

**Advisory Committee  
September 14, 2011  
Juliani Room, Wellesley Town Hall**

Virginia Ferko called the meeting to order at 6:30 p.m. Those present also included Robert Capozzi, Rebecca Epstein, Marjorie Freiman, Ann Marie Gross, Laura Hockett, Catherine Johnson, Philip Licari, David Murphy, Maura Murphy (7:30), Richard Page, Deborah Robi, and Richard Woerner. Jack Haley and Derek Redgate were absent.

Virginia Ferko reviewed some resources available on the Town website.

David Murphy presented a PowerPoint of Advisory Committee Financial Orientation for new members.

The meeting was recessed at 7:20 p.m.

Ms. Ferko recalled the meeting to order at 7:30 p.m.

Citizens Speak

No one spoke at Citizens Speak

Approval of Minutes

Upon a motion made by Maura Murphy and seconded by Laura Hockett, the Advisory Committee voted 13-0 to approve the September 7, 2011 meeting minutes.

Update on Town Finances FY12, Town-wide Financial Plan and estimates of Sources and Uses for FY13

Ms. Ferko briefly discussed Advisory's new role in establishing budget guidelines in the Town Wide Financial Plan, which represents a change after last year's decision to have the Board of Selectmen set the guidelines and Advisory provide feedback.

Hans Larsen, Executive Director of the Town, Sheryl Strother, Finance Director of the Town, Terri Tsagaris, Vice Chair of the Board of Selectmen, and Ellen Gibbs, Secretary of the Board of Selectmen presented. Mr. Larsen spoke on how setting the guidelines is still a team effort and then distributed a page of budget figures. Mr. Larsen then described the budget process challenges and went over the budget figures presented on the handout.

Mr. Larsen gave a recap of FY12 Finances and spoke about upcoming projections for FY13 and FY14. Mr. Larsen mentioned that the Town used \$1,000,000 in free cash to balance the budget last spring at Town Meeting. Mr. Larsen also mentioned that employee benefits was the fastest growing part of the Town's budget and is problematic

in that it could one day eclipse other (non-School) town departments in the budget. Mr. Larsen noted that the new legislation regarding municipal health insurance would not significantly benefit the Town, because the Town had already moved to the Ratesaver plan. Mr. Larsen stated that the projections show that in FY13 there may be a deficit of \$5,000,000 . The Town will need an override, which would be the first in five years.

Mr. Larsen then described several matters that are under consideration by the Board of Selectmen. The Board is looking into fully funding the DPW budget in order to promote both simplicity and transparency (by eliminating the practice of the DPW being paid by other Town departments for services performed). The Board will also consider whether there is the potential for additional health insurance savings, whether the Town is able to implement the planned increase in facilities maintenance spending at this time, and whether and how the Town can provide a merit pay system for non-union employees. The Board is also considering establishing a policy regarding how much cash the Town should retain as reserves. Questions from the Advisory Committee were addressed. Ms. Ferko noted that Owen Dugan had joined the panel of presenters.

#### Discussion of Advisory Committee feedback on FY13 budget guidelines and Advisory Committee budget letter to Town boards

Ms. Ferko stated that currently there were no guidelines to react to or provide feedback on. There was a brief discussion of the process.

#### Updates on STM Articles

Ms. Ferko informed the Committee that there were two possible additional warrant article, one relating to an amendment to the Linden Square Development Agreement and the Municipal Light Plant board might seek approval of an increase to its appropriation for the new building, which would not have a tax impact since it would be funded from MLP revenues. There was no other update on expected warrant articles. .

#### Announcements

The STM warrant will be closing Friday, September 30, 2011. Peg Metzger has convened a group of representatives to educate groups around town on the workings of government and the budget process in Town. Laura Hockett will represent Advisory.

Upon a motion made by Maura Murphy and seconded by Laura Hockett the Advisory Committee voted 13-0 to adjourn the meeting.

The meeting adjourned at 8:55 p.m.

Documents Distributed: Agenda, Advisory Committee Financial Overview PowerPoint, September 7, 2011 meeting minutes, FY12, 13 and 14 Estimated Budget Figures sheet.