acceptance policies; criteria for choosing honorific names; naming in return for contributions, whether solicited or not; and keeping this process within the character of the Wellesley community while maximizing opportunities to enhance our assets.

After substantive discussion, the Committee concluded that naming policies have become common practice and like related gift acceptance policies, serve as a resource when naming opportunities are being requested or considered. It would indeed be prudent for Wellesley to have a process in place to handle naming issues and that the time is right to initiate such a process. Collaboration and sharing marked the work of this Committee and members of the group unanimously support the bylaw. The Board of Selectmen endorsed the proposed language at its 2/11/2008 meeting.

Proposed Bylaw

The Committee agreed that a naming policy, which provides a broad outline for boards to follow, was the best approach. Wellesley's decentralized governmental structure makes it important to provide an umbrella process for naming large Town assets in their entirety (e.g. building or a park name) while allowing individual boards to maintain jurisdiction over portions of, or smaller, assets under their control.

The proposed bylaw respects prior practices and draws on current policies of some boards. The Wellesley Free Library and the Natural Resources Commission have quite mature policies on both gift acceptance and naming and this Committee drew on the experiences of each. The proposed policy does not limit the current practices of boards, though all existing policies must be reviewed in light of the new bylaw.

Further, it does not require any action of a board in relation to an asset that will not be specifically named or having a generic name (e.g. Wellesley Town Hall). Nor does the bylaw apply to program sponsorships, only to physical assets.

In researching potential areas to cover in a bylaw, there were a number of common provisions in the sample naming policies that were reviewed. The Committee deemed the following appropriate for a Town-wide umbrella policy on naming public assets:

- Naming of Town assets must be done according to provisions stated in the bylaw.
- Definition of major physical asset, part of a whole, and smaller asset.
- Process whereby naming of Town assets would be approved including who must give approval.
- Consider categories of names, including honorific names and those that arise as part of a major gift to the Town.
- Requirement that boards that wish to name Town assets adopt, if they haven't already, a naming policy.
- Suggested development and use of a naming agreement to document intent of naming discussion (e.g. sunset provision).
- Provision for renaming process.

The Committee concurred that these areas were both adequate and general enough to provide the basic outline of a policy to provide guidance for naming opportunities in the future. It was further considered that this bylaw could serve as a template for individual boards as they write or review existing naming policies. Each board would add specific details to meet its own requirements. It is anticipated that each board would review or write its naming policy as soon as possible after the bylaw is approved and no later than December 2008.

Finally, as follow up to Town Meeting, it is recommended that the Board of Selectmen reconstitute this interboard committee (or name its replacement) to review the naming policy of each board. This would ensure that a policy is sound and written in the spirit of the proposed bylaw. The new committee would report back to the 2009 Annual Town Meeting.

It is important to note that this bylaw in no way advocates for solicitation of private funds or public acknowledgement of gifts received. Rather, it is an effort to establish a commonly accepted practice for use should a situation of this nature arise. Based on the experience of Committee members with established policies, the Committee agreed that having a process in place was extremely helpful in handling potential questions.

Summary

The bylaw as approved by the Advisory Committee on Naming Public Assets is appended to the end of this report.

Should this bylaw be adopted, each board would be required to adopt a naming policy as a minimum requirement. The policy guidelines in this bylaw are an effort to outline a broad process to determine appropriate public acknowledgement for gifts accepted as well as for honorific purposes. While these guidelines are intended to apply to the asset in its entirety (e.g. building name), it is anticipated that Town boards and committees will use relevant sections in determining naming/renaming policies for interior spaces or portions of the total asset.

The purpose of the proposed naming of public assets policy, which is designed to unify and supersede any existing policies currently in use in the Town of Wellesley, is to provide guidance to those that have an interest in the naming or renaming of the Town's major physical assets. This is an appropriate time to bring this bylaw forward as municipalities like Wellesley begin to explore opportunities for public/private partnerships to provide enhancement funds for public services. This policy can help ensure appropriate public acknowledgement in keeping with Wellesley's historical and community character.

Recommended Follow Up

A naming policy generally covers both honorific naming as well as naming done in exchange for or to acknowledge a gift of some type. This naming policy is therefore, a useful first step for Wellesley since it covers both opportunities. However, as the Town begins to think seriously about "partnering public need with private support", the Committee strongly recommends that the Town consider adopting a general gift acceptance policy in conjunction with this naming bylaw. Immediately following Town Meeting, the Board of Selectmen can reconstitute this interboard committee (or its replacement) to draft an umbrella gift acceptance policy to cover gifts to the Town as a whole. This would be reported back to the BOS for their future action. In addition, it is further recommended that each board review and/or adopt a gift acceptance policy, which is tailored to its particular circumstances.

A gift acceptance policy supports the naming policy as it provides the basis for the initial review of the potential gift. This policy allows gifts to be reviewed on a consistent basis each time and prevents the "glittering" appeal of a gift from overcoming good judgment when it is not a fit with the approved policy. This policy provides the basis for declining gifts when this is thought prudent. Both the gift acceptance and naming policies serve as guidelines to boards, staff, donors and the public at large as these groups seek common ground on private support of programs and projects. However, the gift acceptance policy is much more detailed. It provides an outline of the mission of the group; the purpose of the guidelines; donor conflict of interest; restrictions on gifts; types of gifts (cash, property, marketable securities etc.) that will be accepted; and any other provisions that are thought necessary by the establishing board in conjunction with legal counsel.

When drafting both naming and gift acceptance policies, the following should be considered:

- Discussion of assets that the particular board controls
- Definition of "major" gift in the context of that board
- Acceptance of gift as appropriate to the mission of the board, or if not, gift is to be declined
- Embedded costs of gift acceptance or naming
- Sunset provisions
- Whether acceptance of the gift requires approval by more than the immediate board, perhaps the Board of Selectmen and/or Town Meeting

There may be other considerations depending upon the individual board.

The Wellesley Free Library and the Natural Resources Commission both have existing naming and gift acceptance policies, which could easily serve as templates for others. These policies are available on the Wellesley Town website.

Respectfully submitted,

Advisory Committee on Naming Public Assets
Kathleen Nagle, Chair
Katherine L. Babson, Jr.
Linda Buffum
Heidi Gross

Christopher Guiffre
Ann Howley
Marla Robinson
Katherine Rooks

Town Bylaw amending Article 6 by adding a new section 6.21

6.21 Naming of Public Assets. It is the policy of the Town of Wellesley to reserve the naming or renaming of public assets for circumstances that will best serve the interests of the town and ensure a worthy and enduring legacy for the town's physical spaces.

- (a) No Town assets shall be named or renamed except in accordance with this bylaw.
- (b) Assets that are considered to be major physical assets of the Town of Wellesley, such as buildings, recreational facilities, parks, water bodies, and conservation land shall be named only after the board with jurisdiction over the asset shall approve a name, and Town Meeting, by majority vote, shall concur in such naming.
- (c) All other Town assets that are portions of a larger whole, such as: interior spaces of buildings; features within parks, conservation land, and recreational areas; driveways or parking lots; or furniture or other small fixtures of any description shall be named by the Board having jurisdiction over the asset pursuant to a policy adopted under section (g) herein.
- (d) The naming of Town assets shall be considered with the following categories in mind:
 - (i) Historic Events, People, and Places. The Town may preserve and honor the history of the Town, State, or Country; prominent historical figures; and local landmarks, neighborhoods, or prominent geographical locations.
 - (ii) Outstanding Individuals. The Town may acknowledge individuals who have contributed in a significant way to the public life and well-being of the Town.
 - (iii) Major Gifts. The Town may acknowledge certain major gifts (as defined in each Board's policy) to the Town by individuals, organizations or corporations by naming a public asset in connection with such a gift.
- (e) The board with jurisdiction over an asset to be named shall consider whether a naming agreement or other documentation, is appropriate in each situation.
- (f) In situations where no naming agreement or documentation exists names shall not be changed without consideration of the historical significance of the name, impact on the individual or organization previously named and the costs associated with such renaming.
- (g) No board shall name any public asset unless the board shall have adopted a naming policy. All policies on the naming of public assets shall be consistent with the intent of this bylaw. Any such policy or amendment thereto shall be adopted only after at least one public hearing. All such policies shall be on file with the Town Clerk and posted on the town website.

TOWN OF WELLESLEY
Ad Hoc Green Committee Report

A. Introduction

The Town of Wellesley recognizes that we are entering an era when it is increasingly important both economically and environmentally to develop a **Sustainability Plan** for town resources, including energy, clean air, water and land.

Seventeen cities and towns in Massachusetts (including Belmont, Concord, Newton, Boston, Lexington, Medford, Reading and Cambridge) and over 266 cities and towns nationwide (including Portland, OR and Seattle, WA), already have made a commitment to sustainable development and are taking steps towards creating and implementing sustainability plans for both the public and private sectors of their municipalities. These plans include not only initiatives in which Wellesley already has demonstrated leadership, such as open space preservation, recycling and pesticide reduction, but also include a broad range of initiatives designed to conserve energy and water, reduce solid waste and pollution, limit carbon emissions, and reduce reliance on fossil fuels.

The 2007 Advisory Committee requested that the Board of Selectmen begin to explore ways that the Town might incorporate sustainability and “green” practices into town policies. The Board of Selectmen agreed to undertake this task, and formed the Ad Hoc Green Committee in September 2007 as a first step. The Ad Hoc Green Committee members are largely volunteers from two local “green” citizens’ groups: Sustainable Management of Appropriate Resources and Technology (SMART) and GreenWaveWellesley (GWW). SMART was formed in 2006 specifically to advocate for sustainability in the current High School Project, and GWW was formed the same year with a broad, town-wide sustainability mission. Together, SMART and GWW form one of the “constituent groups” which regularly interacts with the School Building Committee to provide input on sustainability issues. Members of the Ad Hoc Green Committee have also worked with the Wellesley Municipal Light Plant (WMLP) to raise the profile of the WMLP’s energy conservation initiatives through articles in the *Wellesley Townsman* and by supporting WMLP and other town departments with the lighting retrofit program.

In order to develop a **Sustainability Plan** for the Town of Wellesley, the Ad Hoc Green Committee recommends the formation of a **Green Ribbon Study Committee**.

B. Purpose

The purpose of the **Green Ribbon Study Committee** shall be twofold.

- First, to examine town-wide energy use, a fundamental component of a **Sustainability Plan**, and develop a **Sustainable Energy Plan** to guide Wellesley’s future choices concerning energy supply and consumption. The **Sustainable Energy Plan** will identify policies and initiatives to increase energy conservation and efficiency, reduce reliance on fossil fuels, and reduce carbon emissions, at both the public and private levels.
- Second, to research and recommend the next steps that the Town might take to develop a more comprehensive approach to sustainability. Next steps might include the formation of a permanent **Sustainability Committee** and further work on the development of a **Sustainability Plan**.

C. Membership

The **Green Ribbon Study Committee** shall be composed of up to nine members appointed by the Town Moderator, and a WMLP staff member will serve as a liaison to the Committee. The membership shall be as follows:

- Three members with experience in such areas as energy management, energy conservation, alternative energy, facilities management, urban planning, sustainable architecture/engineering, or a related field;
- Six members with a knowledge of or strong interest in sustainability.

D. Duties and Responsibilities

I. Research

- **Benchmark existing energy use** with an energy-auditing program such as EnergyStar Portfolio or the ICLEI Cities for Climate Protection Campaign to quantify current energy consumption and describe the patterns of use within the community, both public and private.
- **Solicit public input** early in the process concerning the development of a Sustainable Energy Plan, including holding a public hearing.
- **Consider developing an interactive website** similar to www.concordconserves.org which could be used both for collecting survey information from the public and for disseminating information about energy conservation to Wellesley residents. This website could ultimately evolve into a comprehensive resource to help educate and promote all types of sustainable practices.
- **Investigate how other communities are implementing energy plans**, including comprehensive sustainability plans, and identify best practices that may prove useful in Wellesley. Also examine emerging state and regional energy standards and initiatives.
- **Identify funding opportunities and incentives** for renewable and clean energy initiatives, including federal and state grants and tax incentives. Work with National Grid/Keyspan and other regional energy providers to identify incentives for both public and private conservation measures.

II. Analyze

- **Consider goals for reduced energy use in existing municipal buildings** by adopting latest energy building codes, promoting energy performance targets that meet or exceed building codes, and through implementation of operations and maintenance training.
- **Explore the possibility of establishing high performance building standards** for new municipal construction similar to those promulgated by the U.S. Green Building Council.
- **Explore opportunities for municipal policies** to help meet the goals and targets to reduce energy use and improve efficiency in other energy-intensive sectors such as transportation.
- **Encourage citizens' involvement** through public education, school-based initiatives and incentives, and private sector ventures.
- **Explore ways to support the Municipal Light Plant** in their initiatives for energy conservation, diversification and renewable sources at both the public and private levels.

III. Report

- **Hold a public hearing** when the draft **Sustainable Energy Plan** is ready for public review and comment
- **Make quarterly presentations** to WMLP board. Meet monthly with Director of WMLP.
- **Produce a Sustainable Energy Plan** to be presented to 2009 Town Meeting that recommends a list of policies and actions to the Town that will increase energy conservation and efficiency, reduce reliance on fossil fuels, and reduce carbon emissions. The Plan should include a list of prioritized goals.
- **Make a Report with recommendations to the 2009 Town Meeting**, describing next steps toward a comprehensive approach to sustainability. Next steps may include the establishment of a permanent **Sustainability Committee**, with possible representation from existing town committees. Next steps may also include further work on energy, as well as address one or more additional **Sustainability Plan** issues, including, but not limited to, conserving water, increasing recycling, reducing toxins, reducing solid waste, improving public transportation, and walkability.

Signed,

Ad Hoc Green Committee

Deborah Bates
Molly Fairchild
Mary Gard
Erin Hester
Sarah Little
Pamela Posey
Ann Rappaport
Jeffrey Wickham

Resources:

- ICLEI, “Local Governments for Sustainability,” (previously - International Council for Local Environmental Initiatives), www.iclei.org
- American Institute of Architects (AIA), *Sustainability 2030 Toolkit* www.aia.org/toolkit2030/advocacy/index.cfm
- Environment Northeast, *Climate Change Roadmap for New England and Eastern Canada* (2006), www.env-ne.org/ENE_Climate_Change_Roadmap_New_England_Canada.htm
- Massachusetts Climate Action Network, www.massclimateaction.net
- U.S. Conference of Mayors, www.usmayors.org
- Northeast Sustainable Energy Association, www.nesea.org

REPORT OF THE TOWN BYLAW STUDY COMMITTEE

Introduction

The Town Bylaw Study Committee (TBSC) is pleased to submit this report to the 2008 Annual Town Meeting. The Committee consists of Mark Antonelli, former member of the Advisory Committee, Ilissa Povich, Town Meeting Member, Barbara Searle, former Chair of the Advisory Committee, Jeff Witt, Town Meeting Member, and Bob White, former Vice Chair of the Advisory Committee.

Background

The 2007 Annual Town Meeting authorized the Moderator to appoint a committee to focus on (1) the Town's protocol for town elections and business sessions of Town Meeting, Bylaw Sections 8.2 and 8.6 (2) the notice provisions requirements in the bylaws for Town elections and Town Meeting, Bylaw Sections 4.4, 8.3, 8.10 and 11.8, and (3) generally how the overall process can be improved. The Committee was to report to the 2008 Annual Town Meeting and propose any bylaw amendments responsive to the study's conclusions.

Purpose

The purpose of the bylaw review and the proposed changes is to conform the bylaws to current practices, including the use of the latest communications methods in order to best inform our citizens about the activities and business of Town Government so that they are equipped to participate in the Town Meeting process. To this end, the committee has recommended updating communications media by adding current technology, the Internet, to promote access to Town Government information through the Town's web site, in addition to the traditional methods of notification and communications.

Process

The TBSC held a series of meetings beginning in September. We were ably aided by Town Clerk Kathleen Nagle and Moderator Heather Sawitsky. We had formal contact with ten Town Clerks in the Commonwealth. Each town has its unique method of determining the timing of their Town Meetings, notifying the citizens of Town Meetings and Town Elections and distributing the Town Meeting report. Wellesley is one of the very few towns with representative town meeting that sends a full Advisory Report to every resident.

We had a meeting with representatives of the major Town Boards. They all expressed support for our mission but did not want us to recommend any changes without a strong rationale for the change.

We also conducted an on-line survey of Town Meeting Members (TMM). We asked questions regarding starting Town Meeting (TM) on a Saturday, having a regularly scheduled Fall Town Meeting and electronic communication from the Town Clerk. Over half of TMMs responded and informed us by a 2 to 1 margin that they were not ready to start TM on a Saturday. However, by a 3 to 1 margin they responded that they would like to see a regularly scheduled Fall Town Meeting. There are major logistical issues with both a Saturday start date and Fall Town Meetings that would have to be addressed by the Selectmen, Advisory and the Moderator before either of these changes should be considered. This Committee will make no recommendations regarding either issue. TMMs who responded were unanimous in wanting to receive email communications from the Town Clerk and other Boards, but only two thirds wanted to receive email communications from constituents via the Town Clerk's Office.

