

TOWN OF WELLESLEY



**REPORTS TO THE
ANNUAL TOWN MEETING
MONDAY, MARCH 30, 2009
7:30 P.M.**

WELLESLEY MIDDLE SCHOOL AUDITORIUM

by the

ADVISORY COMMITTEE

**COMMUNITY PRESERVATION COMMITTEE
SENIOR STUDY COMMITTEE
GREEN RIBBON STUDY COMMITTEE
ADVISORY COMMITTEE ON GIFT ACCEPTANCE POLICY
DENTON RD NEIGHBORHOOD CONSERVATION DISTRICT COMMISSION
SCHOOL BUILDING 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
Wellesley Cable TV: Comcast Channel 9 and Verizon Channel 39
For more information and updates, please visit www.wellesleyma.gov.

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TOWN OF WELLESLEY



REPORT OF THE ADVISORY COMMITTEE TO THE 2009 ANNUAL TOWN MEETING

TERM ENDS 2009

Steven Hansen
Morris Kellogg, Chair
David Mooney, Vice Chair
Marijane Tuohy

TERM ENDS 2010

Peter Cory
Paul Criswell
Judith Donnelly, Secretary
Stephen Sykes
Katherine Macdonald
Marc Taylor

TERM ENDS 2011

Rick Hill
Barbara McMahon
Caren Parker
Steven Simons
Jason Whittet

March 4, 2009

To the Citizens of the Town of Wellesley:

Annual Town Meeting convenes on Monday, March 30, 2009 to consider the budget for fiscal year 2010 (FY10) as well as several other appropriations and proposals. This letter presents the Advisory Committee's overall perspective on the key features of the budget and highlights other significant issues described in our accompanying Report. Advisory will post to the Advisory section of the Town website any recommendations made between the time this Report goes to print and the opening of Town Meeting. In addition, a notice will be sent to Town Meeting Members by e-mail.

This year the majority of Articles to be considered at Town Meeting are either related to the budget or are a request for an appropriation. There are no complex zoning-related Articles or substantial bylaw changes and the new High School project has been approved and is proceeding through the permitting process. The most significant proposal is the request for design and permitting funds related to the construction of a Senior Center.

While the actual business before this year's Town Meeting is not unusual, the unparalleled uncertainty in the national economy is. We are faced with challenges and concerns that we have never experienced before. Wellesley is extremely fortunate to be uniquely positioned with the resources, talent and time to prepare for these challenges. In the current fiscal year, FY09, the Town's operations have not been meaningfully impacted by the downturn in the economy, as has occurred in many other towns across the Commonwealth. Likewise, next year's budget does not reflect the level of cutbacks and painful choices that other towns are facing. However, Wellesley needs to continue to prepare for the future and start to plan now for a potentially more difficult FY11, and beyond.

Summary of Sources and Uses of Funds

Fiscal Years Ending June 30

Sources of Funds	FY09 Tax Rate	FY10 Budget	
Tax Revenues and Other Receipts:			
Property Tax Levy	82,382,731	85,742,299	4.1%
Property Taxes for Debt Service excluded from Prop. 2 1/2	5,033,306	6,398,911	27.1%
Property Taxes for OPEB Funding excluded from Prop. 2 1/2	1,800,000	1,800,000	0.0%
State Aid	8,556,840	8,061,281	-5.8%
Local Revenue	<u>10,880,506</u>	<u>10,085,241</u>	-7.3%
	<u>108,653,383</u>	<u>112,087,732</u>	
Available Funds:			
Community Preservation Fund Contribution	2,390,600	1,315,000	
School Construction Aid	621,838	621,838	
Parking Meter Receipts	634,198	546,733	
Appropriation from Free Cash	1,614,889	681,649	
Appropriation from Free Cash for transfer to Stabilization Fund	1,000,000	-	
Tolles Gift for Senior Center Study	25,000	-	
Unencumbered & Transfers from other Funds	<u>155,343</u>	<u>190,000</u>	
Total Sources of Funds	<u>115,095,251</u>	<u>115,442,952</u>	
Uses of Funds			
Departmental Operations:			
Wellesley Public Schools	51,683,013	53,283,503	3.1%
Other Town Departments:			
Public Safety	9,844,112	9,898,632	0.6%
Department of Public Works	6,198,487	6,420,750	3.6%
Facilities Maintenance Department	2,865,921	3,147,820	9.8%
General Government - Board of Selectmen	2,870,265	2,851,417	-0.7%
Wellesley Free Library	2,251,774	2,279,728	1.2%
Other General Government – Clerk, Boards & Committees	1,437,678	1,382,409	-3.8%
Recreation, Health, Natural Resources and Other	1,389,908	1,390,363	0.0%
Article 5 – for Merit Pay Plan (\$150,000 in FY09)	Included Above	120,000	-20.0%
Sub-Total – Other Town Departments	<u>26,858,145</u>	<u>27,491,119</u>	2.4%
Total – All Town Departments	<u>78,541,158</u>	<u>80,774,622</u>	2.8%
Shared Costs - Employee Benefits:			
Health Insurances	13,595,000	13,543,200	-0.4%
OPEB Contribution	3,000,000	3,000,000	0.0%
Pension Plan Contribution	-	866,000	-
Other Employee Costs	<u>943,082</u>	<u>449,978</u>	-52.3%
	<u>17,538,082</u>	<u>17,859,178</u>	1.8%
Capital and Debt Service:			
Cash Capital	2,826,283	2,787,410	-1.4%
Debt Service - within Prop. 2 1/2	4,119,821	3,719,821	-9.7%
Debt Service - excluded from Prop. 2 1/2	<u>5,686,771</u>	<u>7,020,749</u>	23.5%
	<u>12,632,875</u>	<u>13,527,980</u>	7.1%
Special Items:			
Traffic & Parking Management	506,391	488,233	
Community Preservation Fund	2,390,600	1,315,000	
State and County Assessments	1,021,570	1,047,939	
Tolles Gift Appropriation	50,000	-	
Property Tax Abatements	429,575	430,000	
High School Classroom Reconfiguration	985,000	-	
Transfer to Stabilization Fund	<u>1,000,000</u>	<u>-</u>	
Total Uses of Funds	<u>115,095,251</u>	<u>115,442,952</u>	

