

# TOWN OF WELLESLEY



## SUPPLEMENT TO THE 2014 REPORTS TO THE SPECIAL TOWN MEETING

by the  
ADVISORY COMMITTEE  
INDEX TO WARRANT ARTICLES

ARTICLE	SUBJECT	PAGE
2.	Receive Town-Wide Financial Plan .....	188
4.	School Committee Reimbursement for WMS Windows Feasibility Study.....	189
5.	Middle School Window Replacement.....	190
6.	Fiske and Schofield Renovations.....	191
7.	Acquisition of North 40 Property .....	193
8.	Plan North 40 Landfill Remediation.....	193
9.	Acquisition of 900 Worcester Street.....	195

Prepared on October 23, 2014

**ARTICLE 2.** To receive the Report of the Board of Selectmen on the Five Year Capital Budget Program and Town-Wide Financial Plan pursuant to Town Bylaw Sections 19.5.2 and 19.16, or take any other action in relation thereto.

**(Board of Selectmen)**

*NOTE: Because there is no written report to be received by Town Meeting, there will be no Motion under this article. However, Advisory has presented a short summary of the October 16, 2014 presentation by the Executive Director to complement the summary of the October 1 presentation discussed in the 2014 Advisory Report to Special Town Meeting on pages 7-8.*

The Executive Director of General Government Services gave a presentation at the Wellesley Library on October 16, which included update on pensions, health insurance and Other Post-Employment Benefits (OPEB). Advisory Committee members, Town Meeting members and interested Town residents were invited to attend this televised meeting.

### **Update on Employee Benefits**

One of the largest items in the Town's annual budget is Employee Benefits, which consist of the Town's contribution to health insurance and pension plans for its past and current employees, as well as other benefit items such as Medicare tax, Workers' compensation, and OPEB liability funding. In the current fiscal year (FY15), the Town's Sources and Uses include a total appropriation of \$25.8 million for these items, or 18.2% of total Uses. For background on these costs, readers are advised to review the *Advisory Report to the March 2014 Annual Town Meeting*, particularly pages 88-91.

### **OPEB**

The Town is obligated to contribute to medical insurance for retired Town and School employees, also called "Other Post-Employment Benefits," or OPEB. Until FY06, the Town paid current costs on a "pay-as-you-go basis," generating a substantial unfunded liability for benefits earned by Town employees in previous years. Town Meeting and the Wellesley voters approved a debt exclusion of \$1.8 million per year for ten years in May 2007, raising the total level of OPEB funding to \$3 million per year, in addition to the pay-as-you-go ("normal") healthcare costs.

The Town's unfunded OPEB liability, which stood at \$106.3 million at the end of June 2012, has declined significantly over the past two years. On June 30, 2014, the unfunded liability was \$78.3 million. This good news is due to a recent review by the Town's actuaries which concluded that the total OPEB liability stood at \$111.1 million on June 30, 2014, compared with \$127.6 million two years earlier. In addition, the funds that the Town has set aside to pay for OPEB have grown from \$21.3 million two years ago to \$32.8 million, which is the result of \$6 million in contributions from the Town, as well as favorable investment returns over the past two years.

In FY15, the Town will contribute \$3 million to reduce the Town's unfunded OPEB liability. The BOS is currently considering how to continue funding this \$3 million per year allocation to OPEB, as the debt exclusion which covers \$1.8 million per year will expire in FY18. One possibility is to fund the full \$3 million under the levy, perhaps by phasing in the increase over the next four years.

It is noteworthy that this significant improvement in the Town's funding of its OPEB liability has come even as the Town has made assumptions regarding its OPEB funding more conservative, including a reduction in expected investment returns from 7.5% to 7%.

### **Contributory Retirement Plan**

The status of the Town's retirement plan remains essentially as reported in the *Advisory Report to the March 2014 Annual Town Meeting*. On January 1, 2013, the date of the most recent actuarial valuation, the Town's pension liability was \$186.2 million. The actuarial value of assets was \$125.7 million, for an unfunded liability of \$60.5 million.