We also had formal meetings with the Selectmen and the Advisory Committee as well as a Public Hearing. Both residents who attended the Public Hearing thought that it was very important that all residents have the ability to become as informed as they wished on all issues. While not taking formal

votes, both the Advisory Committee and the Selectmen were in favor of our proposed changes and both made several suggestions to clarify our proposed bylaw language.

Results

We will bring two motions to the 2008 Annual Town Meeting:

1. The first will be to modify Bylaw Sections 8.3 and 8.10. The major reasons to update these Bylaws are to have them conform to current practices, including the posting of notices on the Town website. It is important to note that the Bylaw requirements must be met, but can be exceeded. For instance, if the Bylaw calls for 14 days notice, 21 days notice may be given. We eliminated the requirement that the entire warrant be published in a newspaper generally circulated in the Town, believing that this was an unnecessary expense and very few citizens read the warrant in the newspaper. As stated above the Selectmen may continue to have the warrant printed in the *Wellesley Townsman*.
2. The second motion will be to modify Bylaw Section 11.8 dealing with the Advisory Committee Report. The main question the Bylaw Committee set out to address was "Is the current method of mailing the Advisory Book to each household in the Town the most effective way to communicate the important issues that will be presented at the Annual Town Meeting?"

Through its meetings and discussions with various constituencies: past and present Advisory members, the Board of Selectmen, the Town Clerk, Town Moderator, Town Meeting Members, as well as a survey of other towns in Massachusetts with representative town meetings, the Committee learned that there was support for adding current technology into the mix of communications: posting the *Advisory's Report to the Annual Town Meeting* on the Town's Web site, as well as making the printed Advisory Report available at public locations so the public could have the information available to them in several formats (electronic and print). Although not currently required under the existing by-law, the Advisory Report has been available on the Town's website for the last two years. Additionally, input indicated that rather than mailing the Report in its entirety to each household, a practice that is a holdover from when Wellesley had an open Town Meeting, a more readable and less daunting communication would be more effective in helping the residents focus on issues important to them and encourage them to participate in the Town Meeting. The Committee, therefore, recommends that in lieu of mailing the Advisory Report to each household, that an Advisory Chairman's letter be sent to each household, which addresses all-important budgetary, capital and significant future issues. This letter should also indicate where and when copies of the Advisory Report will be available. The Committee believes that this form of communication will have a better chance of being read by the citizens than the Report and additionally will result in a lower cost to the Town for printing and mailing and be more environmentally friendly.

The Advisory Report would continue to be sent to all Town Meeting Members and Town Departments. Additionally copies of the Report would be available at the Town Clerk's Office and the Wellesley Free Library as well as the Town's website for anyone wanting to get more information. Further, the Selectmen will mail copies of the Report to any resident that requests one. The Selectmen will develop the requesting process prior to the 2009 ATM.

We did not recommend changes to Bylaw sections 4.4, the Annual Report, 8.2, the date of Town Election, and 8.6, the date of the Annual Town Meeting. We felt in each case that there was no consensus for change. Specifically moving the date of Town Elections slightly later in the year in the hope of getting better weather and therefore more voter participation, creates problems if ties need to be resolved or TMM positions need to be filled. Moving Town Meeting slightly later in the year would delay an override vote and could effect teacher notifications.

The current and proposed Bylaws can be found at the bottom of this report.

We would like to thank everyone who has helped us these past six months, particularly Kathy Nagle, Town Clerk and Heather Sawitsky, Moderator.

Mark Antonelli
Ilissa Povich
Barbara Searle
Jeffrey Witt
Bob White, Chairman

TOWN BYLAW COMMITTEE PROPOSED REVISIONS

Part II. TOWN ELECTIONS

Current 8.3. Notice. Whenever practicable, at least 20 days before the date of any Town Election or any Town Meeting, whether Annual or Special, the Selectmen shall give notice of their intention to call such election or meeting by publishing said notice in a newspaper generally circulated in the Town. The Selectmen shall also follow the procedure for notice given in Section 8.10.

Proposed 8.3. Notice of Elections. *At least 35 days before the date of any Town Election, the Selectmen shall give notice of their intention to call such Election by notifying the Town Clerk. The Selectmen shall also, as soon as practicable, place a notice of the Election in a newspaper generally circulated in the Town and publish the notice on the Town's website. At least seven days before a Regular Election and 14 days before a Special Election they shall post copies of the warrant in not less than two conspicuous places in the Town including but not limited to the Town Hall and Wellesley Square. The warrant shall also be made available on the Town's website.*

Part III. TOWN MEETINGS

Current 8.10. Notice of Meeting. Notice of each Town Meeting, whether Annual or Special, shall be given by the Selectmen by posting attested copies of the warrant for that Meeting in not less than two conspicuous places in the Town including but not limited to the Town Hall and Town Square, and either by mailing a copy of the warrant to each dwelling in the Town, or by publishing a copy of the warrant in a newspaper generally circulated in the Town at least seven days before the date on which the Annual Town Meeting and at least 14 days before the date on which a Special Town Meeting is to commence.

Proposed 8.10. Notice of Town Meeting. *Notice of each Town Meeting, whether Annual or Special, shall be given by the Selectmen by publishing a copy of the notice in a newspaper generally circulated in the Town at least seven days before the date on which the Annual Town Meeting, and at least 14 days before the date on which a Special Town Meeting, is to commence. Said notice shall state the time and place of the meeting and that the full text of the warrant shall be published on the Town's website and be available from the Selectmen's office. Additionally, the Selectmen shall post attested copies of the warrant for that Meeting in no less than two conspicuous places in the Town including but not limited to the Town Hall and Wellesley Square and shall make the warrant available on the Town's website.*

ARTICLE 11. ADVISORY COMMITTEE

Current 11.8. Report. A copy of the report of the Committee shall be mailed or delivered to each dwelling in the Town at least seven days before the commencement of any Town Meeting. A minority

may present a separate report which shall be included in the report of the Committee. The report shall set forth the numerical vote of the Advisory Committee on each recommendation.

Proposed 11.8. Report. A copy of the report of the Committee shall be mailed or delivered to each Town Meeting Member and Town Department at least seven days before the commencement of any Town Meeting. A minority may present a separate report which shall be included in the report of the Committee. The report shall set forth the numerical vote of the Advisory Committee on each recommendation. The report shall be available on the Town's website, and available for pick-up at the Town Clerk's Office, and at the Wellesley Free Library. Further, the Advisory Committee shall mail a letter from the Advisory Chairman to each dwelling in the Town at least seven days before the commencement of any Town Meeting. The Chairman's letter will contain an overview of the then current status of the budget, including any anticipated overrides, information on capital projects that will require bonding, and significant factors for future budgets. The letter will also contain a summary of other significant matters coming before Town Meeting as deemed appropriate by the Chairman. The letter will indicate when and where copies of the Advisory Report will be available.

TOWN-WIDE FINANCIAL PLAN FOR 2008 ANNUAL TOWN MEETING
Submitted by the Board of Selectmen



Dear Town Residents:

We are pleased to submit this report on the Town-Wide Financial Plan (TWFP). This report provides summary financial information for the current fiscal year (FY08), the proposed budget for FY09, and projected financial information for FY10. The Board of Selectmen expects to present a balanced budget for FY09 at the upcoming Town Meeting. Initial projections for the year indicated a deficit, but this was eliminated through a combination of departmental budget reductions, increased State aid and local revenue, and lower increases in health insurance costs than originally projected. This report also focuses on the Town's key financial planning issues and the adequacy of our plans for addressing these issues.

Key Planning Issues

In evolving the TWFP, the Selectmen have continued to focus on the following long-term financial challenges:

- Rising cost of health insurance;
- Structural deficit;
- Facilities maintenance; and
- Renovation/reconstruction of the High School.

A short discussion of each of these items follows.

Rising cost of health insurance: As previously discussed at Town Meeting, health insurance costs are absorbing an increasing portion of the Town's total tax levy. In 1984, such costs represented 2.9% of the tax levy, whereas in 2008 they represent 19%. This percentage will continue to increase as the growth of health insurance costs continues to outpace inflation, and the number of Town retirees continues to grow. Recent actions to address this major issue include:

- The Section 18 election approved at the 2006 Town Meeting, which requires eligible retirees to enroll in Medicare, thereby reducing the Town's share of retiree health insurance costs; and
- Funding of the Other Post-Employment Benefits (OPEB) liability. Following voter approval of the OPEB funding exclusion at the May 2007 Special Election, the Town is funding \$3 million per year towards this cost. This funding is in addition to the increasing pay-as-you-go cost associated with these benefits, and in the long-term will constrain the growth of this cost.

In addition, the Selectmen have worked with the West Suburban Health Group (WSHG) to develop new health insurance plan offerings (the "Rate Saver" plans) that require additional, market-level co-payments. These changes are intended to bring co-payments into line with market norms, and thereby make Town employees more accountable for the impact of their behavior on healthcare costs. The changes are also expected to yield recurring premium savings of approximately 10-15%. The Board of Selectmen and School Committee are currently bargaining with a number of the Town's unions regarding the proposed Town-wide adoption of the Rate Saver plans, effective January 1, 2009.

Structural deficit: The School Department budget represents approximately two-thirds of the Town's total budget exclusive of capital and debt service, and over the past ten years, the School budget has grown at an average rate of 6.75%. This growth reflects a number of factors including recurring

enrollment increases and the increasing cost of special education and related transportation. The size and average annual growth of the School budget are sufficient to fully absorb the entire growth in the Town's total tax levy, as allowed under Proposition 2 ½. Factoring in the growth in health insurance costs and a 3% increase in the budgets for other Town departments results in a recurring annual (i.e., structural) deficit of approximately \$2 million.

Thus, absent other factors, the Town is confronted with a recurring annual override need of approximately \$2 million, which largely explains the need for general overrides in six of the last eight years. This issue was mitigated in the proposed FY09 budget largely by the exceptional increase in State aid, but is projected to recur in FY10 and subsequent years. Absent action to scale back specific departmental services, the Town is likely to experience the need for continued overrides in the near-term, or at least until such time as the recurring increases in health insurance costs, school enrollment and special education costs abate.

From a financial planning standpoint, the Selectmen have discussed alternative approaches for avoiding general overrides in successive years. For example, the more active use of reserves and other planning techniques could lead to general overrides in alternating years. While this approach might give the impression of better financial planning, it does not address the underlying financial issues.

Facilities maintenance: In 2006, the School Committee and Selectmen consolidated management responsibility for the operation and maintenance of all facilities under a new Town Facilities Director. The financial budget for facilities operation and maintenance remained distributed among the various departments. Based on our experience with the new management model and further planning for the long-term maintenance of the Town's buildings, the Selectmen believe a further consolidation of all facilities operation and maintenance costs into a new, standalone department would increase the level of transparency and accountability for facilities maintenance. This is the organizational model used by large corporations and a number of towns, and the Selectmen believe this model could be successfully implemented in the Town of Wellesley. Discussions regarding a potential consolidation are ongoing between the Selectmen and other Boards, and we expect to make a related proposal at Town Meeting (Article 32). Our proposal will also involve consolidation of the related budgets.

The Town does not currently have a comprehensive operational and financial plan for the long-term maintenance of all of the Town's buildings. While the \$11.2 million of school infrastructure capital approved at the 2007 Annual Town Meeting was a constructive step toward addressing certain maintenance needs, this required an exceptional planning effort, and the scope, cost and timing of follow-on work has yet to be determined. Renovation of the Town's elementary schools will be a significant element of this follow-on work, and the School Committee has committed to study this need.

Given the high cost of infrastructure maintenance and the State's new approach to school building assistance, the Town must improve its long-term planning for these costs. Under any future circumstances, some combination of increased capital spending or further debt exclusions will be required to adequately address the Town's long-term facility maintenance needs. Increased transparency to the full cost of building maintenance, and greater accountability for the development and execution of comprehensive maintenance plans are important next steps.

Renovation/reconstruction of the High School: Considerable work is ongoing to determine the scope, timing and cost of renovations needed at the High School. Consistent with the new Massachusetts School Building Authority (MSBA) regulations, a School Building Committee (SBC) including representatives from the Board of Selectmen, School Committee and Permanent Building Committee; Town residents with germane expertise; and other individuals, was formed to monitor and advise the Town on the project. The SBC, School Committee, and Permanent Building Committee have been actively engaged in the ongoing planning for this project.

The cost of this project will necessitate a Proposition 2½ debt exclusion, and will significantly impact property taxes in future years. Major unknowns at this time include the timing of the project and the level of State reimbursement that will be available to defray a portion of the project costs. On February 28th, representatives of the SBC met with representatives from the MSBA to discuss the status of the Town’s planning for this project and solicit the Authority’s guidance on next steps. Following this meeting, it appears likely that Town officials will be in a position to present a proposed High School project at a Special Town Meeting this fall with a town-wide debt exclusion vote for its funding by year-end.

A comprehensive update regarding the planning for the High School project will be presented at Town Meeting (Article 17), along with a request for additional planning funds. While the scope and cost of the project is not yet known, a table illustrating the potential long-term impact of this project on taxpayers is presented later in this report. We also intend to propose the establishment of a School Facilities Maintenance Trust in order to benefit from potential matching State funds (Article 18). Appropriations to this Trust may be sought as part of the funding for the High School project.

FY09 Budget

Early last fall, we discussed preliminary revenue projections with the Advisory Committee which included new tax revenues of \$1.2 million from “new growth” and minimal growth in State aid. The Advisory Committee issued budget guidelines designed to minimize, or possibly avoid, an operating override, by capping increases in personal services for the School department at 5% and all other Town departments at 3%.

Capital requests were submitted in October and departmental operating budgets were submitted in early January. Finance was able to provide a first look at the total operating budget during the second week of January. The initial deficit was approximately \$6.4 million. This deficit was eliminated through a combination of factors, including increased state aid and local revenue, departmental budget reductions, and lower health insurance cost increases than originally projected.

The FY09 budget request is summarized in the following table:

	FY08 Budget	FY09 Request	FY08-FY09 \$ Δ	FY08-FY09 % Δ
Sources of Funds				
Taxes	\$ 78,689,438	\$ 81,856,674	\$ 3,167,236	4.0%
State Receipts	6,642,683	8,551,294	1,908,611	28.7%
Local Fees	10,614,714	11,266,315	651,601	6.1%
Other Sources (Incl. Non Tax Impact)	2,491,773	4,183,799	1,692,026	67.9%
Exclusions and Exemptions	6,164,839	6,855,863	691,024	11.2%
Total Sources	\$ 104,603,447	\$ 112,713,945	\$ 8,110,498	7.8%
Uses of Funds				
School	\$ 49,619,071	\$ 53,842,308	\$ 4,223,237	8.5%
Other Town Departments	23,757,912	24,361,388	603,476	2.5%
Employee Benefits	15,134,241	15,752,815	618,574	4.1%
Cash Capital	2,942,719	2,851,283	(91,436)	-3.1%
Debt (inside Levy)	4,010,180	4,119,819	109,639	2.7%
Other Uses (Incl. Non Tax Impact)	2,974,485	4,930,469	1,955,984	65.8%
Exclusions and Exemptions	6,164,839	6,855,863	691,024	11.2%
Total Uses	\$ 104,603,447	\$ 112,713,945	\$ 8,110,498	7.8%
Surplus/(Deficit-Override)	\$ -	\$ -		

The 28.7% increase in State receipts is attributable to a \$ 1.9 million increase in Chapter 70 State aid for education. This increase reflects continued progress toward bringing Wellesley to parity with other towns in terms of the level of such aid. This revenue is subject to the State's budget process and will not be finalized until June. The School budget increase of 8.5% is higher than the average rate of increase for the past 10 years (6.75%), primarily due to a \$1.76 million increase in the cost of out-of-district special education placements, which cost is largely controlled by the State. The large increases in Other Sources and Other Uses both reflect a \$1.47 million increase in the proposed use of Community Preservation Act funds, as well as other offsetting items. The 4.1% increase in Employee Benefits reflects an 8% increase in health insurance premium rates, partially offset by recent favorable enrollment experience. The health insurance budget increase does not take into consideration the potential savings related to the implementation of the new Rate Saver plans. Any collective bargaining agreements that include provisions for implementation of these new plans will be subject to Town Meeting ratification.

Contracts with six of the Town's unions expired in June 2007, and the remaining seven contracts expire in June 2008. The results of these bargaining efforts will impact the FY09 and future years' budgets. Partly due to the proposed health insurance changes, the majority of the union negotiations remain ongoing. Given the sensitivity and fluid state of these negotiations, we are deferring any further update until Town Meeting.

