

**TOWN OF WELLESLEY  
Advisory Committee**



**Town Hall  
525 Washington Street  
Wellesley, Massachusetts 02482**

**Chair**

Virginia Ferko

**Vice Chairs**

Laura Hockett David Murphy

**Secretary**

Maura Murphy

To: All Boards and Departments  
From: Virginia Ferko, Chair, Advisory Committee  
Date: November 21, 2011  
Re: **FY13 Operating and Capital Budgets**

The following FY13 budget guidelines were communicated to Town boards and departments at the Inter-Board meeting in October:

- Operating budgets should be developed to meet the following guideline:
  - provide level service as compared to FY12;
  - include personal services budgets that provide for all contractual wage increases, a 2% increase for Series 40 employees and no-increases for series 50 and 60 employees (any increases to be coordinated centrally);
  - target no increase in expenses over FY12.

The deadline for submission is January 5, 2012.

- Capital budgets should be consistent with each Board's projections as reflected in the Town-Wide Financial Plan presented to the 2011 Annual Town Meeting.

The deadline for submission is December 15, 2011.

The Advisory Committee has discussed these guidelines with the Board of Selectmen and agrees that they represent a reasonable first step in the budget process. As you are aware, compliance with these guidelines by all boards and departments is not, however, expected to produce a balanced budget. The economy remains extremely fragile and the Town's revenue projections reflect that economic reality. The Town must, nevertheless, continue to fund its OPEB liability and increase pension funding, pay health insurance premiums for employees and their families, meet its mandated Special Tuition Transportation and Inclusion (STTI) obligations, invest in the Town's neglected infrastructure and maintain a responsible level of reserves. As a result, there will be pressure on operating and cash capital budgets. The Town-wide Financial Plan anticipates a request for a Proposition 2½ Override to provide additional

operating revenue beginning in FY13. There is much work to be done before an override may be recommended to Town Meeting and, if Town Meeting approves, to the voters. In preparing budgets we ask each board and departments to be mindful of Advisory's expectations.

**Adherence to Guidelines.** We ask that each board or department present, without exception, a budget that adheres to the guidelines. It is essential that Advisory have the information necessary to assess the cost of delivering level service to the Town in FY13. If any board or department feels it is necessary to also present a proposal for additional spending above guideline levels, any costs should be separately itemized. It is important for Advisory and Town Meeting to assess the consequences of budget decisions on programs and services—what, if any, specific priorities each board or department has that it believes may not be accomplished within the guidelines and we invite you to present that information as well.

As assumptions are refined over time, boards and departments will need to be flexible. We ask that you not only develop a budget that meets the guidelines, but also identify your priorities within the guideline budget, as adjustments may be required later in the process.

**Budget Format.** Transparency and clarity of budget presentations is important every year, but is of paramount importance in a year in which Town Meeting must evaluate the need for an override.

Consistent with prior years, all budgets should contain the following information:

1. Key factors driving the budget, with a quantitative analysis of the impact of each factor.
2. Recent, ongoing and planned cost reduction initiatives.
3. Breakdown of anticipated personal services costs for current staff vs. personnel additions or reductions. Description of additions or reductions to personnel and unfilled positions.

The following items should also be provided to us, although they may be shown in an appendix to or a document separate from the budget:

4. Spending by program or budget line item, with detail. Please segregate overtime costs.
5. Staffing by program or budget category, with detail.
6. Maintenance costs.
7. Utility costs.

The FY13 budget request be in a format that enables comparison with the total budgets (i.e., all sources and uses) for FY09, FY10, FY11 (actuals) and FY12 (budgeted) adjusted to reflect any changes as a result of contract settlements, year-to-date experience and/or additional sources of funding, if any.

**Non-Tax Appropriated Revenues.** In the interest of greater transparency, we need to better understand what sources of non-tax appropriated revenues (e.g., gifts, grants, revolving funds,

building use funds and the like) are used in creating board or departmental operating budgets. We want to see “gross budgets” reflecting in some detail all anticipated revenues and expenditures for each board and department, since we believe that understanding such sources will help to present a full picture of what it takes to deliver services within the Town. We would also like to understand how boards and departments manage and allocate such funds

The FY13 capital budgets and the five-year capital improvement plan for FY13 through FY17 are due to Advisory on or before December 15, 2011. **Please deliver 16 three-hole punched paper copies of your capital budget to the Advisory Committee mailbox in the Town Hall mailroom, together with an electronic copy to Advisory’s Administrative Assistant, Tanya Williams, [twilliams@wellesleyma.gov](mailto:twilliams@wellesleyma.gov) no later than December 15, 2011.**

Advisory would like to meet with each board or department in December or early January to review its capital budget in accordance with the attached Advisory Committee meeting schedule. A list of Advisory Committee liaisons is also attached. If the meeting date presents a problem, please contact your Advisory liaison(s) as soon as possible.

Each board or department should also keep Advisory informed of any adjustments to its capital budget request or five-year plan following its submission to Advisory, including any changes resulting from collaboration with the Board of Selectmen in preparation of the Town’s Five Year Capital Budget Program.

Please submit operating budgets on or before January 5, 2012. Advisory will plan to meet with boards and departments in accordance with the attached schedule. If you are unable to present your budget on the date scheduled, please contact your liaison as soon as possible. **Please deliver 16 three-hole punched paper copies of your operating budget to the Advisory Committee mailbox in the Town Hall mailroom, together with an electronic copy to Advisory’s Administrative Assistant, Tanya Williams, [twilliams@wellesleyma.gov](mailto:twilliams@wellesleyma.gov) no later than January 5, 2012.**

#### **Conclusion.**

Advisory recognizes the challenges that Town boards and departments face as they balance the service expectations of their constituencies with the fiscal expectations of the taxpayers in the current economic climate. Also, we very much appreciate the high level of thought, professionalism and cooperation that all boards and departments demonstrate throughout the year. Our objective is to facilitate a budget process that allows Town Meeting to understand fully what the budget truly represents and what trade-offs have been made.

Please call your Advisory liaison(s) or me should you have any questions.

#### Attachments:

- List of Advisory members and liaison assignments
- Advisory Committee meeting schedule (subject to change)