The FY10 Budget

Town Meeting is not being asked to support an increase in taxes through an operating override to balance the FY10 budget. Although a modest deficit is projected, the Selectmen are proposing to meet this shortfall with an appropriation from Free Cash, which is one element of the Town's financial reserves. The FY10 budget is presented in Article 8, along with Advisory's perspective on the budget and detailed analysis of its major components. Key highlights of the budget include:

- There is no override for the third consecutive year, with approximately \$682,000 to be used from Free Cash to balance the budget. This use of reserves is in line with prior years and leaves the Free Cash balance at a financially appropriate level.
- Town departments were able to make a remarkable mid-course correction in their targeted year-over-year budget increases. At last year's Town Meeting, the Town-Wide Financial Plan (TWFP) projected budget increases for FY10 of 6.8% for Schools and 3.0% for other Town departments. In October, the Advisory guidelines reduced these targets to 3% and 1%, respectively. Increases in the proposed FY10 budget were 3.1% for Schools and 2.4% for all other Town departments. All other Town departments met the 1% guideline, except for an increase in the new Facilities Maintenance Department budget and an increase in the costs of street lighting and RDF sales initiatives. Advisory commends all Town departments for this accomplishment.
- As this Report goes to print, there are nine union contracts settled representing approximately 85% of all union employees town-wide. Four contracts remain open, including the firefighters contract that has been open since FY07. In contrast, at Town Meeting last year, only one contract had been settled. Although the contracts may have been settled with salary increases higher than if they had been negotiated in today's dramatically different economic climate, they all incorporate the Town's principal objective of transitioning employees to the Rate Saver health insurance plan.
- The Governor's preliminary FY10 budget for State Aid and the current forecast for the Town's FY10 Local Revenue are down 6% and 7%, respectively. The State Aid figure may be conservative, because it does not include receipts related to a proposed increase in the State meals tax. The Local Revenue figure is difficult to forecast because it is highly dependent upon the auto excise tax and interest earnings.
- Due to a significant decline in the Town's pension fund assets, the budget includes almost \$1 million for the resumption of pension funding, for the first time since 1997. Pension funding is expected to increase by \$1 million each of the next three years.
- Despite the fact that there has been no growth in "cash capital" for three years, previous concerns from Advisory about inadequate capital spending have begun to be addressed. The budget includes a substantial increase (10%) for the newly created Facilities Maintenance Department - a major step in the right direction towards taking better care of Town buildings. Also, Article 16 proposes establishing a Facilities Maintenance Reserve account for responding to unanticipated infrastructure repairs or replacements.