Except for the School department, the FY09 budget request does not include any provision for contractual wage increases that are still subject to negotiation. The Town plans to fund the cost of such increases through an appropriation from Free Cash at the time the contract is presented to Town Meeting for ratification.

The Town is also planning to fund two FY08 supplemental appropriations for the School Department (special education costs) and the Department of Public Works (snow and ice removal costs) through the use of free cash. These appropriations are currently projected to be \$800,000 and \$400,000 respectively and will be considered under Article 7.

The FY09 budget request includes “Cash Capital,” which are those items to be funded by cash and not by borrowing. The FY09 cash capital budget reflects a slight decline from the prior year, which included a one-time site remediation cost of \$200,000 for the new MLP/DPW facilities. While the Selectmen and Advisory Committee believe an increase in facilities maintenance capital is warranted, this need has been addressed in the near-term by the prior year appropriation of \$11.2m for School facilities maintenance.

Debt Capital

The Town’s Five-Year Capital Budget Program is presented elsewhere in this book. The FY09 budget request includes new debt service amounts related to the following “inside the levy” debt capital projects:

- \$600,000 for the Town’s portion of the proposed Sprague Field remediation work (2008 Annual Town Meeting Warrant Article 20);
- \$797,000 for planning work related to the renovation/reconstruction of Wellesley High School (appropriated at the 2007 Annual Town Meeting);
- Additional funds for further planning work related to High School (Article 17).
- \$3,609,500 for the acquisition of three properties on Seaver Street (appropriated at the Fall 2007 Special Town Meeting);
- \$475,000 for a new Fire Engine (Article 8);
- \$500,000 for engineering planning and other work related to the reconstruction of Weston Road from Linden Street to Route 9 (appropriated at the 2002 Annual Town Meeting); and
- \$428,000 for the reconstruction of Woodside Avenue (appropriated at the 2007 Annual Town Meeting).

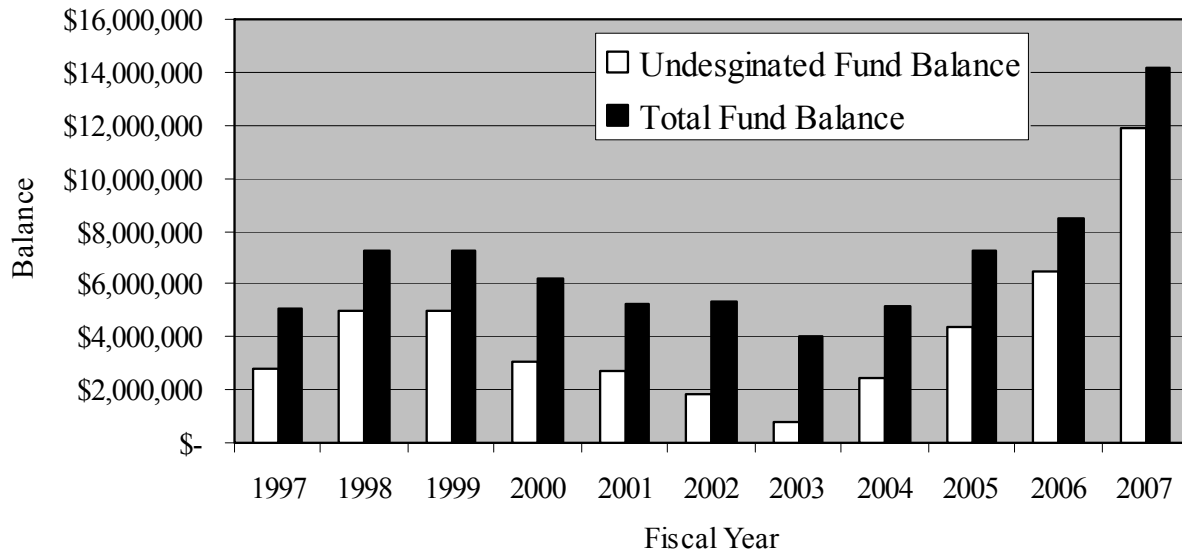
The future debt service impact of the High School project is discussed later in this report. Otherwise, the remaining capital projects included in the five-year capital plan, but not proposed for funding this year, require further planning and deliberation, and the exact timing of these projects is not yet certain.

Reserves

In recent years, Town Meeting has been cognizant of the need to increase the level of the Town’s financial reserves, in order to maintain the Town’s favorable Aaa bond rating. This has required us to carefully monitor the level of revenues and expenses versus budget, and the resulting impact on reserve levels. It has also required us to be judicious in our utilization of reserves.

The following graph shows the continuing improvement in reserve levels, as expressed in terms of undesignated fund balance and total fund balance:

Town of Wellesley General Fund Balance

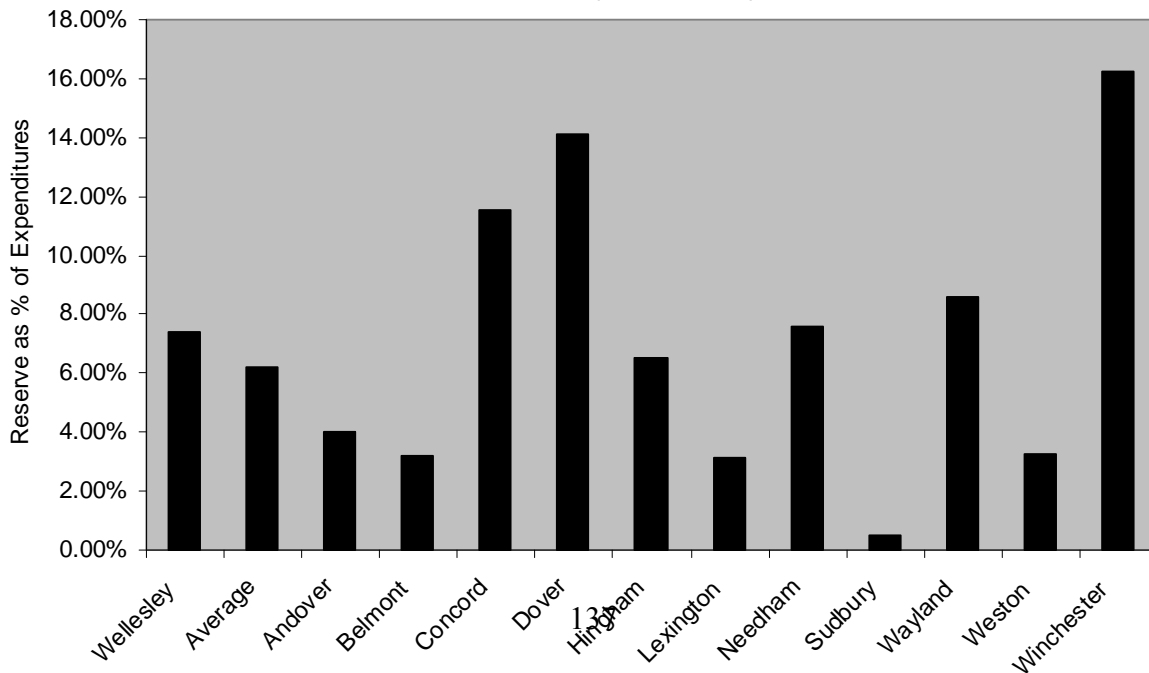


Undesignated fund balance and total fund balance are technical terms used in municipal accounting, analogous to the term “stockholders’ equity” as used in private sector financial statements. Credit rating agencies focus on these balances when evaluating the credit worthiness of a town and we expect these balances to continue to grow in FY08.

Of more practical concern is the balance in the Town’s Stabilization Fund, and the balance of Free Cash, which is a more restrictive subset of the Undesignated Fund Balance. Under Department of Revenue (DOR) rules, these are the amounts specifically available for appropriation by Town Meeting to pay extraordinary or unforeseen expenditures, or cover revenue shortfalls. Appropriations from Free Cash require a majority vote by Town Meeting whereas appropriations from the Stabilization Fund require a two-thirds vote by Town Meeting. The FY09 budget includes a \$1,000,000 transfer from Free Cash to the Stabilization fund, which is intended to further emphasize the reserve nature of these funds.

The following chart compares Wellesley’s total level of Stabilization Fund and Free Cash reserves at July 1, 2007 to other AAA rated communities:

Free Cash and Stabilization Fund Comparison Among AAA-Rated Communities
(DLS data 7/1/07)



DOR recommends that communities maintain reserves (free cash and stabilization fund) of at least 3-5% of annual expenditures. The credit rating agencies recommend higher levels. The 2009 appropriation will increase the Stabilization Fund to approximately 3% of expenditures, and we are projecting to maintain Free Cash at a slightly higher level, despite our plan to use this reserve to cover the FY08 supplemental appropriations and collective bargaining settlements.

The proactive funding of the Town's pension and OPEB liabilities further evidence the Town's commitment to prudent fiscal management. The Town's pension fund remains fully funded. The Town began funding this liability in 1978, with annual payments projected to fully fund the liability in 30 years. Excellent investment results helped to fund the full amount of the Town's obligation in 19 years. Thus, no pension contributions by the Town have been required since 1997.

Earlier in this fiscal year, the Retirement Board transferred investment management responsibility for the Town of Wellesley Contributory Retirement System assets to the Massachusetts Pension Reserves Investment Management Board (PRIM), with the objective of sustaining the Retirement System's superior investment returns. By virtue of this transfer, the Town will benefit from the State's greater level of professional resources and greater flexibility with regard to the use of alternative investment vehicles.

In FY07 the Town made its first \$600,000 appropriation to the Group Insurance Liability Trust, the segregated fund set aside to fund the Town's liability for retiree health insurance costs. Following voter approval of the OPEB funding exclusion at the May 2007 Special Election, the FY09 budget request includes \$3 million of funding towards this liability (\$1.2m inside the levy, plus \$1.8m exclusion).

Looking Ahead

The assumptions on which the longer-term plan is based results in ongoing shortfalls to be funded either through operating overrides or through cuts in programs and services. The critical assumptions include \$1.2 million new growth annually; minimal increases (2%) in State and Local receipts; School department budget – 6.79%; Other Town departments - 3%; Group Insurance increases held to 8%; and no SBA reimbursement for the Middle School. The projected sources and uses of funds through FY10 are summarized in the following table:

	<u>FY08 Budget</u>	<u>FY09 Request</u>	<u>FY10 Projection</u>	<u>FY09/FY10 \$ Δ</u>
Sources of Funds				
Taxes	\$ 78,689,438	\$ 81,856,674	\$ 85,103,091	\$ 3,246,417
State Receipts	6,642,683	8,551,294	8,722,320	171,026
Local Fees	10,614,714	11,266,315	11,491,641	225,326
Other Sources	2,491,773	4,183,799	1,100,000	(3,083,799)
Exclusions and Exemptions	6,164,839	6,855,863	6,623,713	(232,150)
Total Sources	\$ 104,603,447	\$ 112,713,945	\$ 113,040,765	\$ 326,820
Uses of Funds				
School	\$ 49,619,071	\$ 53,842,308	\$ 57,498,201	\$ 3,655,893
Other Town Departments	23,757,912	24,361,388	25,092,230	730,842
Employee Benefits	15,134,241	15,752,815	16,917,040	1,164,225
Cash Capital	2,942,719	2,851,283	2,850,000	(1,283)
Debt (inside Levy)	4,010,180	4,119,819	4,419,819	300,000
Other Uses	2,974,485	4,930,469	2,462,277	(2,468,192)
Exclusions and Exemptions	6,164,839	6,855,863	6,623,713	(232,150)
Total Uses	\$ 104,603,447	\$ 112,713,945	\$ 115,863,280	\$ 3,149,335
Surplus/(Deficit-Override)	\$ -	\$ -	\$ (2,822,515)	

The above projections do not reflect any assumption regarding future funding for the High School project, apart from a provision for additional planning funds to be requested under Article 17. As discussed earlier in this report, the projected shortfall in FY10 is largely due to the structural deficit inherent in the projected growth of the Town's revenues and expenses.

High School Project

As noted previously, the projected Sources and Uses presented earlier does not reflect any assumption regarding future funding for the High School project, which is projected to be the biggest financial commitment in the Town's history.

While the scope and cost of the project are not yet known, the following table illustrates the **potential** long-term impact of this project on taxpayers:

Assumptions:			
<i>Project cost</i>		\$155,000,000	
<i>Interest rate</i>		4.5%	
<i>Amortization period (yrs.)</i>		25	
<i>Annual debt service without reimbursement</i>		\$10,453,049	
<i>Median home value</i>		\$832,000	
<i>Total assessed value</i>		\$9,175,647,000	
	Median Annual Tax Bill Impact		
Assessed Value	Without	With 25%	With 40%
	Reimbursement	Reimbursement	Reimbursement
\$600,000	\$684	\$513	\$410
\$832,000	\$948	\$711	\$569
\$1,500,000	\$1,709	\$1,282	\$1,025

The Town has begun discussions with the Massachusetts School Building Authority (MSBA) regarding its potential support for the High School project. While the level of MSBA reimbursement available to defray some portion of the project cost is not yet certain or quantifiable, we are currently estimating that reimbursement could range from 25-40% of total project cost. Accordingly, the "With Reimbursement" estimates presented in the above table are presented solely for discussion purposes.

We are looking forward to providing Town Meeting with additional information regarding the Town-Wide Financial Plan at this year's Town Meeting and having an opportunity to respond to any questions you might have.

We would like to express our sincere appreciation to all of the Town boards and their respective staffs for their cooperation in working with us to create a plan that will ensure the continued financial health of our community.

Sincerely yours,

Owen H. Dugan

Owen H. Dugan, Chair
 Gregory B. Mills, Vice-Chair
 Katherine L. Babson, Jr., Secretary
 David J. Himmelberger
 Harriet S. Warshaw

Town of Wellesley
FY09-13 Capital Improvement Plan

Department	Summary Schedule								
	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY09-13 Total
Executive Director	\$ -	\$ 20,000	\$ 10,000	\$ 26,092	\$ -	\$ -	\$ -	\$ -	\$ 26,092
Transport Study Art. 19	-	-	-	25,000	-	-	-	-	25,000
NIS	-	-	-	41,000	154,000	40,000	-	-	235,000
Police	-	15,272	78,104	51,128	49,252	80,244	37,028	-	217,650
Fire	21,000	-	46,000	64,050	125,200	58,000	15,500	-	262,750
Comp. Bldg. Mtn.	156,500	156,100	159,800	159,800	186,550	177,600	162,450	169,750	856,150
Clerk	16,000	16,000	16,000	52,000	-	-	-	-	52,000
Planning	50,000	20,000	50,000	25,000	20,000	10,000	5,000	10,000	70,000
Library	-	23,700	42,504	36,300	80,500	220,000	35,000	40,000	411,800
Natural Resources	83,150	25,000	56,000	35,000	76,000	96,000	91,000	91,000	389,000
Morses Pond	-	-	-	50,000	161,000	75,100	99,202	99,261	484,563
Schools	935,699	1,165,319	982,811	982,415	1,389,160	1,175,339	1,125,438	1,112,124	5,784,474
Public Works	1,124,000	1,107,500	1,303,500	1,303,500	2,137,500	2,027,500	1,986,900	1,308,500	8,763,900
Recreation	10,600	6,400	-	-	-	-	-	-	-
PCB Remediation	-	-	200,000	-	-	-	-	-	-
Total Cash	\$ 2,396,949	\$ 2,555,291	\$ 2,942,719	\$ 2,851,283	\$ 4,379,162	\$ 3,959,783	\$ 3,557,516	\$ 2,830,635	\$ 17,578,379
Fire	-	-	-	475,000	-	-	-	850,000	1,325,000
Linden/Weston Rd Signals	-	-	-	90,000	-	-	-	-	90,000
Recreation	-	115,000	-	-	870,000	-	-	-	870,000
Sprague Field	-	-	-	600,000	-	-	-	-	600,000
Natural Resources	-	-	-	-	800,000	100,000	-	-	900,000
Morses Pond	-	-	650,000	-	-	-	-	-	-
Schools	-	-	11,207,000	3,000,000	4,000,000	-	4,948,500	-	11,948,500
Public Works	377,200	1,454,000	1,306,000	-	-	962,500	4,275,000	3,670,000	8,907,500
Total Borrowed	\$ 377,200	\$ 1,569,000	\$ 13,163,000	\$ 4,165,000	\$ 5,670,000	\$ 1,062,500	\$ 9,223,500	\$ 4,520,000	\$ 24,641,000
Total All	\$ 2,774,149	\$ 4,124,291	\$ 16,105,719	\$ 7,016,283	\$ 10,049,162	\$ 5,022,283	\$ 12,781,016	\$ 7,350,635	\$ 42,219,379