The Town is paying off this liability on a schedule that would fully fund the Town's pension obligation by 2030, assuming a 7% annual investment return and no changes in other actuarial assumptions such as mortality rates and pay increases.

The Town's FY16 contribution to the pension plan will be \$6.1 million, an increase of 2.7% from FY15. This is the tax-impact portion only; enterprise funds will contribute another \$1.2 million to cover their employees, bringing the Town's total contribution to \$7.3 million. A similar increase is currently planned for FY17. The planned 2.7% increase in the FY16 pension contribution is a material improvement over the 18.7% increase in FY15. Increases in coming years are expected to be similar to the FY16 increase. It is important to note, however, that the funding schedule is subject to changes recommended by the Retirement Board, which periodically reassesses investment return expectations and actuarial assumptions.

### **Medical Insurance**

The Town's contribution to health insurance for its current employees is \$14.4 million for FY15, which includes \$4.4 million in "pay-as-you-go" health care costs. For FY16 and foreseeable future years, the increase is expected to be approximately 5% annually, as noted in the *Advisory Report to the March 2014 Annual Town Meeting*.

Advisory appreciates the oral presentation by the Executive Director of the Town's financial status and looks forward to reviewing the more fully-developed written version of the Town-Wide Financial Plan that will be submitted to Advisory and presented to Annual Town Meeting.

**Advisory expects no motion under this Article.**

**ARTICLE 4.** To see if the Town will vote to raise and appropriate, borrow, transfer from available funds, and/or otherwise provide a sum of money to reimburse the School Department for expenses incurred during planning for replacement of certain Middle School windows, or take any other action in relation thereto.

**Board of Selectmen / School Committee)**

*Please see the 2014 Advisory Report to Special Town Meeting on pages 10-14 for a summary of the WMS windows project and some initial Advisory considerations.*

This Motion requests Town Meeting to appropriate \$125,000 to the School Committee from Free Cash to reimburse the School Department for the cost of the feasibility study required by the Massachusetts School Building Authority (MSBA) to be invited into the Accelerated Repair Program (ARP). Advisory believes that the School Committee acted prudently in trying to secure up to 31% MSBA reimbursement of eligible costs of the Middle School windows project and that their expending of funds outside of the normal budget cycle is justified.

**Advisory recommends favorable action, 10 to 0.**

**ARTICLE 5.** To see if the Town will vote to raise and appropriate, borrow, transfer from available funds, and/or otherwise provide a sum of money to be expended under the direction of Permanent Building Committee for work associated with the replacement of approximately 280 original windows (circa 1950-1966) at Wellesley Middle School located at 40 Kingsbury Street in Wellesley, Massachusetts. This proposed repair project would materially extend the useful life of the school and preserve an asset that otherwise is capable of supporting the required educational program and for which the Town may be eligible for a school construction grant from the Massachusetts School Building Authority ("MSBA"). The Town acknowledges that the MSBA's grant program is a non-entitlement, discretionary program based on need, as determined by the MSBA, and any project costs the Town incurs in excess of any grant approved by and received from the MSBA shall be the sole responsibility of the Town. Any grant that the Town may receive from the MSBA for the Project shall not exceed the lesser of (1) 31 percent (31%) of eligible, approved project costs, as determined by the MSBA, or (2) the total maximum grant amount determined by the MSBA; or to take any other action in relation thereto.

**(Board of Selectmen / School Committee)**

*Please see the 2014 Advisory Report to Special Town Meeting on pages 10-14 for a summary of the WMS windows project and some initial Advisory considerations.*

At the time this Supplement went to press, the Permanent Building Committee (PBC) had not fully vetted the cost of the Middle School Windows project. However, the PBC believes that the total cost before any reimbursement from the Massachusetts School Building Authority (MSBA) will not exceed \$4.8 million. The PBC has presented very preliminary numbers to Advisory indicating that hard costs in the project total \$4.2 million and soft costs total \$600,000, which covers construction over two summers and includes escalation and contingency. PBC has indicated that the WMS windows are particularly challenging to replace because some of the windows extend above ceiling height, some have tiles immediately surrounding them, and other windows are integrated into doors.