A balanced budget without an override, together with contract settlements, approval for the new High School project and progress on capital spending are all substantial achievements. Given these difficult economic times and the challenges of operating within the constraints of Proposition 2½, a reasonable question is; "How was this all accomplished?" There were several key elements that made it possible:

No Override

There was early recognition that there would be no appetite for an override, largely due to the anticipated passage of the High School debt exclusion vote, but also increasingly to the

unfolding economic and financial market crisis. This constrained financial picture was instrumental in getting town-wide acceptance of the lowest Advisory budget guidelines since FY06. The budget process focused on what the Town could afford with a fixed budget, rather than on an open-ended amount to be funded with an override.

Benefit Costs

The conversion to the “Rate Saver” health insurance plan in the FY10 budget provided a significant decrease from the FY09 budget, which had assumed no benefit from Rate Saver. The Rate Saver plan reduces the Town’s cost because there is a lower premium (by approximately 15%) due to higher out-of-pocket costs (e.g., copayments). This reduction in premiums kept health insurance costs level from year-to-year and, along with significantly lower workers’ compensation costs, substantially mitigated the impact of the resumption of pension funding. As a result, total benefits expense increased only 2%, compared to an average annual increase of approximately 12% over the last five years. While Rate Saver provided a lower rate of growth in premium costs, this year was a one-time savings. In FY11 health insurance costs will likely resume their upward trend, while pension expense will approximately double from the FY10 cost.

New Growth

The FY10 projection for tax receipts includes \$1.3 million from “new growth,” which is in addition to the annual 2.5% increase allowed by Proposition 2½. New growth has been a substantial and increasing source of additional funding for the Town each year. However, the FY10 budget assumption is more cautious than the \$1.7 million FY09 actual amount.

Special Education Costs

The 3.1% increase in the School budget was achievable, in part, because of lower-than-budgeted spending in FY09 that translates into a reduction in the “base year,” and also because of a projected increase of only \$125,000 in the FY10 special education cost for special tuition and transportation. The cost of this program is difficult to control from year-to-year, and even more difficult to forecast.

Debt Service

Debt service within the levy limit for FY10 has decreased \$400,000 from the prior year, as the “level principal” bond amortization schedules reduce interest obligations. There is no new bonding proposed for FY10 and only minor new debt service projected from projects authorized at prior Town Meetings. This is a welcome development, especially in light of the increasing debt service “outside of the levy limit” (i.e., excluded from the limits of Proposition 2½) that will occur in the next few years for bonds related to financing the new High School.

Appropriations Not in the Budget

The following Articles request appropriations that are not reflected in the proposed FY10 budget: use of the library branches’ lease revenues (Article 15), funding of the Facilities Maintenance Reserve Account (Article 16), and the Senior Center project (Article 20). If approved by Town Meeting, each of these Articles would require funding from Free Cash. Additionally, the budget does not include funding for possible FY10 salary increases in the unsettled contracts (which, if settled, also would be funded from Free Cash).

Unfinished Business

Advisory has fulfilled its principal responsibility of providing to Town Meeting our recommendation on the budget in Article 8. However, as our Report goes to print, there are a handful of articles that Advisory has yet to make a recommendation on. Two of these Articles in particular, have generated considerable effort and debate within Advisory.

Pay Schedules and Contract Settlements – Article 5

In the recent past, the approval of pay schedules has been neither difficult nor time consuming for Town Meeting or Advisory. However, this year one of the most challenging issues has been addressing salary increases for the non-union employees in the non-School departments. A

more thorough discussion of these issues is presented under Article 5. As this Report goes to print, the Human Resources Board is working on a recommendation to Advisory. Therefore, Advisory will make its recommendation at Town Meeting. The crux of the issue is the appropriate balance between equity in salary increases for the Town's non-union employees compared to those for union employees in settled union contracts and the fact that the economic environment has deteriorated further since most of the contracts were negotiated. While this is not a major sum of money in the context of the FY10 budget (less than 0.1%), it is an issue that deserves thoughtful consideration in light of the dramatic change in the economy and the potential need for even greater fiscal discipline in FY11.

Senior Center – Article 20

Last year the Town Meeting appropriated \$50,000 to the Board of Selectmen for a study to assess the need and possible town-owned sites for a Senior Center. The American Legion site on Washington Street has been proposed as a suitable location. The Selectmen are requesting funds for detailed designs to complete all necessary permitting and to obtain construction bids in order to return to a future Town Meeting to seek approval and funding of the project. As this Report goes to print, the budget for the initial funding is being reviewed by the Permanent Building Committee. The executive summary of the *“Report of the Senior Study Committee for the 2009 Annual Town Meeting”* may be found beginning on page 80 of this Report.

