

**Advisory Committee Meeting
November 17, 2010
Juliani Room, Town Hall**

Steve Simons called the meeting to order at 7:33 p.m. and immediately convened a public hearing on the Warrant for the 9:15 PM Special Town Meeting (the "9:15 PM Meeting") to be held on December 6, 2010. Those present included Catherine Johnson, Jack Haley, Caren Parker, Virginia Ferko, Laura Hockett, Philip Licari, Richard Page, Polly Smith, Derek Redgate, Barbara McMahon, David Murphy, and Jason Whittet. Maura Murphy was absent

Mr. Simons stated that the warrant contained two substantive articles, Articles 2 and 3. Under Article 2, the Board of Public Works (BPW) is seeking to amend the appropriation of funds made at the 2010 Annual Town Meeting (ATM) for the Water Enterprise Fund (Water Fund). Under Article 3, the BPW is seeking to amend the appropriation of funds made at the 2010 ATM for the Sewer Enterprise Fund (Sewer Fund). Hans Larsen, Executive Director of Government, stated that the Department of Revenue (DOR) had expressed concern that certain elements of the appropriations were not consistent with DOR regulations.

Mr. Simons asked for citizen comment on the warrant articles. There were no comments. Mr. Simons invited citizens to send comments to the Advisory Committee at its e-mail address, advisorycommittee@wellesleyma.gov. Mr. Simons explained that Advisory's role is to deliberate on the articles and to vote on whether or not to recommend approval to Town Meeting members.

Mr. Simons closed the hearing at 7:44 p.m. After a short break, the Advisory Committee meeting continued.

Discussion of Warrant Articles 2 and 3 for the 9:15 PM Special Town Meeting on December 6, 2010. Upon a request from Mr. Simons, Mr. Larsen agreed to respond to questions from Advisory regarding the warrant articles for the 9:15 Meeting. Mr. Larsen said that due to a particularly wet summer in 2009, water usage declined significantly, resulting in FY10 negative net operating revenue of over \$900,000. Retained earnings from the Water Fund were used to remedy the shortfall, causing the fund's certified free cash to fall into the negative for accounting purposes, thereby creating an accounting deficit for FY11. He noted that further analysis of the FY11 Water Fund numbers may rectify the problem, in which case there would be no motion under the article. In response to questions regarding Article 3, Mr. Larsen stated that the appropriation to retained earnings in the Sewer Fund budget for FY11 exceeded DOR regulations and needs to be reduced. A reduction in retained earnings to a level satisfactory to the BPW and the DOR will not have any material financial impact to the Sewer Division's operations, and he described the appropriation made to retained earnings as a budgeting error. DOR will not certify the Town's tax rate until it is satisfied that the Town has met DOR regulations. Mr. Larsen said the BPW was currently looking at options to remedy the issues presented in both FY11 enterprise fund budgets. He stated that there are a number of measures under consideration to prevent a recurrence of these issues in the future, including (without limitation) measures to reduce exposure to the volatility of free cash, improvements in the budgeting process and the possibility of rate increases.

Presentation of Capital Budgets for Natural Resources Commission and Morses Pond.

Natural Resources Commission (NRC) Chair Neal Seaborn, Director Janet Bowser, and Commissioner Ursula King presented the NRC's capital budget request for FY12. Ms. Bowser said

that there is no FY 12 capital request for the Morses Pond preservation project due to a carry-over in capital funds from FY11 because of delayed implementation of some of the project's elements. Recurring capital level funded projects presented include \$30,000 for tree plantings, \$5,000 for trail improvements, and \$30,000 for park and playground sidewalk and path improvements. Mr. Seaborn said that the NRC has a commitment from the Community Preservation Committee (CPC) to fund an estimated \$300,000 for the design phase of the Fuller Brook Park Preservation Project. There was discussion regarding a \$45,000 request for a Morses Pond Erosion Control Project to stabilize and restore the Pine Point embankment, used as an entry point into Morses Pond by kayakers and other boaters.

Presentation of Capital Budget for Schools. School Superintendent Bella Wong, Business Manager Ruth Berdell and School Committee Chair KC Kato, Vice Chair Steve Burt, and School Committee member Suzi Littlefield, spoke to the Schools FY12 capital request. The request was for \$825,663, which Ms. Berdell noted was \$45 under the Advisory budget guideline. The Schools noted that technology for instructional purposes accounted for \$614,939 of the \$698,510 non-facilities portion of the request. The Schools also presented a five-year capital plan (FY 12-16) and a detailed report of FY10 capital outlays. They discussed a plan to bring technological parity to all elementary schools through the purchase of smart boards for elementary schools where private funds have not been sufficient to purchase the desired number of these interactive whiteboards. Ms. Kato also said that FY12 is the first year of a multi-year program to replace kilns in the elementary schools. The Schools spoke to a request for \$200,000 in FY13 for an engineering assessment of the conditions of all school buildings. Mr. Burt noted that modular classrooms at Hardy, Hunnewell, and Upham School have exceeded their planned 8-10 year lifespans, and the conditions of these modular units are under review. Ms. Burdell also spoke to a FY12 capital request for an engineering study to recommend options to replace the slate portion of the Sprague School roof.

Discussion of Warrant Articles for 9:15 PM STM and Write-Ups of the Articles. There was a discussion of Articles 2 and 3, which included accounting management issues, the need for more information on proposed remedies, and the imperative to conform to DOR regulations to ensure certification of the Town's tax rate. There was also a review of the preliminary write-up for these articles by Ms. Hockett, with the understanding that a report for the 9:15 p.m. STM would be finalized by Ms. Hockett, with input from Advisory officers, and sent to all Town Meeting members with the Report for the Special Town Meeting called for December 6, 2010 at 7:30 p.m.

Discussion of NRC Capital Budget. Following a brief discussion of the NRC capital presentation, Mr. Whittet agreed to seek quantitative information from the NRC regarding users of the Pine Point entryway into Morses Pond.

Discussion of DPW Administrative Building. Due to the lateness of the hour, discussion of the proposed DPW administrative building was deferred to a later, unspecified date.

Adjournment. Upon a motion made by Ms. McMahon and seconded by Ms. Parker, the Advisory Committee voted unanimously to adjourn. The vote was 13-0.

The meeting adjourned at 10:36 p.m.

Respectfully submitted,

Eileen Davis
Administrative Assistant

Documents Distributed: “Wellesley Public Schools, Five Year Capital Plan 12-16”; “FY 2012 Cash Capital Outlay Request Recap, voted by School Committee- November 9, 2010”; “FY10 School Department Capital Outlay”; “Natural Resources Commission FY12 Capital Presentation to Advisory Committee, Nov. 17, 2010”; “Warrant for the 9:15 p.m. Meeting”; “Drafts of write-ups for ‘Article 2 – Water’ and ‘Article 3-Sewer’ under the Warrant for the 9:15 p.m. Meeting”.