Although the School Committee is confident that the WMS windows project will qualify for 31% MSBA reimbursement of eligible costs under its Accelerated Repair Program (ARP), Advisory notes that the final vote of the MSBA Board does not occur until January 2015 at which time the Town will enter into a Project Funding Agreement (PFA) with the MSBA. The appropriation requested in this Motion is therefore not contingent on MSBA reimbursement because the School Committee will proceed with this project if MSBA reimbursement is denied. However, the invitation by the MSBA to participate in the ARP and the MSBA assignment of an Owner's Project Manager (OPM) and designer to the project indicate that the Town is successfully following the well-delineated steps of the MSBA ARP process.

Advisory believes that this project is a critical infrastructure upgrade to the Middle School, and strongly supports the windows replacement independent of MSBA reimbursement. Advisory is expecting to gain additional information about the costs before Town Meeting and will present its recommendation on this project then.

**Passage requires a 2/3 vote.**

**Advisory will make its recommendation at Town Meeting.**

**ARTICLE 6.** To see if the Town will vote to raise and appropriate, borrow, transfer from available funds, and/or otherwise provide a sum of money to be expended under the direction of the Permanent Building Committee for architectural, engineering and/or other services for plans and specifications for renovations to the Fiske and Schofield Elementary Schools, located at 45 Hastings Street and 27 Cedar Street respectively, for the reconstruction, remodeling, and/or additions to the existing Fiske and Schofield Elementary Schools, to accommodate the classroom and/or administrative needs of the School Department and/or other educational needs of the Town, and for the necessary site work, construction, reconstruction, remodeling, rehabilitation and/or modernization of the same, and for other services in connection therewith, or take any other action in relation thereto.

**(Board of Selectmen / School Committee)**

*Please see the 2014 Advisory Report to Special Town Meeting on pages 14-16 for a summary of the Fiske-Schofield project and some initial Advisory considerations. Pages 23-27 of the 2013 7:30 PM Advisory Report to Special Town Meeting also contain some relevant information.*

The Board of Selectmen (BOS) requests Town Meeting authorization to appropriate \$19,870,743 to the Permanent Building Committee (PBC) for the planned renovations to the Fiske and Schofield elementary schools. The breakdown of costs is shown on the following page.

The total hard costs for the project are \$15,769,233 (guaranteed maximum price) and the soft costs are \$2,404,368. The PBC has added a 10% contingency to the hard costs and a 5% contingency to the soft costs. All contingency funds will be returned to the Town if unspent. The PBC is asking for a waiver on some of the Massachusetts Architectural Access Board (MAAB) requirements and is expecting a decision on these variances by late October; if successful, the project cost could be reduced by \$297,988. The soils around both schools are being evaluated and if not found to contain hazardous materials, the \$357,480 allowance for soil removal may be reduced or eliminated. Therefore, PBC may have revised costs to present at Special Town Meeting.

Advisory unanimously supports the Fiske and Schofield renovations, believing that this project has been well planned and has been through a thorough review process. With the exception of the necessary sewer upgrades at Schofield, the scope of these renovations has not changed since the December 2013 STM. Advisory believes that the School Committee has presented a rational approach to its long list of capital projects and that packaging the two schools together will capture cost and timing efficiencies. Using the Chapter 149A Construction Manager at Risk process is expected to save the Town money and lead to a better final project. Finally, the total cost of the Fiske/Schofield project is within the preliminary estimate of \$18 to 20 million given to Advisory by the School Committee and PBC.