**Town of Wellesley
FY09-13 Capital Improvement Plan**

<u>Selectmen Departments</u>	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>
Executive Director					
- Pitney Bowes machine	\$ 26,092	\$ -	\$ -	\$ -	\$ -
	26,092	-	-	-	-
Transportation Study, <u>See</u> Article 19	25,000	-	-	-	-
NIS					
- Storage Area Network (SAN)	-	52,000	-	-	-
- Gigabit network switches	20,000	20,000	20,000	-	-
- MS Office upgrade	21,000	21,000	20,000	-	-
- Backup replacement - Tape Autoloader	-	14,000	-	-	-
- SMS	-	12,000	-	-	-
- Orthophotography services	-	35,000	-	-	-
	41,000	154,000	40,000	-	-
Police					
- Mobile and portable radio replacement	40,980	41,083	38,580	37,028	-
- Copier replacement	10,146	-	-	-	-
- Application server replacement	-	8,169	-	-	-
- Touchprint Booking Station	-	-	41,664	-	-
	51,126	49,252	80,244	37,028	-
Fire					
- Portable radio replacement	14,850	15,500	15,500	15,500	-
- Medtronic Defibrillators	18,200	19,700	-	-	-
- Replace 1993 pickup truck	31,000	-	-	-	-
- Turnout gear replacement	-	90,000	-	-	-
- Replace 2001 Ford command vehicle	-	-	42,500	-	-
	64,050	125,200	58,000	15,500	-
Building Maintenance	159,800	186,550	176,900	162,450	169,750
Total Cash Capital	\$ 367,068	\$ 515,002	\$ 355,144	\$ 214,978	\$ 169,750
Fire					
- Engine 1 pumper fire truck replacement	475,000	-	-	-	-
Traffic and Parking					
- Linden/Weston Rd pedestrian signal improvements	90,000	-	-	-	-
Total Borrowed Capital	565,000	-	-	-	-
Grand Total (Cash & Borrowed Capital)	\$ 932,068	\$ 515,002	\$ 355,144	\$ 214,978	\$ 169,750

**Town of Wellesley
FY09-13 Capital Improvement Plan**

		<u>Project Area</u>	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>5yr Total</u>
Town Clerk	Voting Machine Replacement		\$ 52,000	\$ -	\$ -	\$ -	\$ -	\$ 52,000
			52,000	-	-	-	-	52,000
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Planning Board	Bylaw Recode		25,000	-	-	-	-	25,000
	CP Implementation		-	20,000	10,000	5,000	10,000	45,000
	Total Cash		25,000	20,000	10,000	5,000	10,000	70,000
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Wellesley Free Library	Surveillance system		3,300	-	-	-	-	3,300
	Technology Updates		33,000	25,000	25,000	25,000	25,000	133,000
	Hills Boiler		-	25,000	-	-	-	25,000
	Microfilm machine		-	8,500	-	-	-	8,500
	Furniture/carpet replacement		-	10,000	10,000	10,000	10,000	40,000
	Van replacement		-	-	25,000	-	-	25,000
	Vacuum replacement		-	-	-	-	5,000	5,000
	Self check station Children's Room		-	12,000	-	-	-	12,000
	RFID security/inventory control system		-	-	160,000	-	-	160,000
	Total Cash		36,300	80,500	220,000	35,000	40,000	411,800
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Recreation Department	Morse Pond Bath house		-	870,000	-	-	-	870,000
	Total Borrowed		-	870,000	-	-	-	870,000
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School Committee	Sprague Field Remediation		600,000	-	-	-	-	600,000
	Total Borrowed		\$ 600,000	\$ -	\$ -	\$ -	\$ -	\$ 600,000

Town of Wellesley
FY09-13 Capital Improvement Plan

Project Area		FY09	FY10	FY11	FY12	FY13	5yr Total
Natural Resources	Tree Planting	\$25,000	\$ 30,000	\$ 30,000	\$30,000	\$30,000	\$ 145,000
	Fuller Brook	10,000	-	-	-	-	10,000
	Moses Pond Shoreline Study	-	15,000	-	-	-	15,000
	Moses Pond Erosion Control	-	-	45,000	-	-	45,000
	Abbott Pond Feasibility Study	-	-	-	40,000	-	40,000
	State St. Pond Feasibility	-	-	-	-	40,000	40,000
	Encroachment Boundary Markers	-	7,000	5,000	5,000	5,000	22,000
	Park Path/Sidewalk Improvement	-	12,000	12,000	12,000	12,000	48,000
	Ice Skating Rinks	-	10,000	-	-	-	10,000
	Total Cash	\$35,000	\$ 76,000	\$ 96,000	\$91,000	\$91,000	\$ 389,000
CP Pond Management	-	-	100,000	-	-	100,000	
Fuller Brook	\$ -	800,000	\$ -	\$ -	\$ -	800,000	
Total Borrowed	-	800,000	100,000	-	-	900,000	
Grand Total (Cash & Borrowed Capital)	\$35,000	\$ 876,000	\$ 196,000	\$91,000	\$91,000	\$ 1,289,000	
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Morses Pond	Web design	-	10,000	24,080	4,162	4,200	\$ 42,442
	Education/Brochure	-	30,000	-	-	-	30,000
	Bylaw review	-	50,000	25,000	-	-	75,000
	Design/Permitting	50,000	20,000	20,000	10,000	10,000	110,000
	Construction	-	25,000	5,000	5,000	5,000	40,000
	Harvesting	-	16,000	1,020	1,040	1,061	19,121
	Planting	-	10,000	-	79,000	79,000	168,000
Total Cash	\$50,000	\$ 161,000	\$ 75,100	\$99,202	\$99,261	\$ 484,563	

Town of Wellesley
FY09-13 Capital Improvement Plan

	Program Area	FY09	FY10	FY11	FY12	FY13	5yr Total
School Department	Instructional	\$ 30,534	\$ 112,935	\$ 40,000	\$ 40,000	\$ 40,000	\$ 283,469
	Equipment	50,711	145,000	90,000	159,000	103,000	547,711
	Furnishing	54,474	150,000	150,000	150,000	150,000	654,474
	Infrastructure	351,400	204,500	245,500	118,000	210,500	1,129,900
	Maintenance	7,100	25,000	25,000	25,000	35,000	117,100
	Safety	-	10,000	10,000	10,000	10,000	40,000
	Technology	488,198	741,725	614,839	623,436	563,624	3,031,820
	Total Cash	982,415	1,389,180	1,175,339	1,125,436	1,112,124	5,784,474
	Infrastructure	-	-	-	4,948,500	-	4,948,500
	HS Space Needs	-	4,000,000	-	-	-	4,000,000
Planning for new HS	3,000,000	-	-	-	-	3,000,000	
Total Borrowed	3,000,000	4,000,000	-	4,948,500	-	11,948,500	
Grand Total (Cash & Borrowed Capital)		\$ 3,982,415	\$ 5,389,180	\$ 1,175,339	\$ 6,073,936	\$ 1,112,124	\$ 17,732,974
Department of Public Works	Street Improvement	\$500,000	\$ 545,000	\$ 550,000	\$ 605,000	\$ 605,000	\$ 2,805,000
	Sidewalk Restoration	65,000	120,000	120,000	120,000	120,000	545,000
	Private Ways	15,000	20,000	20,000	20,000	15,000	90,000
	Drainage Improvements	-	12,000	12,000	12,000	12,000	48,000
	DPW Facilities	39,500	281,500	109,500	219,500	159,500	809,500
	Other	20,000	50,000	75,000	25,000	5,000	175,000
	Equipment Procurement	557,000	802,000	989,000	838,400	295,000	3,481,400
	Athletic/Playground Improv.	107,000	307,000	152,000	147,000	97,000	810,000
	Total Cash	\$1,303,500	\$ 2,137,500	\$ 2,027,500	\$ 1,986,900	\$ 1,308,500	\$ 8,783,900
	Street Rehab.	-	-	470,000	375,000	1,250,000	2,095,000
DPW Facilities	-	-	400,000	3,600,000	900,000	4,900,000	
Athletic/Playground Improv.	-	-	92,500	300,000	1,520,000	1,912,500	
Total Borrowed	\$ -	\$ -	\$ 962,500	\$ 4,275,000	\$ 3,670,000	\$ 8,907,500	
Grand Total (Cash & Borrowed Capital)		\$ 1,303,500	\$ 2,137,500	\$ 2,990,000	\$ 6,261,900	\$ 4,978,500	\$ 17,671,400

**- APPENDIX A -
TEACHERS' SALARY STRUCTURE**

School Personal Services

School Personal Services expense in FY08 is budgeted at \$45 million or approximately 83% of the School budget. Although Personal Services includes wages for several categories of employees, salaries for teachers comprise the substantial majority of this expense.

Wellesley School Personnel			
	Full Time Equivalent	Personal Services	
Senior Supervisory	33	7%	Central office administrators, principals and assistants, administrative time of department heads & directors
Teachers & Professional Support	429	74%	Classroom teachers, librarians, special educators, guidance counselors, therapists, technology specialists
Classroom and Other Teaching Support	155	9%	Teaching assistants, technology assistants, paraprofessionals
Administration and Operations	99	10%	Secretarial, clerical, and business office staff, custodial & maintenance staff, van drivers
	<u>716</u>	<u>100%</u>	

The School Department has five collective bargaining units; Teachers Unit A, representing approximately 440 employees, including classroom teachers, professional support and nurses, Unit B representing approximately 35 instructional administrators and some supervisory staff, Secretaries, Custodians, and Food Service. Approximately 25% of employees are not covered by collective bargaining.

Teachers' Salary Structure

The Wellesley teachers' salary structure is subject to collective bargaining. Collective bargaining contracts between the Wellesley School Committee and the Wellesley Teachers' Association, as in other Towns, typically cover two or three-year periods. The current contract began July 1, 2005 and expires on June 30, 2008. A new contract is currently being negotiated. While there will be changes in a new contract (for example the salary schedule is likely to change), one can expect that the basic compensation structure will continue to be similar to the existing contract as it is the same structure that has been used in Massachusetts and nationally for many years.

Salary is determined by two components in the contract. The first is a system of "steps and lanes" that comprise a salary schedule. The second component is an annual percentage increase that is usually applied to the whole salary schedule. The combination of the steps and lanes and the schedule percentage adjustment determines a teacher's annual salary.

Step and Lane Increases

In Wellesley, as in most Massachusetts public schools, the system of "steps and lanes" has been used to recognize experience and educational accomplishment. When a teacher is hired, compensation is based on the number of years of teaching experience (the step), as well as the level of college or post-college

training achieved (the lane). Wellesley uses 13 annual steps, plus a “step 14” for teachers with 30+ years of service, and four lanes to quantify educational attainment.

Each year, a teacher advances to the next salary “step,” until he or she reaches the top “step,” thereby receiving a pre-determined salary increase. Wellesley teachers who have completed 20 years of service and, therefore are at the top step receive an annual “longevity stipend” supplement. Teachers may also receive increases through a “lane” change when they earn a sufficient number of additional education credits. Teachers who have attained a higher educational level, and have notified the Superintendent by November 1st of the prior school year of their intent to advance to a higher educational level, receive a “lane” increase.

FY08 - Teacher Salary Schedule				
Step	Bachelors	Masters	Masters + 30	MA+60/Doctor
1	\$41,974	\$44,900	\$48,861	\$52,284
2	44,066	46,776	51,161	54,747
3	45,942	48,449	53,250	56,976
4	48,032	51,161	55,339	59,217
5	50,935	53,250	57,635	61,676
6	53,836	57,665	62,262	66,611
7	56,736	62,613	67,530	72,250
8	58,809	64,880	69,954	74,845
9	60,881	67,148	72,379	77,439
10	62,770	69,221	74,599	79,818
11	64,656	71,293	76,819	82,194
12	68,428	75,437	81,264	86,949
13	71,164	78,457	84,513	90,426
14	71,164	78,457	84,513	90,426

+30, +60, refers to number of credit hours of additional education beyond degree level

Longevity Stipend. After 20 years of service an increase of the lesser of \$2,389 or 3% of salary.

The annual salary increase due to advancing from one step to the next is not consistent throughout the salary schedule; the smallest increase is 3% and the largest is over 8%. This is an item that can be bargained as part of the contract negotiations, and there are various competitive and management reasons to have greater increases at certain steps. The average step increase contained in the salary schedules for the current contract has been approximately 4.66% based upon steps 1 to 13. Salary increases due to lane changes range from a 4.5% increase to a 10.4% increase.

Annual Percentage Increase

In addition to steps and lanes, there is an annual (or occasionally semi-annual) contractual overall percentage increase applied to all steps and lanes, which, in effect, creates an entirely new schedule. Although this percentage increase is similar to a ‘cost-of-living’ increase, the contract does not describe it as such.

During the three years of the current contract (FY06 to FY08), the nominal annual percentage increase has been 3.25%. In FY06 and FY07, teachers received two base salary increases – a 2.0% increase on July 1, 2005 and 2006, and a 1.25% mid-year increase on January 1, 2006 and 2007. For FY08 base salaries increased the full 3.25%, on July 1, 2007 resulting in a year over year salary increase of 3.89% on an “implemented” or effective basis.

Impact of Salary Structure on Total Salary Costs

The salary for an individual teacher is determined by a combination of their “step and lane” changes and the annual percentage increase. However, the average teacher salary and the total salary costs reflect a weighting based on how many teachers occupy each position on the salary schedule. When teachers retire or leave and are replaced by less experienced teachers at lower salaries, average salary is lowered, thereby reducing the total personal services budget by “turnover.” The School Department can exercise discretion during the hiring process as to what ‘step’ a teacher is brought into the system. Although newly hired teachers vary in their experience levels, the budgeting assumption has been that new hires have Masters degrees and 5 years experience. This is a reasonable assumption since the Massachusetts Department of Education now requires all teachers to attain at least a masters degree in order to receive Professional Licensure. If the average experience and educational level of teachers were to remain constant between any two years, then “turnover” savings would effectively balance out “steps and lanes” increases. However, in any given year, the average experience/education level, determined by new hires and educational advancement and the profile of retirements and other departures, can change substantially, resulting in ‘turnover’ savings either higher or lower than the “steps and lanes” increases. A significant variance in actual turnover from that forecast, will result in a favorable or unfavorable variance in actual spending compared to budget.

10 - Year Analysis of Teacher Salary Increases					
	Salary Schedule Increase			Average Salary Increase	
	Average of Steps	Effective Annual % Increase	Total % Increase	Average Salary	Percent Increase
1999	4.69%	4.52%	9.21%	\$52,967	6.07%
2000	4.69%	5.00%	9.69%	\$53,227	0.57%
2001	4.66%	2.98%	7.64%	\$54,281	1.88%
2002	4.66%	2.75%	7.41%	\$58,809	8.34%
2003	4.66%	3.00%	7.66%	\$59,577	1.31%
2004	4.66%	2.00%	6.66%	\$63,523	6.62%
2005	4.66%	2.50%	7.16%	\$64,488	1.52%
2006	4.66%	2.63%	7.29%	\$67,310	4.38%
2007	4.66%	3.25%	7.91%	\$69,934	3.90%
2008	4.66%	3.89%	8.55%	\$71,675	2.50%

1) The ‘Average of Steps’ is the average in the Salary Schedule, however not all teachers received this increase, for example 41% of teachers are at the top step and so don’t receive a step increase, however they may receive a longevity stipend after 20 years of service.

2) Teachers receive a salary increase if they change lanes to a higher level of educational attainment.

In the table above there is a substantial difference between the Salary Schedule Increase and the Average Salary Increase, due to the effect of ‘turnover’ and to the fact that not all teachers are advancing on steps. Since FY05 the “median step” for all teaches has fluctuated between step 8 and step 10 due both to turnover and to the fact that approximately 41% of the teachers have been on the maximum step and therefore do not get a step increase, although some of them may qualify for a longevity stipend.

This pattern of average salary increases reflects not only the additions or adjustments to steps and lanes, as described above, but also a net change in education and experience levels. The experience pattern of Wellesley teachers has changed in the past ten years, as shown in the following table. Since FY98, there has been a significant shift toward the mid-range in years of experience, as well as a shift from fewer Bachelors to more Masters degrees. However, in the last several years this profile of experience and education has remained generally stable and is expected to remain stable.

Wellesley Teacher Profile			
Years of Experience (Step)	FY98	FY07	FY08
Steps 1 to 5	26%	18%	19%
Steps 6 to 12	12%	42%	41%
Steps \geq 13	62%	40%	40%
Median Step	13	10	7
Education			
Bachelors	17%	11%	10%
Masters	41%	47%	48%
Masters + 30 credits or Doctorate	42%	42%	42%

Comparison to Teacher Salaries in Other Towns

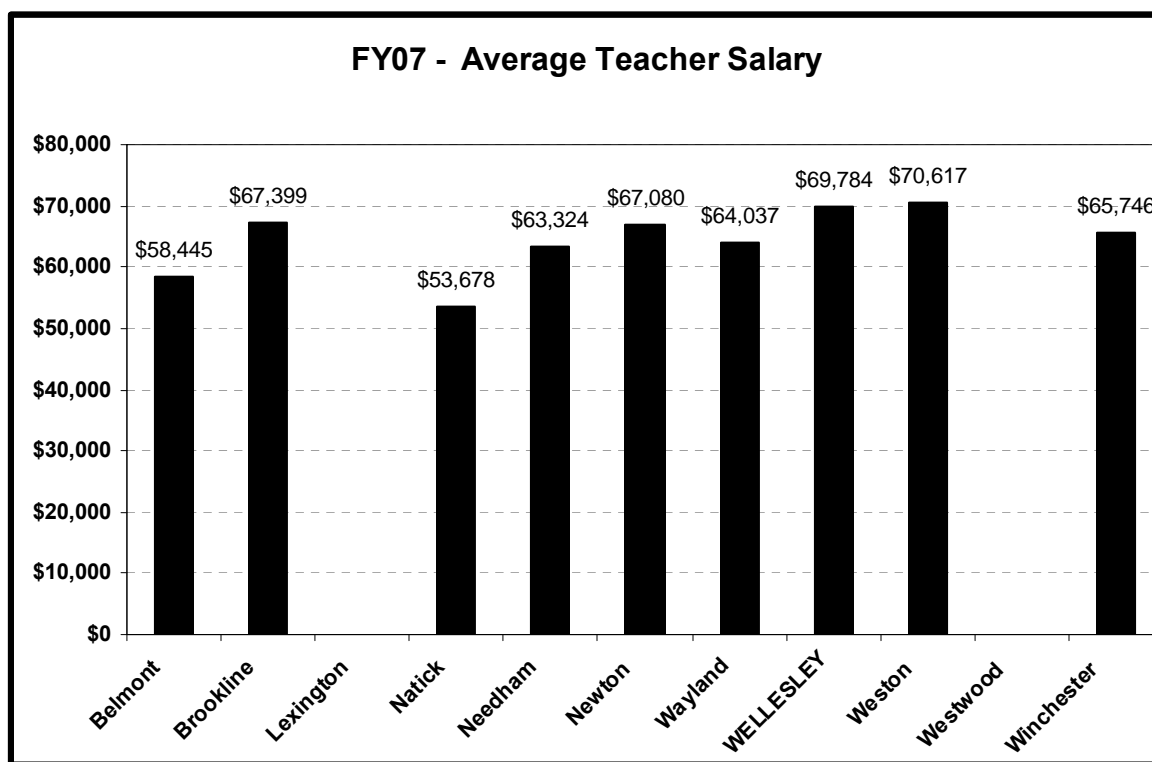
As described above, there is a difference between individual teachers’ salaries depending on their position on the salary schedule, and the average salary for all teachers in the School Department. In the table below, Wellesley’s teachers’ salaries are compared to ten similar towns – by specific positions on the salary schedules. The Comparative Salary Schedules table ranks salaries at the minimum and maximum step for three of Wellesley’s lanes: Masters, Masters plus 30 credits, and Masters plus 60 credits or Doctorates. The only Wellesley lane not included in the table is the Bachelors lane, which has less than 10% of Wellesley teachers and shows a ranking similar to the lanes shown here.

Comparative Salary Schedules FY08												
	Masters				Master + 30				Masters +60 /Doctorate			
	Min. Step	Rank	Max. Step	Rank	Min. Step	Rank	Max. Step	Rank	Min. Step	Rank	Max. Step	Rank
Belmont	45,201	2	78,517	2	47,691	4	82,480	4	50,481	4	87,085	4
Brookline	43,784	5	74,057	8	46,598	7	80,090	6	49,333	6	86,210	7
Lexington	43,042	7	74,752	6	45,606	9	79,581	7	48,255	10	86,451	6
Natick	43,701	6	67,143	11	48,071	3	73,857	11	50,474	5	81,243	10
Needham	43,024	8	72,606	9	46,344	8	76,585	9	48,730	8	81,346	9
Newton	45,238	1	77,162	5	48,674	2	81,925	5	51,842	3	86,962	5
Wayland	42,842	10	78,104	4	44,786	10	85,928	1	46,673	11	95,458	1
WELLESLEY	44,900	3	78,457	3	48,861	1	84,513	2	52,284	1	90,426	2
Weston	44,274	4	79,214	1	46,773	6	84,460	3	49,040	7	88,265	3
Westwood	41,024	11	74,129	7	44,612	11	77,854	8	48,658	9	82,209	8
Winchester	42,926	9	68,141	10	46,984	5	74,910	10	52,167	2	80,249	11

The table demonstrates that a town’s ranking between their minimum and maximum step can vary considerably, although Wellesley’s rankings are more consistent than other towns. Because 41% of Wellesley teachers are at the maximum step, and only 2% are at the minimum step, the most relevant

comparisons are at the maximum step. Looking at the maximum step in these three lanes Wellesley has the second highest salary for Masters +30 and Masters+60 / Doctorate and the third highest for Masters. The table indicates that, on an aggregate basis, Wellesley together with Weston, have the second highest salaries behind only Wayland and ahead of Belmont, Newton and Lexington. The impact of ‘longevity stipends’ (over 20 years of service) is not reflected in this table, although eight of these eleven towns have longevity stipends, and Wellesley’s stipend (the lower of \$2,389 or 3% of salary) is the highest amount. Including the effect of longevity stipends, would make Wellesley’s salaries the highest of all the peer towns.

The chart below compares Wellesley’s average teacher salary to the average salary within the same group of peer towns. The most recent comparative data available from the Massachusetts Department of Education is from fiscal 2007. Comparable data for Lexington and Westwood is not yet available. The ‘average salary’ is calculated as total teaching salaries divided by the number of full-time equivalent teaches. The chart shows that for FY07 Wellesley had the second highest average teacher salary, behind Weston and ahead of Brookline and Newton.



Summary

The current teacher salary structure in Wellesley is determined by a three-year collective bargaining agreement which will expire on June 30, 2008. The structure is a system of “steps and lanes” embodied in a salary schedule, which allows a teacher’s regular salary to increase based on years of service and further education and, additionally, provides for an overall percentage increase to be applied to the schedule. There is little flexibility within the Personal Services category for budget reductions on an annual basis without significant alternations in staffing levels and the program offered. Some annual variability enters the system as a result of turnover and replacement hiring practices, as new hires may replace more senior teachers who retire or leave. However, the most significant opportunity for management of personal services expense is at the time of negotiating a new contract.

Wellesley currently has both a salary schedule and an average salary for teachers that are at the top of the ranking of comparable towns. While there are differences among the peer towns in employee benefits

and bargained working rules, Wellesley is generally similar with its peer towns in these areas. There are also many intangibles that distinguish different town's school systems, and these are important in attracting and retaining the best available teachers. Given the constraints upon the School budget, the School Department needs to continually evaluate where they rank, and if having the very top salaries compared to peer towns is where they actually want to be, and if they think they need to be, in order to remain competitive with other towns.

-APPENDIX B- SPECIAL EDUCATION PROGRAMS

Overview: Programs and Services

State and Federal law mandates that Wellesley provide special education services to its residents, beginning at age three and continuing through age twenty-two or high school graduation, whichever occurs first. The law mandates that all children with special needs receive those services that allow them to access and progress in public education; moreover, if a student's needs are such that a town cannot provide for them in a public setting, then the law requires that the town find and pay for an appropriate private school for the child.

Special education services are provided for children with a spectrum of needs from mild to very severe. A range of programs (including classroom-based support, support in learning centers, partially- or fully-contained local programs and out-of-district programs) and services (e.g., speech/language and physical therapy, screening and evaluation, and psychological services) are needed to meet the needs of a growing population of students with disabilities.

Current trends affecting both the range and volume of the special education services the Town must provide include:

- An increased preschool population with special needs.
- An increased number of children with significant disabilities, including medically fragile children, multi-handicapped children, and children with a diagnosis of autism/pervasive developmental disorder.
- Growth in the number of high school students with significant emotional and/or behavioral issues.

All decisions regarding a student's eligibility, services and placement are determined after a rigorous evaluation process by a team of educators, special education professionals and parents. The results of this process are presented in an Individualized Education Plan (an "IEP") for that student. Parents and students are entitled to an independent education evaluation at public school expense if they feel that the testing done by the school is not "comprehensive and appropriate." If parents disagree with a proposed IEP or placement, the regulations provide for a dispute resolution process before a hearing officer. Hearing decisions are made using a standard of "free and appropriate education." If a hearing officer finds in favor of the parents' request, the school department is financially responsible for the requested placement and for the parents' attorney fees.

Wellesley has made the commitment to create programs in its own schools whenever possible, both for educational and financial reasons. Whenever the Town has a critical number of students with similar special needs, new programs are instituted locally as they are more cost-effective than out-of-district placements, as tuition for a private day school setting ranges from \$30,000 to as much as \$120,000. The majority of students, including many with significant needs, are being taught in specialized programs within the district.

As examples, two programs--the Middle School Language Class and the Middle School Intensive II Inclusion program--were created by the School Department for students with intensive special needs who were aging up from programs at Hardy, Sprague and Upham. Similarly, the FY09 budget requests funds to add an additional ISS classroom at Sprague School to accommodate four rising kindergarten students. If these programs did not exist, the students would not be able to be educated in Town and would be placed in more costly out-of-district programs.

Special Education Budget

The total special education budget is separated into two components: Instructional Special Education and Special Tuition and Transportation (STT), the latter consisting of the costs of the Town's Inclusion Programs, out-of-district tuitions, and transportation for those students who require it.

The Instructional Special Education budget includes services for the majority of students identified as having special educational needs. The special education costs associated with these students, who have mild to moderate disabilities and who receive the most routine services within the district, are incremental to the cost per student of regular education.

The Special Tuition and Transportation budget includes: 1) the staff salaries and expenses to educate the students with intensive special needs who receive instruction through the “*Inclusion Program*” in the Wellesley schools, and 2) the expenses (tuition) for the students who are placed “*out-of-district*.” In addition, STT includes the “*transportation*” costs (e.g., van driver salaries, expenses related to contracted transportation services) for any special education students who require transportation, whether they are on IEPs, attend vocational school, or have “504 Plans” (a modified form of special assistance). Many of these children require and receive special education support during the summer as well.

Inclusion Program

The Inclusion Program covers students with intensive special needs who require significant support from specialized staff in order to be educated in the regular classrooms in the Wellesley schools. Expenses for the Inclusion Program cover individualized materials and assistive devices, specialized training for staff assistants, and outside services needed to support the medically-fragile students. The School Department has created new programs in order to educate more special needs children in Wellesley, avoiding the more costly out-of-district placements.

Out-of-District Placements

As part of the special education mandate, students between the ages of 3 and 22 with special needs who cannot be educated in the Wellesley schools are enrolled at the Town’s expense in educational programs at other public (collaborative) or private schools. The State Division of Purchased Services sets annual tuition rates for these services.

Transportation

Transportation is the third component of the STT budget. Special education students must be provided transportation to the Wellesley schools or to out-of-district placements should they need it. Funding for transportation covers salaries for the transportation coordinator, transportation attendants and van drivers for the school’s thirteen vans, and expenses associated with outside vendor transportation services, as needed.

Funding Special Education

Budgeting for all of the special education programs, including the out-of-district tuitions, for the next fiscal year is based on students who have been identified as having special needs on October 1st of the current fiscal year. The School Department then factors in students who will age-out of current programs and students who may require out-of-district placements because their needs cannot be met within the district.

The cost of educating students in special education programs is primarily born by the taxpayers in the local community. However, other sources provide substantive offsets.

Federal Funding: The Federal Special Education Entitlement, a federal grant program, funds professional special education staff, teaching assistants, and a modest amount for materials. In addition, an Early Childhood Special Education grant funds an occupational therapist, as well as instructional materials. Both grants cover the costs for pension and other fringe benefits. The amount of funding varies by year.

State Funding: In FY04, the Massachusetts State legislature funded the “circuit breaker” special education reimbursement program to provide financial support to local governments for the cost of

students in both inclusion and out-of-district placements. Under the program, school districts receive partial reimbursement for the costs of these programs. The FY09 budget assumes a reimbursement rate of 75% of the cost to educate any student above a threshold, which equals four times the statewide average per pupil cost. This threshold used for the budgeted FY09 reimbursement is \$35,408. Circuit breaker funding is subject to the following limitations:

- Circuit breaker funding does not fund any transportation costs.
- Circuit breaker funding is calculated on a child-by-child basis, not on an aggregate basis; therefore, circuit breaker funding is triggered only if an *individual* child's tuition exceeds the threshold. For example, if the town pays \$55,000 tuition for a student to attend an out-of-district institution, the state will reimburse 75% of the \$19,592 cost above the threshold of \$35,408. Hence, the town pays \$40,306 and the state pays \$14,694 for this student's placement.
- Since the state does not pro-rate the formula, the state uses a threshold of \$35,408 regardless of when during the year a child goes into an out-of-district program.
- Circuit breaker funding is a reimbursement program that is based upon the prior fiscal year's expenditure. Therefore, the projected circuit breaker funding for the current fiscal year is a projected reimbursement for expenditures in the prior year.

In addition, the School Department may apply for "extraordinary relief" under the circuit breaker funding program if the current year "circuit breaker eligible" costs exceed the prior year's eligible costs by at least 25%. This funding typically is received in the fiscal year in which the expenses are incurred.

Fee Revenue: Regulations require that preschool classes include roughly equal numbers of special needs and typically developing children. Tuition revenue, received from the families of typically developing children enrolled in the program, provides a modest offset to the cost of the preschool program.

FY09 Budget for Special Education

The FY09 budget includes a total cost for Special Education of \$14,488,750, a 14% increase over the FY08 budget. In FY09, special education costs represent 27% of the proposed total school budget, versus 26% in FY08. Within this total cost is the \$8,271,557 budget for STT, a 28% increase over the FY08 budget.

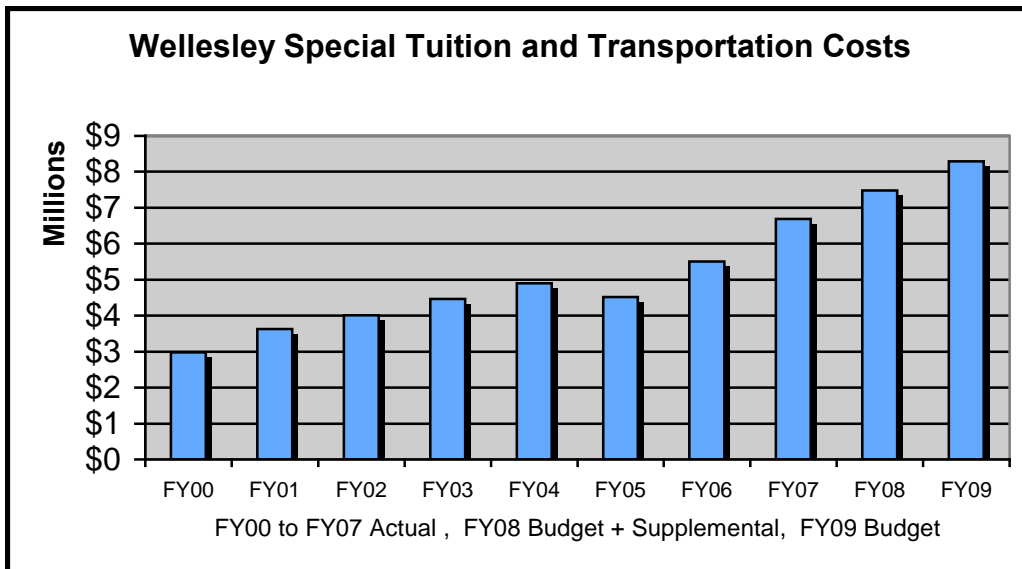
A comparative breakdown of the proposed FY09 Special Education budget is as follows:

	FY07 Actual	FY08 Budget	FY09 Budget	% Change FY08- FY09
# OF STUDENTS				
Instructional	624	626	609	- 3%
Inclusion	87	96	132	38%
Out of District	66	68	93	37%
<i>Total Students</i>	<i>777</i>	<i>790</i>	<i>834</i>	<i>6%</i>
Students Transported	123	128	141	10%
SPED STAFF (FTE)				
Teachers	43.4	44.3	46.6	5%
Professional Support	34.9	36.9	36.5	(1%)
Classroom Support	105.3	113.7	113.5	-
<i>Total FTE</i>	<i>183.6</i>	<i>194.9</i>	<i>196.6</i>	<i>1%</i>

SPED BUDGET (\$)				
Instructional	5,771,132	6,244,031	6,217,193	-
STT				
Inclusion	2,577,052	2,982,019	3,374,052	13%
Out of District	4,981,484	4,575,282	6,010,741	31%
Less: Circuit Breaker	(1,580,866)	(1,899,644)	(2,040,466)	7%
Transportation	706,985	792,818	927,230	17%
Total STT	6,684,655	6,450,475	8,271,557	28%
<i>Total SPED Budget</i>	12,455,787	12,694,506	14,488,750	14%
AVERAGE COST PER STUDENT (\$)				
Instructional	9,249	9,974	10,209	2%
Inclusion	29,621	31,063	25,561	(18%)
Out of District	51,525	39,348	42,691	8%
Transportation	5,748	6,194	6,576	6%

Special Tuition and Transportation: Rapidly Rising Costs

The net cost of STT services in Wellesley has increased nearly threefold over the past ten years, from \$2,983,193 in FY00 to \$8,271,557 in the FY09 budget. STT cost now accounts for 15% of the School’s operating budget compared to 10% in FY00.