**Passage requires a 2/3 vote.**

**Advisory recommends favorable action, 10 to 0.**

<b>Total Construction Budget for Fiske and Schofield Renovations</b>	
<b>Construction Manager (CM) Guaranteed Maximum Price (GMP)</b>	
Total construction – Fiske	\$6,731,732
Total construction – Schofield	6,909,724
CM contingency 3%	409,244
GC / fee	1,420,545
<b>Additional Budget Considerations – MAAB Variances</b>	
Wheelchair lift (Fiske)	250,000
Accessible walkway deleted (Fiske)	(21,812)
New door openings (Fiske)	32,000
Relocate door teachers' lounge	17,400
Relocate principal door (Schofield)	20,400
<b>Total CM Services (Hard costs)</b>	<b>\$15,769,233</b>
<b>Architect Professional Design</b>	
Contract administration (CA) services	588,000
Geo-environmental investigation*	18,700
<b>Design subtotal</b>	<b>\$606,700</b>
<b>Owner's Project Manager (OPM)</b>	
Contract administration (CA) services	594,552
Clerk of the Works	249,136
<b>OPM Services subtotal</b>	<b>\$843,688</b>
<b>Other Project Costs / Allowances</b>	
MEP commissioning agent	100,000
Fire prevention review	1,500
Hazardous materials monitoring	50,000
Moving / storing furniture	115,000
Materials testing	50,000
Hazardous materials removal allowance	225,000
Contaminated soil removal allowance	357,480
Utility fees	25,000
<b>Other Project Costs subtotal</b>	<b>\$923,980</b>
<b>PBC Expenses</b>	<b>\$30,000</b>
<b>Hard Cost Contingency 10%</b>	<b>\$1,576,923</b>
<b>Soft Cost Contingency 5%</b>	<b>\$120,218</b>
<b>Total Project Cost</b>	<b><u>\$19,870,743</u></b>

\*Covers architect oversight of the soil investigation

**ARTICLE 7.** To see if the Town will vote to acquire by purchase, gift, eminent domain, or otherwise, for municipal purposes, the real property located at 156 Weston Road, being further identified as Parcel No. 5 on Assessor's Map No. 149 and commonly known and referred to as the "North 40", to raise and appropriate, borrow, transfer from available funds, including Community Preservation Funds, and/or otherwise provide a sum of money for such acquisition and for such planning and managerial undertakings as the Board of Selectmen determine to be necessary in relation to the Town's ownership of the Property, both of which include due diligence, further planning studies, site work, necessary traffic studies, and any other costs associated with said purposes, or take any other action in relation thereto.

**(Board of Selectmen)**

In a joint statement issued by the Town of Wellesley and Wellesley College, both parties have recognized the need to allow further time to complete important deliberations over the future of the North 40 parcel and have agreed to defer final decisions by the Trustees of the College and Town Meeting until a later date. The revised timetable for the North 40 is unknown as this Supplement goes to press, but assuming a favorable negotiation by the Town and College, a Special Town Meeting could be called for January 2015 with a debt exclusion vote to follow at the Town's March 2015 election.

**Passage requires a 2/3 vote.**

**Advisory expects no motion under this Article.**

**ARTICLE 8.** To see if the Town will vote to raise and appropriate, borrow, transfer from available funds, and/or otherwise provide a sum of money to be expended under the direction of the Board of Selectmen to prepare the Town for: 1) the potential acquisition or development by entities other than the Town of the real property located at 156 Weston Road, being further identified as Parcel No. 5 on the Assessor's Map No. 149 and commonly referred to as the "North 40" site; and, 2) any evaluation or remediation of the landfill located on the "North 40"; said preparation to include conducting planning, traffic, environmental and other studies, engaging counsel, consultants and experts as deemed appropriate, and participating in any evaluations or response actions associated with the landfill, in accordance with Massachusetts General Laws Chapter 21E, the Massachusetts Contingency Plan, and any additional requirements of the Massachusetts Department of Environmental Protection; or take any other action in relation thereto.

**(Board of Selectmen)**

This Motion requests Town Meeting approval to appropriate \$150,000 from Free Cash to the Board of Selectmen (BOS) to prepare the Town in the event that the North 40 property (the "Property") is acquired by a party, or parties, other than the Town of Wellesley. The BOS is requesting these funds specifically to evaluate the Town's potential liability with respect to the landfill on the Property and to plan any response actions required under the Massachusetts General Laws (MGL) Chapter 21E, the Massachusetts Contingency Plan, or by the Massachusetts Department of Environmental Protection (DEP). If the Town acquires the Property, these funds will not be needed. In this case, evaluation of the landfill would likely be part of the Town's due diligence process under a Purchase & Sale Agreement, with any costs to be appropriated by Town Meeting as part of the Property acquisition.