The following table shows the most recent available benchmarking data for special education spending (before circuit breaker funding) by town from the Department of Education. In FY06 Wellesley ranked first within a peer group of towns relative to special education spending as a percent of the total School operating budget. Wellesley also ranked second within this group for FY06 out-of-district per pupil expenditure.

Town	SPED Budget % Total School Budget		Out of District Per Pupil Expenditure	
	%	Rank	\$	Rank
Wellesley	24.6	1	60,698	2
Belmont	19.4	5	44,126	8
Brookline	20.3	4	62,369	1
Lexington	21.4	2	50,327	6
Natick	17.0	9	21,738	11
Needham	19.0	6	52,995	5
Newton	21.2	3	55,382	4
Wayland	15.5	10	36,161	10
Weston	12.7	11	45,380	7
Westwood	18.3	7	56,199	3
Winchester	18.3	8	39,904	9

Summary

In summary, providing for the educational, emotional, and physical needs of children served by the special education program is an ongoing challenge. Neighboring communities are experiencing similar growth trends in special education enrollment and costs. However, Wellesley's special education services comprise a growing and significant percentage of the total school budget, even more so than in many similar neighboring communities.

— APPENDIX C —
ENROLLMENT FORECASTS

Executive Summary

- Wellesley has experienced strong growth in enrollment in its public schools for many years, and has not yet witnessed the sharp deceleration in enrollment growth enjoyed recently by many peer communities.
- The School Department utilizes the widely-accepted “cohort survival” methodology for forecasting future enrollments; the latest projections suggest that system-wide enrollment growth will moderate significantly between FY09 and FY12, and begin to decline thereafter.
- Growing enrollments have pressured school facilities and class sizes across the system, but the School Department has generally managed these pressures successfully
- With elementary enrollments expected to peak in FY09, the School Department should consider ways to best utilize resources within the elementary system
- Trends in per-pupil spending reflect many factors and are an imperfect proxy for measuring trends in “educational quality.” Nonetheless, Wellesley has lagged other communities in growth in per-pupil spending in recent years. Respite from the pressures of strong system-wide enrollment growth will be a welcome development.

Enrollment Growth

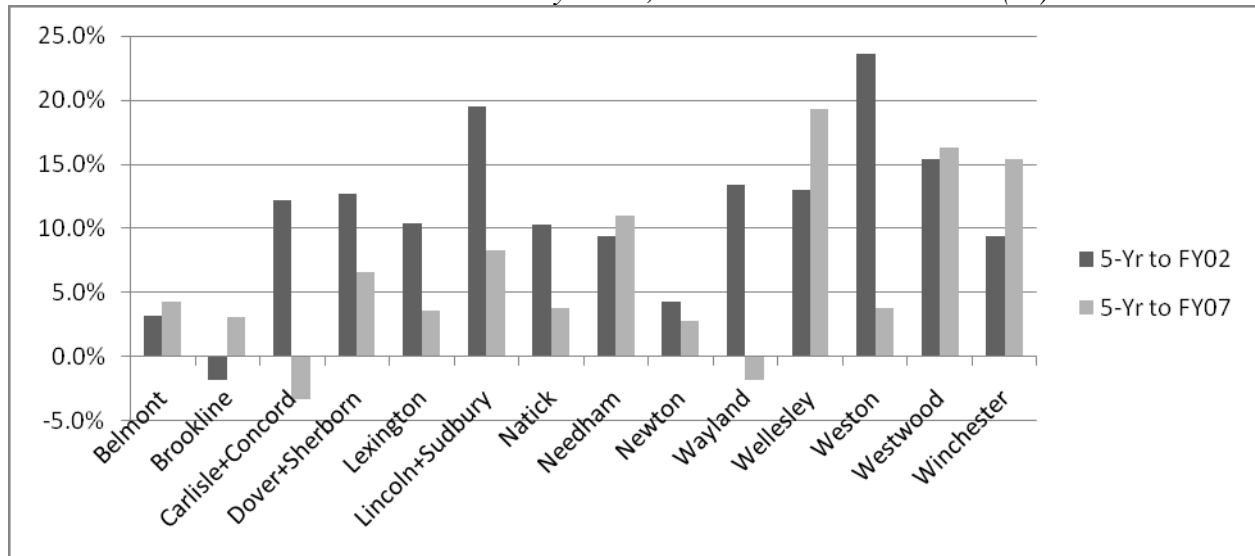
Enrollment levels in the Wellesley Public Schools have swung rather dramatically over longer time periods. Peak enrollment during the childhood years of the “baby boom” generation reached 6,297 in FY68-69, only to be followed, nearly 25 years later, by a rock-bottom low in enrollments of 2,871 in FY90-91. But with the “baby boom echo” subsequently moving through the system, enrollments thereafter grew rapidly, recording an average year-over-year increase of 2.7% for the next 17 years. At 4,678 as of October, 2007, enrollments have returned to the levels of the late-1970s.

Much of this, of course, reflects “national” shifts in birth rates and population cohort sizes. However, other factors are at work. As an established, largely-built-out, and affluent residential community, in recent decades Wellesley’s public schools have generally not been pressured by large-scale development of new single-family housing. However, selected multi-family development projects, and other factors – including the recycling of the housing stock from empty-nesters and the elderly to younger families, and changes in the “public” versus “private” education mix among the town’s resident families - have had an impact.

The fact is that the Wellesley Public Schools system is different from many neighboring towns, despite the relatively stable size of the town’s aggregate population. As shown in the chart below, Wellesley and many neighboring school districts experienced significant enrollment growth in the late 1990s and the early part of this decade. However, Wellesley, along with Westwood, Winchester, and to a lesser extent Needham, is among the few towns not to have experienced a significant easing of enrollment pressures in the most recent five years. In consequence, Wellesley’s cumulative enrollment growth over the past 10 years, at 34.2%, is the highest among all the Town’s in this peer group, and far above the levels experienced by Brookline and Newton, at 1.2% and 7.2% respectively. This is a critical factor in reviewing

trends in Wellesley school budgets. But also critical is whether Wellesley can expect its own “slowdown” in enrollment growth any time soon.

Chart 1: Cumulative Enrollment Growth by Town, Recent Five-Year Periods (%)



Projecting Future Enrollment Levels - Methodology

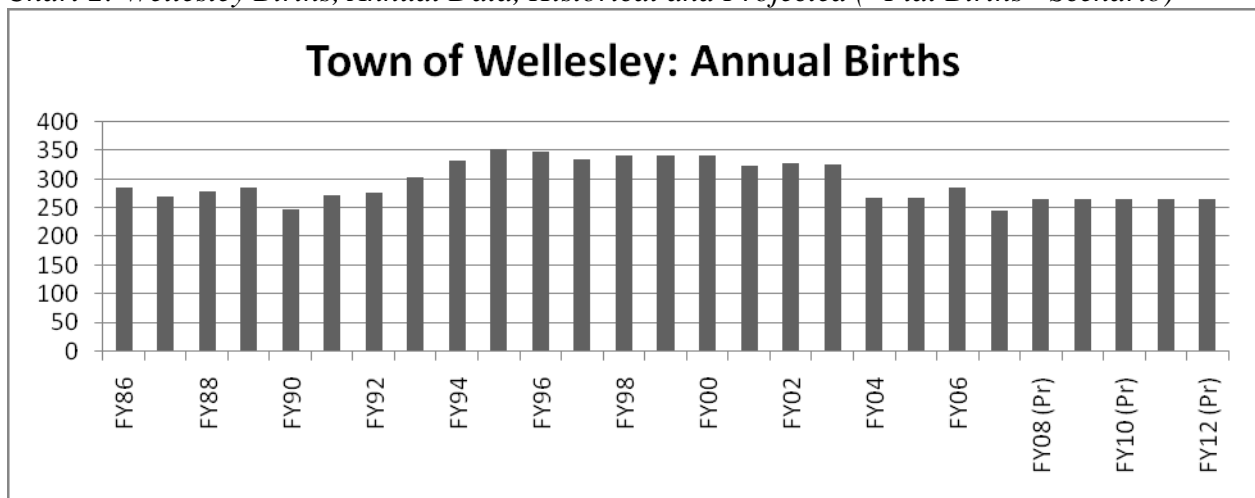
For many years now the School Department - using a widely-accepted methodology called the “cohort survival” method - has prepared an annual enrollment report which provides school enrollment projections five and ten years into the future. One key element of this approach is the historical “cohort survival” or “progression” rate, which measures: 1) the ratio at which the town’s elementary schools actually enroll students in kindergarten versus the number of newborns five years earlier (note: for school-by-school enrollment forecasts at the Elementary level, the School Department also uses progression rates for resident pre-school-age children in the relevant age cohorts within each school district, available from town census data); and 2) for each grade level, the ratio of student numbers in that grade to those in the grade below in the previous year. The progression rates used by the School Department are “moving averages” based on actual experience over the most recent five years. These ratios are typically very close to - but rarely exactly equal - one. They are impacted by in-migration, as families with children move into town (typically at higher rates for families with pre-school-age children), and by out-migration, as families move away, and resident students transfer to private schools. A progression rate greater than 1.0 means that there has been net in-migration between grades and less than 1.0 indicates net out-migration between grades.

The School Department does not attempt to forecast future changes in progression rates. For example, the proportion of Wellesley’s children attending private schools has varied considerably over the years, from around 15% in the early 1970s, to around 25% for much of the 1980s, to back around 15% in recent years. This ratio is likely to be impacted by, among other things, perceptions of local public school quality, economic and financial market conditions, and the number of school-age residents relative to the capacity of the region’s private schools. The School Department does not attempt to forecast future changes in the private/public ratio. Nor does it attempt to analyze the demographic profile of the town, such as the proportion of houses owned by “empty-nesters” and retirees, who might be candidates for “turning over” their

properties to younger families with children. While not the subject of analysis, these factors are gradually captured as they impact 5-year historical average progression rates.

For enrollment projections one through five years out, all children who will be in the school system during this period have already been born. As a result, projections are made by overlaying progression rates onto the year’s birth data and current school enrollments at each grade level. The second key element of the “cohort survival” method is a forecast of the number of births in Wellesley over the next five years, which is relevant to projections of elementary school (but not middle and high school) enrollments 6-10 years out. While statistical analyses based on town census data on the numbers of females of child-bearing age, forecasted fertility rates, etc., might be utilized, the School Department uses a simpler, but still perfectly adequate, approach based entirely on historical birth data. Two scenarios are developed, assuming: 1) that in-town births are unchanged from the average rate experienced over the prior *three* years; 2) that births decline at 2.9% p.a., which is the rate of decline of in-town births over the 10-year period 1957-67, at the end of the post-War “baby boom.” *Chart 2* shows historical data on births in Wellesley over the past 18 years, and forecast births based on the “flat births” scenario, which is the scenario we will discuss below.

Chart 2: Wellesley Births, Annual Data, Historical and Projected (“Flat Births” Scenario)



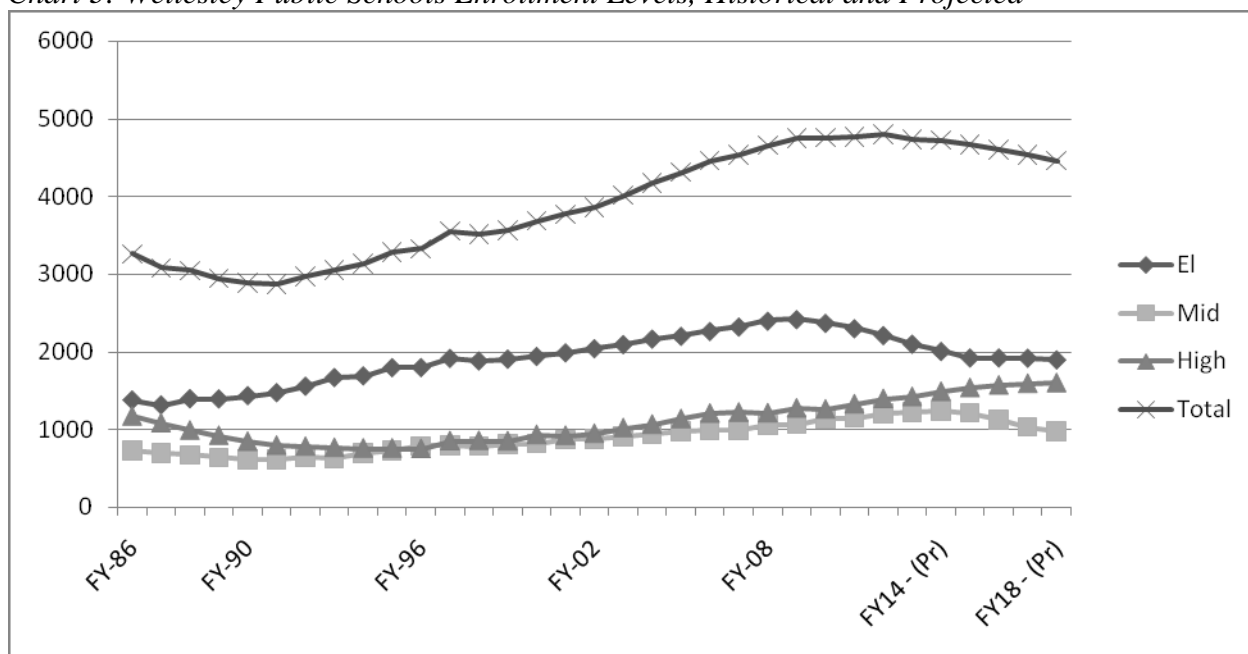
While the enrollment projections are then somewhat mechanistically generated from the methodology and data described above, there is an additional component to the analysis. The School Department sometimes makes manual adjustments to the historical average progression rates, to reflect the expected impact of important single- and multi-family housing developments on school enrollments. Prior years’ projections have incorporated estimates for the impact of property developments such as the Toll Brothers’ Wellesley Estates project and Hastings Village (both now realized), and 27 Washington Street (the former Grossman’s site).

Academic research and experience in Wellesley indicates that this methodology generally provides quite accurate enrollment projections. Of course, there will always be “surprises,” and in FY08 we had one of these: across the elementary schools, there were 32 more enrollees in Grade 1 than projected, due to a higher-than-projected number of families with young children moving in to Wellesley over the summer.

Projecting Future Enrollment Levels

Historical and projected enrollments system-wide and at the Elementary, Middle, and High Schools are shown in *Chart 3* below. After many years of rising enrollments, it appears that some relief may be in sight. System-wide enrollments are projected to increase by another 2% in FY09, but then increase by an annual average of just 0.3% between FY10 and FY12, and thereafter begin to decline. Elementary enrollments are expected to peak in FY09, although for the Middle and High Schools, the peaks are projected at FY14 and FY18, respectively. The expected enrollment increase for the High School is quite large, from 1,209 to 1,596, or almost a third. These “peak” enrollments may, of course, prove to be elusive: in recent years they have moved both higher and further out in time, the result of, among other things, levels of in-migration higher than those reflected in the progression rates.