The Town acknowledges that it maintained and operated a landfill on a portion of the North 40 site near Turner Road during the 1955-1960 time frame. In the view of the BOS and Town Counsel, it is reasonable to assume that Wellesley College and a potential buyer will turn to the Town for either relief or a release from any liability as a result of the presence of this landfill. The funds requested in this Motion would be available to engage, if needed, any special environmental legal counsel, or related environmental partners, such as a licensed site professional. Additionally, these funds would cover any planning or environmental studies required to determine the extent of the Town's liability.

The only environment analysis that has been performed to date is the one conducted by Haley & Aldrich at the request of Wellesley College (see pages 27-28 of *the 2014 STM Advisory Report* for a brief description of the environmental issues and pages 131-134 for the executive summary of the Haley & Aldrich report). Several reportable issues were found (slightly elevated levels of arsenic in a groundwater sample, elevated levels of semi-volatile and volatile organic compounds in some of the landfill samples) which may lead to mandatory dialogue between the Town, Wellesley College, and the Massachusetts Department of Environmental Protection. The BOS feels that it would prudent for the Town to retain legal counsel experienced in environmental matters.

In the event of a proposed purchase by a third party, the Town will have to begin planning for its own environmental assessment of the landfill area. The \$150,000 requested in this Motion will be used to initiate planning and environmental studies as may be appropriate, but will not include any potential abatement measures. These funds are meant to allow the Town to address potential legal matters related to the landfill that arise between this STM and the Annual Town Meeting. They are essentially "bridge funds" and may not be expended in their entirety prior to Annual Town Meeting.

### **Advisory Considerations**

Advisory understands that the \$150,000 request is a "best estimate" of potential legal and/or environmental costs that the Town might incur between STM and ATM. Advisory believes that this appropriation is sufficient to allow the Town to appropriately respond to any landfill-related issues, including the hiring of qualified experts.

Advisory discussed the possibility of appropriating these funds from the Advisory Reserve Fund but that option was not considered feasible since Advisory had earlier made a \$75,000 transfer to the BOS for activities leading up to the North 40 purchase proposal made by the Town to the College in early October. The remaining amount in Advisory's Reserve Fund of around \$100,000 is insufficient to cover this appropriation.

Seeking these funds at STM will provide the Town with the necessary flexibility should Wellesley College and a potential third party seek immediate Town input as part of any potential sale. Without these funds, the Town might be in a weak position to adequately assess potential liability and potential costs of abatement. This could place the Town in a disadvantaged negotiating position in a real estate transaction involving Wellesley College and a prospective third-party buyer. Members of Advisory from the legal community also viewed this appropriation as reasonable and prudent.

**Advisory recommends favorable action, 10 to 0.**

**ARTICLE 9.** To see if the Town will vote to amend its vote under Motion 1 on Article 2 of the Warrant for the June 13, 2012 Special Town Meeting and its vote under Motion 1 on Article 18 of the 2014 Annual Town Meeting, both of which concern the acquisition of the property located at 900-910 Worcester Street, being further identified as Parcels No. 10 and 10-T on Assessor's Map No. 192 and commonly known and referred to as 900 Worcester Street, in the following manner: 1) to rescind all appropriations from the Community Preservation Fund and transfer a sum of money from available funds to reimburse the Fund for any expenditures against such appropriations; 2) to rescind the requirement that a portion of the property be placed under one or more conservation restrictions and to rescind the requirement that the entire property be restricted to municipal purposes for 40 years; and 3) to raise and appropriate, borrow, transfer from available funds, and/or otherwise provide a sum of money to be expended under the direction of the Board of Selectmen for the purposes of acquiring the property and preparing the property for development, including, but not limited to, the cost of demolition of any existing structures and other site work, necessary traffic studies, further planning and initial site design, and any other costs associated with said purposes, including the payment of real estate taxes until the date of closing; to authorize a further amendment to the Purchase & Sale Agreement in connection therewith; or to take any other action in relation thereto.