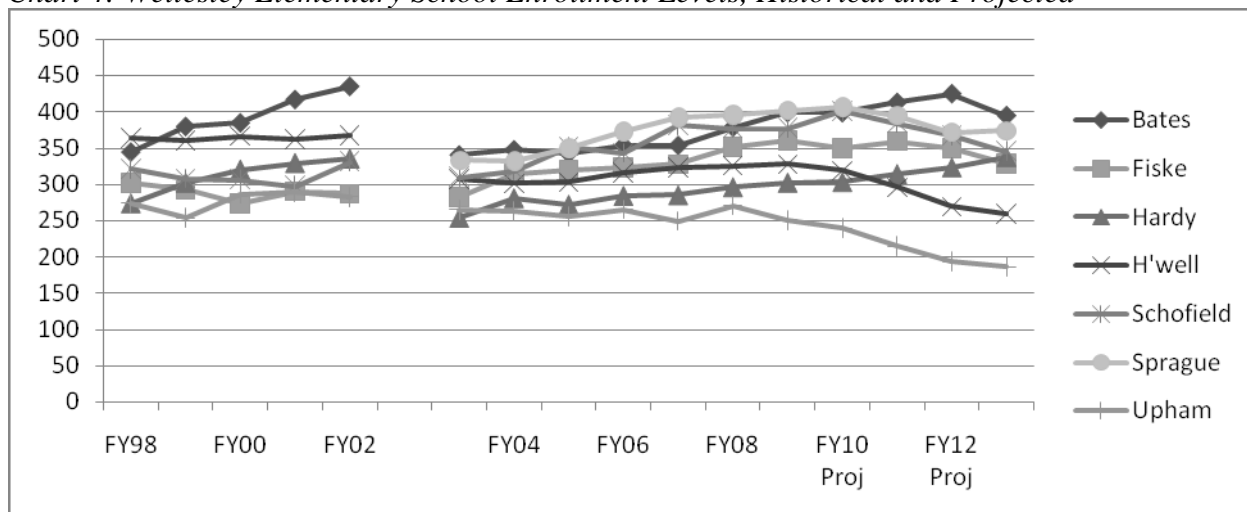
Chart 3: Wellesley Public Schools Enrollment Levels, Historical and Projected



Enrollments and Class Size: Elementary Level

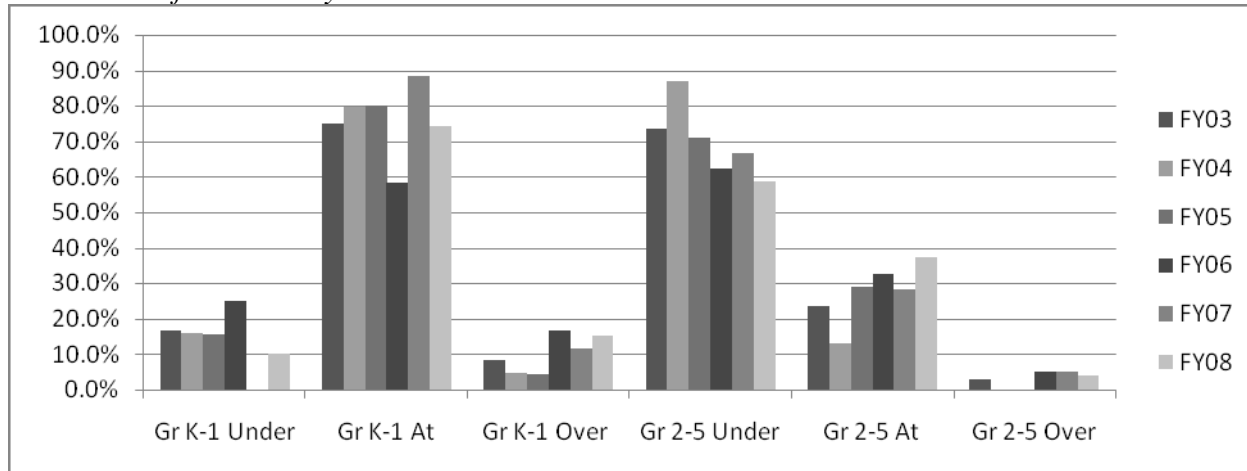
If everything else stayed constant, increasing enrollments would translate into increasingly crowded schools, growing class sizes, and deteriorating quality of the educational program. Fortunately, everything doesn't stay constant, and the Town has long shown a willingness to invest in facilities and teaching and support staff. At the Elementary level, the rebuilding and reopening of the Sprague School in September, 2002; the Bates School renovation in 2004; and the addition of modular classrooms to Fiske and Schofield Schools in 2006 are cases in point. *Chart 4* below shows past and projected student enrollment at the Town's seven Elementary schools. The break in the chart helps highlight the beneficial impact of the Sprague School reopening and accompanying elementary school redistricting on individual school enrollments. *Chart 4* also shows the subsequent erosion of this benefit with the continuing enrollment growth in the system. There is, once again, considerable discussion of pressures at the Elementary level on school building capacity, and on class sizes.

Chart 4: Wellesley Elementary School Enrollment Levels, Historical and Projected



Class size guidelines are set by the School Department at 18-22 for grades K-1, and 22-24 for grades 2-5. While the School Department has added 11 regular classroom teachers over the past 7 years, class sizes have been increasing in several of the Elementary schools. In the past few years, some grade levels at some elementary schools (primarily Sprague and Upham) have experienced *average* class sizes slightly above guideline. And in the most recent three years, there were fewer classes “under” guideline and more classes “over” guideline than in the prior three-year period. This can be seen from Chart 5 below.

Chart 5: % of Elementary Classes Under/At/Over Guideline: Grade Levels K-1 and 2-5



But it is also important to note that: 1) classes over “guideline,” as defined by the School Department itself, remain a small fraction of all Elementary classes (and in fact, in *no* case is there a class more than one student over guideline); 2) there are still far more classes under guideline than there are classes over guideline, at least at the grades 2-5 level; and 3) Elementary school enrollments should peak in FY09, and then begin to decline. Indeed, Upham School, one of the schools facing the greatest enrollment pressures in recent years, may see significant declines beginning even in FY09. So while smaller classes are nearly always more desirable than larger classes, and while real pressure points within the Elementary schools may still exist, it does not appear that the educational program at the elementary level is being managed

inappropriately, or is at great risk. Indeed, the School Department recognizes the imminent “peak” in enrollments, and is factoring it into staffing decisions.

Elementary Redistricting

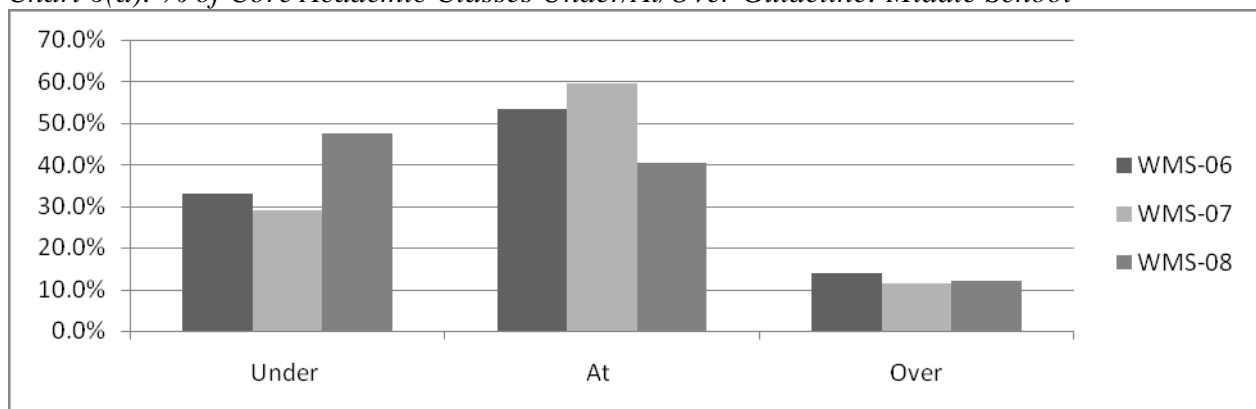
Disparities between enrollment levels at Wellesley’s Elementary schools are expected to grow significantly over the next five years, as shown in *Chart 4* above. In these circumstances the challenges of managing Wellesley’s system of multiple neighborhood Elementary schools fairly and in a cost-effective manner are significant. Going forward, schools with under-utilized capacity and small and shrinking class sizes may be juxtaposed against schools with continued capacity pressures and growing classes. There are structural solutions that could address this problem. Although potentially controversial, this might be the time for the School Department to consider redistricting as a routine component of its ongoing planning/management cycle, revisited perhaps every five years. Alternatively, the introduction of “grade level” specialization across “clusters” of two or more Elementary schools might be appropriate, with some schools specializing in K-1 or K-2, and others in the higher grade levels.

Either approach could help to ensure that building capacity and teaching and other professional staff are optimally utilized on a system-wide basis – and that the widely-admired Wellesley elementary educational program is indeed sustainable. Excellent schools and control over rising costs are both possible, but perhaps some far-reaching structural change, of the type just discussed, is the compromise required to get there.

Enrollments and Class Size: Middle and High Schools

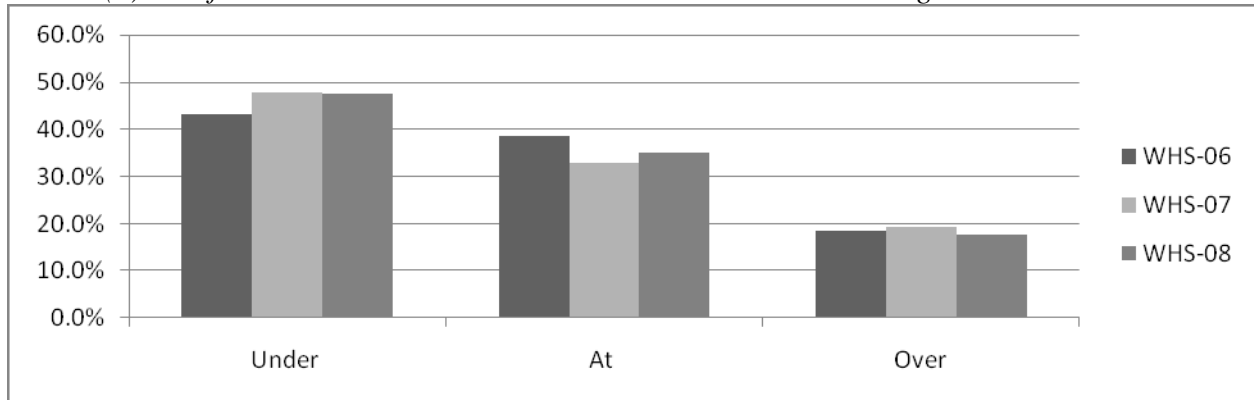
The pressures experienced in the Elementary schools in recent years have also been evident at the Middle and High Schools, and these pressures will only be exacerbated as the “echo bubble” migrates upwards. The School Department’s class-size guideline for core academic classes at the Middle and High Schools is 22 (15 for Level 3 core academic classes at the High School). Since the guideline is a single data point, rather than a range, there is considerable room for differing perspectives on exactly how many classes are at, under, or over, guideline. The analysis below uses a narrow range, of 21-23 students, to characterize classes “at guideline,” since as a practical matter it is very difficult to schedule classes of precisely 22 students, and it is hard to argue that if 22 is reasonable and appropriate, 23 is not. “Under guideline” is then defined as classes with 20 or fewer students, and “over guideline” 24 or more students. *Charts 6(a)* and *6(b)* below show the distribution of class size for core academic classes at the Middle and High Schools for the most recent three years.

Chart 6(a): % of Core Academic Classes Under/At/Over Guideline: Middle School



At the Middle School it would appear that the class size issue has been appropriately managed despite growing enrollments, as added classroom space and new teacher hires have helped to avoid increases in the number of classes “over guideline” in recent years. Flexibility in classroom scheduling at the WMS is constrained by the existing four-house system, and considerable thought is being devoted to the question of how to accommodate further enrollment growth given this structure.

Chart 6(b): % of Core Academic Classes Under/At/Over Guideline: High School



Class size pressures are a bit more intense at the High School, with a larger share of core academic classes currently over guideline. Available classroom space is heavily utilized during the “primary” teaching periods at WHS, Blocks 2-6 within the six Block high-school day. As discussed elsewhere in this report, four new classrooms will be created for the FY09 school year at relatively low cost, through internal space conversions.

Enrollment Implications for Operating Budgets

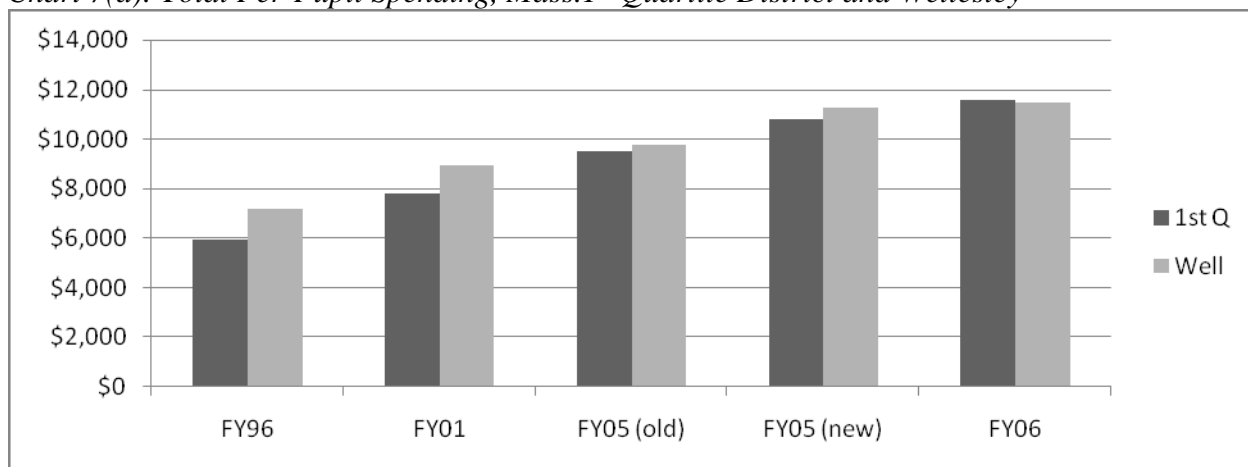
As noted above, compared to many neighboring towns Wellesley has experienced unusually rapid enrollment growth over the past decade, and especially over the past three-to-five years. This growth has been one of the drivers of increased School Department operating budgets, along with teachers’ salaries and SPED spending. At the aggregate level this trend is now expected to slow, and total system-wide enrollment growth should not be a significant factor in the growth of the operating budget over the next five to ten years. But this begs a key question, which is whether past spending growth has in fact been adequate, given past growth in student enrollments, and if not, whether some “catch up” is needed.

To some degree, we have addressed this question above – one of the key metrics in the assessment of program quality is class size, which, while pressured, has by and large been kept within the School Department’s guidelines. But there are other metrics that should be looked at. Perhaps the most commonly-used metric in assessing a town’s commitment to maintaining the quality of its public schools is per pupil spending – over time, and in comparison to peers and state-wide averages. At the outset, we would note that for many reasons this metric is not an unambiguous indicator of comparative levels of, or trends in, educational “quality.” Lower numbers could reflect more efficient management and better cost control within the system, the benefits of economies of scale, fewer high-cost OOD special education placements, or difficult-to-assess methodological/classification differences within the data. We should also note that the Department of Education, the primary source of per pupil spending data, introduced a significant change in methodology in 2005 that makes data comparisons for the periods before and after 2005 quite challenging. The new methodology provides a better measure of gross per pupil

(operating) spending within a community, as compared to just per pupil (operating) spending from the community's general fund.

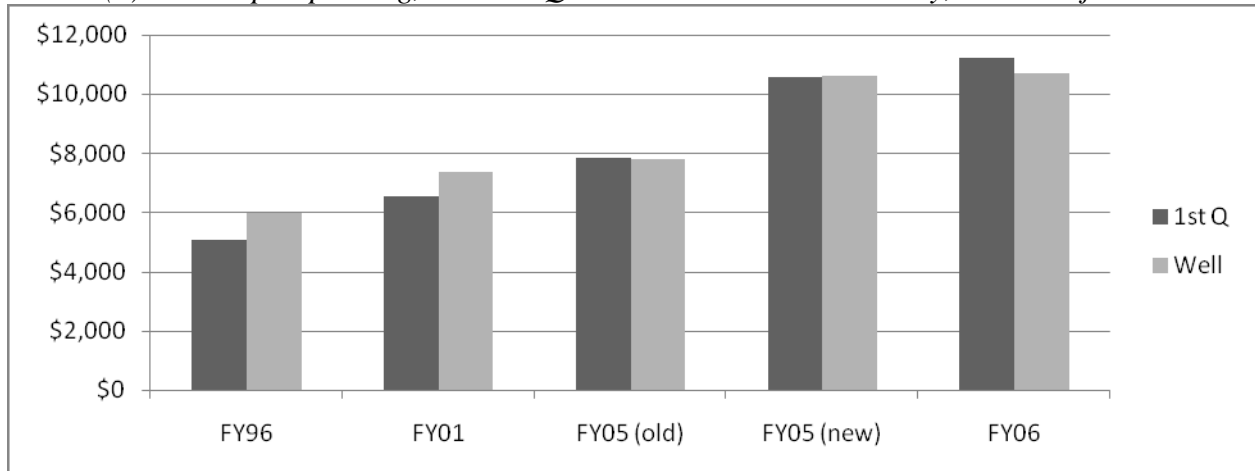
The data does in fact suggest that per pupil spending in the Wellesley schools has lagged recently. In *Chart 7(a)* below we show the level of total per-pupil spending (TPPX) for the 1st Quartile School District in Massachusetts and for Wellesley at several different points in time: FY96, FY01, FY05 (two versions), and FY06. The numbers up to and including FY05 (old) utilize the DOE's old data methodology, while FY05 (new) and FY06 utilize the new data methodology. Over the past decade, Wellesley's TPPX has slipped from a position well within the Massachusetts 1st Quartile to just below 1st Quartile levels.