(Board of Selectmen)

*Please see the 2014 Advisory Report to Special Town Meeting on pages 38-45 for a summary of the 900 Worcester Street acquisition and some initial Advisory considerations.*

This Article, which allows the Town to complete the real property transaction with the Archdiocese and acquire 900 Worcester Street (the "Property"), will consist of two motions:

- Motion 1 requests Town Meeting to approve the Fourth Amendment to the Purchase & Sale Agreement dated October 8, 2014, to acquire the real property located at 900-910 Worcester Street. Motion 1 also appropriates \$876,694 to be added to the amounts appropriated under Article 2 of the June 13, 2012 Special Town Meeting (\$4,160,000) and under Article 18 of the 2014 Annual Town Meeting (\$47,000) so that the total amount appropriated for the Property and related costs is \$5,083,694. The additional amount of \$876,694 will be borrowed under the levy. Motion 1 also specifies that these funds may be used for post-acquisition feasibility studies (which will include an aquatic facility study in addition to traffic and stormwater/hydrology studies).
- Motion 2 has three parts:
  - a) Requests STM approval to rescind the transfer of \$2,600,000 approved under Article 2 Motion 1 of the June 13, 2012 Special Town Meeting from the Community Preservation Fund for the acquisition of the Property;
  - b) Approves the appropriation of \$2,600,000 in general obligation borrowing, again under the levy;
  - c) Allows \$198,132 to be transferred from Free Cash to the Community Preservation Fund to reimburse the Community Preservation Committee (CPC) for all costs already expended on the Property acquisition.

**Article 9, Motion 1: Additional funds required for the acquisition**

After the Advisory Report went to print, Advisory received some additional information about the demolition and abatement costs for the Property, the dominant factor leading to its increased acquisition cost. The chart on page 42 has a line item for "Building Demolition" (which includes abatement) of \$947,000, of which \$163,825 has already been appropriated by the June 2012 Special Town Meeting. Therefore, an additional appropriation of \$783,175 is required to cover

demolition and remediation of the church and rectory. With an additional \$35,728 required to survey / assess the site with respect to wetlands,<sup>40</sup> \$12,224 for legal costs, and \$5,000 for other consultants, the total increase would be \$836,127 but this number is offset by a credit from the Archdiocese of \$83,933 to repay the Town for the property taxes paid on its behalf for over three years, and another credit of \$5,500 to cover the costs of the removal of two buried heating oil storage tanks. The total cost adjustment is therefore \$746,694.

<b>900 Worcester Street Demolition and Abatement Costs</b>	
Abatement	\$318,500
Demolition and disposal	302,900
Backfill Foundation to finish grade	117,500
<b>Subtotal</b>	<b>\$738,900</b>
Contingency (25%)	<b>\$184,725</b>
Preparation of bid plans and specifications	<b>\$23,375</b>
<b>Total cost</b>	<b><u>\$947,000</u></b>

A breakdown of the building demolition costs is summarized in the table above, which includes the 25% contingency recommended by Environmental Partners, the Town's consultant. The church and rectory were inspected on June 7, 2012 and October 29-30, 2013 for the hazardous materials asbestos, lead, and PCBs.<sup>41</sup> Because of limited access to the Property buildings on June 7, 2012, the initial inspection was unable to fully determine the extent of hazardous materials. The church buildings were found to contain significant amounts of asbestos in some of the flooring materials, pipe and hot water tank insulation, ceiling materials, sink undercoating, roof flashing sealants and window caulking. No PCBs were found in the buildings, nor was there any significant presence of lead-based paint.

Advisory notes that the abatement cost of \$318,500 for the 17,600 square foot church and 4,200 square foot rectory is \$14.60 per square foot. This number is remarkably consistent with the recent cost of \$177,000 to abate the approximately 12,000 square foot former Municipal Light Plant (MLP) building at 2 Municipal Way of about \$14.75 per square foot.