Chart 7(a): Total Per-Pupil Spending, Mass.1st Quartile District and Wellesley



In *Chart 7(b)* an effort is made to adjust the data for the high, and rapidly growing, spending on special education. Again, the numbers up to and including FY05 (old) utilize the DOE's old data methodology, and also remove all STT spending – thus providing a measure of regular education per-pupil spending (RPPX). The FY05 (new) and FY06 numbers utilize the new DOE data methodology, and the adjustment for SPED is more limited, removing only OOD SPED spending (and not spending on In-District Inclusion programs). As a result, direct comparisons across the pre- and post-2005 data are even more problematic. Nonetheless, the trend is still clear: on a per-pupil spending basis, Wellesley has lost ground to the 1st Quartile School District over the past 5- and 10-year periods, with the regular education programs facing somewhat greater pressure.

Chart 7(b): Per-Pupil Spending, Mass.1st Quartile District and Wellesley, SPED Adjusted



A more intensive examination of the DOE data suggests that Wellesley has lagged more significantly vis-à-vis some of the smaller, more affluent school districts that have recently experienced modest growth in (or even declining) enrollments, such as Wayland and Weston. Relative to peers such as Needham, Westwood, and Winchester, which like Wellesley have also experienced rapid enrollment growth, the comparisons are more favorable. As system-wide enrollment pressures ease in the future, the Town will have a better opportunity to reassess the situation with regard to per-pupil spending within its public school system.

Summary

On balance, the School Department has managed a challenging period of rapid enrollment growth quite well. There has been a generally successful effort to avoid significant increases in the size of classes and in the numbers of classes over guideline. And while the challenges are not over yet, we may be at the cusp of a period of meaningful easing of enrollment growth pressures, beginning with the Elementary schools. The School Committee is scheduled to begin work in the fall on an Elementary School Master Plan, which will look at long-term issues, including enrollment changes. As noted above, the recent Middle School renovation has improved the physical infrastructure, although flexibility in classroom scheduling is constrained by the existing four-house system. Finally, the Town’s focus is now very much on the High School. Growing student enrollment in the short term will be met by the re-configuration of existing internal space, as provided for in the FY09 cash capital budget. In the medium term, additional space to meet continued enrollment growth will be required. Although the School Department has made no final decision on this next step, the installation of modular classrooms is anticipated. Finally, planning for the proposed High School renovation/new building project is now well advanced, and when finished will have addressed projected enrollment growth through to the “peak” enrollment that is expected almost a decade from now.

-- APPENDIX D--
GLOSSARY OF MUNICIPAL FINANCE TERMS

ABATEMENT. A complete or partial cancellation of a tax or assessment levied (imposed) by the Town. Abatements usually apply to tax levies and special assessments.

APPROPRIATION. An authorization granted by Town Meeting to make expenditures and to incur obligations for specific purposes. An appropriation is usually limited in amount and as to time when it may be expended.

ASSESSED VALUATION. A valuation set upon real estate or other property by the Town as a basis for levying taxes. Equally assessed valuation refers to the Town's assessed valuation as determined by the Assessors, adjusted by the State Department of Revenue on a biennial basis to reflect full market value ("equalized valuation").

AVAILABLE FUNDS IN REVENUE SURPLUS. Sum of funds appropriated and raised by the Town, but not expended in the years for which they were appropriated, minus uncollected taxes of prior years. This amount must be certified by Massachusetts Bureau of Accounts before it can be used. Also known as "Free Cash."

BUDGET. A plan of financial operations embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. A budget may be "preliminary" — the financial plan presented to Town Meeting, or "final" — the plan approved by Town Meeting.

CAPITAL PROJECT. A major nonrecurring physical acquisition expenditure often including planning, acquisition, and construction phases.

CHERRY SHEET. An annual statement received by the Assessors from the State Department of Revenue detailing estimated receipts for the next fiscal year from various state aid accounts and the Local Aid Fund (Lottery) and estimated charges payable by the Assessors in setting the tax rate. Supplemental Cherry Sheets may be issued during the year and there is no guarantee that the estimated receipts and charges shown thereon will not vary from actual receipts and charges.

COLLECTIVE BARGAINING. Negotiations between an employer and union representative regarding wages, hours, and working conditions.

DEBT AUTHORIZATION. The formal approval required under the procedures set forth in Chapter 44 of the Massachusetts General Laws before the Town may lawfully incur debt.

DEBT SERVICE REQUIREMENT. The amount of money required to pay interest on outstanding debt, and serial maturities of principal for serial bonds.

ENTERPRISE FUND. A fund established to account for operations (a) that are financed and operated in a manner similar to private business enterprises — where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Examples of Enterprise Funds are those established for the Town's water, sewer, and electric utilities.

EQUALIZED VALUATION. The value of all property as determined by the State Tax Commission biennially, using a standard of "full and fair value." This is also referred to as "100% valuation." The

equalization figures are reported in December and affect State aid distributions for the two-year period beginning the following July.

EXCESS LEVY CAPACITY. The difference between the Town's maximum tax levy limit as established by Proposition 2 1/2 and its actual tax levy in the most recent year for which the Town has set a tax rate. This is the additional tax levy that the Town could raise without going to the voters for an override or debt exclusion.

EXCLUSIONS. A provision in the Proposition 2 1/2 Law (Chapter 580 of the Acts of 1980) that provides, through referendum, to add funds to the total tax levy on a temporary basis. Exclusions and Debt Exclusions are specifically for capital or special one time items. Exclusion type questions, if approved by voters, are used to fund one time items, usually large capital projects. These funds do not become part of the permanent tax levy base. An exclusion for debt service on a loan to pay for a major capital project expires when the loan is paid. The amount added to the tax levy for a particular year is the debt service needed for that year only. Exclusions are only effective until the funding for the project to which they apply is complete.

FISCAL YEAR. A 12 month period to which the annual operating budget applies and at the end of which the Town determines its financial position and the results of its operations. The Commonwealth and the Town operate on a fiscal year that begins on July 1 and ends on June 30. The number of the fiscal year is that of the calendar year in which the fiscal year ends; e.g., the fiscal year 1994 begins July 1, 1993, and ends June 30, 1994, usually written as FY 94.

FIXED ASSETS. Assets of a long-term character which are intended to continue to be held or used, such as land, buildings, improvements other than buildings, machinery and equipment.

FREE CASH. Sum of funds appropriated and raised by the Town, but not expended in the years for which they were appropriated, minus uncollected taxes of prior years. This amount must be certified by Massachusetts Bureau of Accounts before it can be used.

FULL-TIME EQUIVALENT. A term that expresses the amount of time a position has been budgeted for in terms of the amount of time a regular, full-time employee normally works in a year. For most positions in Town, one FTE has been set to equal the number of hours a typical full-time employee works during a calendar year after deducting holiday, vacation, sick and personal time from a 52.2 week year consisting of 2,088 total hours. A position that has been budgeted to work full-time for only six months is .5 FTE.

FUND. A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

FUND TYPE. In governmental accounting, all funds are classified into seven generic fund types: General, Special Revenue, Capital Projects and Debt Service (Governmental Funds), Enterprise and Internal Service (Proprietary Funds), and Trust and Agency (Fiduciary Funds).

GAAP. Generally Accepted Accounting Principles. There are twelve basic principles of accounting and reporting applicable to state and local governments. These include the use of the modified accrual basis of accounting, as appropriate, for measuring financial position and operating results. These principles must be observed in order to provide a basis of comparison of data among different cities and towns.

GENERAL FUND. The fund used to account for all financial resources of the Town except those required to be accounted for in another fund.

GENERAL REVENUE. The revenues of the Town other than those derived from and retained in an enterprise. If a portion of the net income in an Enterprise Fund is contributed to another non-enterprise fund, such as the General Fund, the amounts constitute general revenue of the Town.

GROWTH REVENUE. The amount of property tax revenue that the Town can add to its allowable tax levy (above the 2 1/2%) from new construction, alterations, subdivision, change of use or anything being taxed for the first time. It is computed by applying the prior year's tax rate to the increase in valuation.

MODIFIED ACCRUAL BASIS. The accrual basis of accounting adapted to the government fund type, wherein only current assets and current liabilities are generally reported on fund balance sheets, and fund operating statements present "financial flow" information (revenues and expenditures). Revenues are recognized when they become both "measurable" and "available to finance expenditures of the current period". Expenditures are recognized when the related fund liability is incurred except for a few specific exceptions. All governmental funds and Expendable Trust Funds are accounted for using the modified accrual basis of accounting.

OFFSET RECEIPTS. Includes certain education programs, aid to public libraries and environmental programs which are designated on the Cherry Sheet as offset items. These amounts can be spent without appropriation but must be spent only for these specific municipal programs.

OPERATING BUDGET. Plans of current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing, acquisition, spending and service delivery activities of the Town are controlled.

OVERLAY. The amount raised by the Assessors in excess of appropriations and other charges for the purpose of creating a fund to cover abatements on real and personal property taxes and to avoid fractions in the tax rates.

OVERRIDE. A provision in the Proposition 2 1/2 Law (Chapter 580 of the Acts of 1980) that provides, through the referendum process, to add funds to the total tax levy on a permanent basis. If approved by a town wide vote, the override amounts become a part of the tax levy base and therefore the amount approved in a given vote does grow with the rest of the base by 2 1/2% per year. An override question can only provide for additional funding for either the operating budget or the on going capital budget.

PRIMARY LEVY LIMIT. 2 1/2% of certified full and fair cash value of taxable property.

PROPOSITION 2-1/2. A statewide tax limitation initiative petition limiting the property tax levy in cities and towns in the Commonwealth to 2 1/2% of the full and fair cash valuation of the taxable real estate and personal property in that city or town. The statute also places an annual growth cap of 2 1/2% on the increase in the property tax levy.

REIMBURSEMENTS. (1) Repayments of amounts remitted on behalf of another party. (2) Inter-fund transactions which constitute reimbursements of a fund for expenditures or expenses initially made from it which are properly applicable to another fund — e.g., an expenditure properly chargeable to a Special Revenue Fund was initially made from the General Fund, which is subsequently reimbursed. They are recorded as expenditures or expenses (as appropriate) in the reimbursing fund and as reductions of the expenditure or expense in the fund that is reimbursed.

RESERVE FUND. A fund established by the Annual Town Meeting which is under the control of the Town's Advisory Committee and from which transfer may be made for extraordinary and unforeseen expenditures. It may be composed of an appropriation of not more than 5% of the prior year's tax levy.

REVOLVING FUNDS. Those funds which may be used without appropriation and which are established for particular uses such as school athletics, continuing education programs, school lunch programs, self-supporting recreation and park services, conservation, etc.

SECONDARY LEVY LIMIT. Prior year levy limit plus 2 ½% (Base) plus “growth revenue.”

SPECIAL APPROPRIATION. An authorization to expend funds for a specific project not encompassed by normal operating categories.

STABILIZATION FUND. A special reserve account created to provide for capital improvements which is invested until used. The Town may appropriate into this fund in any year an amount no more than 10% of the prior year’s tax levy. The outstanding balance in the account cannot exceed 10% of the Town’s equalized valuation. Generally, it requires a 2/3 vote of Town Meeting to appropriate money from the Stabilization Fund.

STATE DISTRIBUTION. All revenue flowing from the Commonwealth. Major categories include reimbursement for loss of taxes, educational distributions and reimbursements, funds for direct education expenditures, general government reimbursements and distributions.

SURPLUS REVENUE. This is the amount by which cash, accounts receivable and other floating assets exceed the liabilities and reserves.

SUPPLEMENTARY APPROPRIATION. An appropriation submitted after the main budget has been approved, which must specify a revenue source.

TAX LEVY. The net amount to be raised by the Town each fiscal year by assessing ad valorem taxes on real estate and personal property located within the Town.

TAX RATES. The amount of tax stated in terms of a unit of the tax base; for example, \$8.91 per \$1,000 of assessed valuation of taxable property.

UNFUNDED PENSION LIABILITY. Unfunded pension liability is the difference between the value assigned to the retirement benefits already earned by the Town’s employees and the assets the Town’s retirement system will have on hand to meet these obligations. The dollar value of the unfunded pension liability is driven by assumptions about interest rates at which a retirement system’s assets will grow and the rate of future costs of living increases to pensioners.

UNENCUMBERED APPROPRIATION. The portion of an appropriation not yet expended or encumbered.

UNIFORM MUNICIPAL ACCOUNTING SYSTEM. A comprehensive and practical municipal accounting system that conforms to GAAP for local governments. UMAS is regarded by the Department of Revenue as the professional standard for modern municipal accounting in Massachusetts. Among the benefits of conversion to UMAS are increased consistency in reporting and record keeping and enhanced comparability of data among cities and towns.

TOWN OF WELLESLEY - PRELIMINARY SOURCES AND USES OF FUNDS

	<u>FY2008 Tax Rate</u>	<u>FY2009 Request</u>	<u>% Change</u>
*** SOURCES OF FUNDS ***			
Tax & Other Current Revenues			
Within Levy Limits			
Real Estate & Per. Prop. Tax	78,689,438	81,856,674	4.02%
From the Commonwealth			
Local Aid	6,642,683	8,551,294	28.73%
Local Revenue	10,614,714	11,266,315	6.14%
Sub-Total (Tax & Cur. Rev.)	95,946,835	101,674,283	5.97%
Outside Levy Limits			
Real Estate & Pers.Prop.Tax	3,743,001	4,434,020	18.46%
OPEB	1,800,000	1,800,000	
Available Funds			
Parking Meter Receipts	563,224	634,198	12.60%
Appropriated/Reserved CPA Surcharge	612,146	2,087,100	240.95%
Appropriated Free Cash	928,941	307,158	
Not yet Appropriated Free Cash (Stabilization)	-	1,000,000	
School Construction Aid & Set-Asides	621,838	621,843	0.00%
Unencumbered/Transfers from other funds	387,462	155,343	-59.91%
Sub-Total (Available Funds)	3,113,611	4,805,642	54.34%
TOTAL SOURCES OF FUNDS	104,603,447	112,713,945	7.75%
*** USE OF FUNDS ***			
Personal Services (Non-School)			
Expenses (Non-School)	6,865,517	7,025,235	2.33%
Subtotal (Non-School)	23,757,912	24,361,388	2.54%
Personal Services (School)			
Expenses (School)	7,249,278	8,970,294	23.74%
Subtotal (School)	49,619,071	53,842,308	8.51%
Sub-Total (Pers. Svcs.& Exp)	73,376,983	78,203,696	6.58%
Capital & Debt:			
Within Levy Limits			
Capital/Extraord./Spec.Items	2,942,719	2,851,283	-3.11%
Debt Service - Issued	3,683,969	3,455,819	-6.19%
Debt Service - New Auth/Unissued - In	326,211	664,000	
Sub-Total (Within Levy Limits)	6,952,899	6,971,102	0.26%
Outside Levy Limits			
Debt Service Issued			
Debt Service Temporary	3,932,688	3,851,713	-2.06%
Debt service unissued (interest rate est)		-	
Debt Service - New Auth/Unissued - Out	480,000	1,204,150	
Unused			
SUB-TOTAL (CAPITAL & DEBT)	11,365,587	12,026,965	5.82%
Employee Benefits (formerly Shared Costs):			
Ins./Grp Ins./Pensions, etc.	13,934,241	14,552,815	4.44%
OPEB Liability Fund	3,000,000	3,000,000	0.00%
Sub-Total (Shared Costs)	16,934,241	17,552,815	3.65%
SUB-TOTAL (OPERATIONS)	101,676,811	107,783,476	6.01%
Special Items:			
Traffic & Parking Management	488,674	506,391	3.63%
Appropriated/Reserved CPA Surcharge	612,146	2,087,100	240.95%
State & County Assessments	1,011,978	1,011,978	0.00%
Property Tax Abatements	272,663	325,000	19.19%
Prior Fire FLSA	41,175	-	
Stabilization Fund	500,000	1,000,000	
Sub-Total (Special Items)	2,926,636	4,930,469	68.47%
TOTAL USE OF FUNDS	104,603,447	112,713,945	7.75%
TOTAL SOURCE OF FUNDS	104,603,447	112,713,945	7.75%
SURPLUS<DEFICIT>	170	-	(0)

Does not include contract settlements for Non School departments for 2008 or 2009