Soil and groundwater samples were also collected from the Property, using ground penetrating radar to determine the optimal location of the soil borings and test pits. A crushed drum with oily sludge, wire mesh and brick materials were found, indicating that disposal of urban fill in random locations has historically occurred on the Property. Off-site disposal of some of this fill may be required as part of any demolition or reuse plan, and Environmental Partners advised the Town to carry a contingency for this disposal. Two soil samples contained slightly elevated levels of lead and copper, thought to be isolated detections and requiring no further assessment or remedial activities. The groundwater was sampled for PCBs and volatile organic compounds which were not found on the site; no additional work was recommended with respect to groundwater quality. There was no leakage observed from the underground oil storage tanks.

<sup>40</sup> Wetlands mapping and assessment is necessary in order to file an Abbreviated Notice of Resource Area Delineation (ANRAD) with the Wellesley Wetlands Protection Committee (WPC).

<sup>41</sup> Before disturbing these hazardous materials during renovation or demolition, the EPA National Emissions Standards for Hazardous Air Pollutant regulation and the MA DEP require that they be abated.

Advisory appreciates the chance to review the environmental and inspection reports on the Property to better understand the magnitude of the abatement and demolition costs of the buildings on this site. The majority of Advisory agrees that the additional costs of the acquisition of 900 Worcester Street are reasonable and necessary to complete the purchase. However, Advisory notes that by borrowing under the levy, the acquisition of 900 Worcester is determined only by Town Meeting action and the voters of Wellesley are not part of the decision. Advisory would find a future discussion of the funding mechanisms of large capital projects fruitful, leading to increased transparency in decisions to fund some projects under the levy and subjecting other projects to debt exclusion votes.

**Passage requires a 2/3 vote.**

**Advisory recommends favorable action, 9 to 1.**

**Article 9, Motion 2: Changing the funding structure of the acquisition**

Although the Community Preservation Committee (CPC) did not vote on the rescinding and reimbursement of CPA funds for this project, which is a decision taken by the BOS, they have issued a statement about their views of the proposed funding change:

“The Community Preservation Committee was proud to be a significant part of the proposed purchase of 900 Worcester Street in June of 2012. This kind of land acquisition is a great example of why the Town voted to accept the Community Preservation Act. Like many others in Wellesley, the CPC was excited about the project.

The CPC understands the Board of Selectmen’s decision to move forward with the acquisition of 900 Worcester Street without the use of CPA funds. Maintaining maximum flexibility in the utilization of that parcel of land is certainly in the interest of the Town. The CPC continues to believe that the purchase of 900 Worcester is in the best interest of the Town. We hope Town Meeting will agree.”

Advisory agrees that changing the funding structure will give the Town flexibility in using 900 Worcester Street for municipal purposes, and that removing a permanent conservation restriction on 62.5% of the Property is reasonable and prudent. There is a significant cost to the taxpayer of this change, however, as the CPC’s \$2.6 million share must now be borrowed by the Town. The original tax impact of this purchase (\$1.56 million) has increased to \$4.89 million, or by more than a factor of three. There was a concern that the additional flexibility and ability to build larger buildings on the site was not sufficiently offset by the significant impact of under the levy borrowing on the Town’s budget. Were the CPA funds to remain with the purchase, the CPC share would be 51.1% (rather than 62.5%), so the conservation restriction would have less impact.

However, the majority of Advisory was convinced that purchase of 900 Worcester Street was advantageous to the Town and recognized that negotiations with the Archdiocese had led to compromises which were on balance reasonable. CPA funds might be more fruitfully applied to the North 40 acquisition, should the Town and College reach an agreement. Retaining control of the western gateway to Wellesley, and preserving the ability to pursue long-desired recreational opportunities on the site, were both compelling reasons for the majority to support the acquisition of the Property.

**Passage requires a 2/3 vote.**

**Advisory recommends favorable action, 9 to 1.**