Looking Forward - FY11 and Beyond

The Town-Wide Financial Plan (TWFP) (see page 97 of this Report) is the Town's primary planning tool for looking beyond next year's budget. It initiates the discussion and gives preliminary guidance for the budget following that being considered at Town Meeting, in this case FY11. This year, the approach has been changed from the TWFP presented to Town Meeting each year since 2005. In prior years, the TWFP was a “projection” model – that highlighted the Town's “structural deficit” budget dilemma. The TWFP was prepared based on assumptions about revenues, departmental budget increases and forecasted increases for shared costs (principally health insurance), thereby projecting the resulting deficit. Over the five years, the projected deficits for the following years ranged from \$1.0 to \$3.5 million. The “take-away” message was that to get from the projected deficit to a balanced budget, either an override, increased revenues, lower departmental spending increases, or some combination of all three, would be required. This year, by building “up” the TWFP from the bottom-line assumption of no override, the TWFP has changed from a “projection” model to a “planning” model. Given this approach, and with the assumptions used, the TWFP shows that departmental budget increases for FY11 would need to be 2% for Schools and 0% for Other Town Departments in order to balance the budget without an override. In considering these implications from the TWFP, Advisory offers several observations and comments on looking to FY11 and beyond.

The Town's FY10 budget has not yet been substantially impacted by the current national economic downturn; departmental budgets have not suffered dramatic cutbacks and we have not yet seen major changes in how the Town operates or the level of services it provides. However, the FY11 departmental budget increase assumptions in the TWFP of 2% and 0% will be very difficult to achieve. The possibility of declining State Aid and Local Revenue, the constraints imposed by Proposition 2½ on property tax revenues, and the likelihood of increasing health insurance and pension costs, together could cause a return to the “structural deficit” dilemma we have faced before. However, this time the solution will not likely be found in an override, because of taxpayer resistance in a difficult economic environment.

In addition, we should not lose sight of the fact that while the High School project was approved as a debt exclusion last year, the final cost of construction and financing will not be determined for several years. Hopefully, the current economic decline will mean lower pricing for construction contracts and lower interest rates on the bonds. Also, another significant variable

in looking forward that could significantly impact future budgets is the expiration of most union contracts at the end of FY11, which will open up for consideration costs and service levels.

Other Articles for Consideration at Town Meeting

In addition to the FY10 budget, Town Meeting is being asked to consider several other issues. While some articles are of a “housekeeping” nature or are procedural items that are part of the annual process, the following four articles will require more significant consideration at Town Meeting:

Article 15 – Library Branch Lease

In 2007, the two branch libraries began leasing a portion of their space to the Wellesley Community Children’s Center and the Town has been collecting the rental payments. Under this Article, the Library Trustees request that these rental payments be specifically designated for capital repairs and maintenance of the branches.

Article 16 - Facilities Maintenance Reserve Account

This Article would establish and initially fund with \$200,000 an account under the control of the new Facilities Maintenance Department for unanticipated capital needs and emergency repairs. The funds would be expended from the account as needed and replenished by an annual request to Town Meeting.

Article 19 - Community Preservation Committee

This year the Community Preservation Committee has approved five projects for a total funding request of \$1,315,000, from the Community Preservation Act fund. However, this funding does not affect the FY10 budget as the request is appropriated from a fund which comes from a dedicated real estate tax surcharge.

Article 31 - Green Ribbon Study Committee

The Green Ribbon Study Committee will request the adoption of a Sustainable Energy Plan to reduce Town-wide energy use and related emissions by ten percent by 2013.

The Advisory Committee joins me in recognizing and thanking the dedicated Town employees, elected and appointed officials and concerned citizens who devote so much time, energy and expertise to the Town. I also want to thank my colleagues on the Advisory Committee. The entire Town appreciates their commitment of time, together with their contributions through sound judgment and respectful dialogue. It is a dedicated and extraordinary group that I have been privileged to work with.

Town Meeting is an opportunity to examine important issues, enter into dialogue and vote as a community to best serve our Town and its citizens. We hope that we are providing Town Meeting the information needed to understand the issues facing Wellesley and the solutions being offered.

Sincerely,

Rusty Kellogg, 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, the Report of the Community Preservation 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 2010 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 FY10.

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 FY10 budget is at the same level it has been for the past seven years. The MLP Board has approved this payment to the Town for FY10. Passage of this Article will allow the MLP payment to be incorporated into the tax rate.

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

Advisory recommends favorable action, 11 to 0.

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.

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*, an Appendix to this Advisory Report. This year, seven job titles have been added to the job classifications. Three of the seven are positions created as a result of a comprehensive review of positions in the Library. One position represents the consolidation of several specialized librarian positions into a generic title. See below under "Deletions" for a list of specialized positions that have been eliminated. Two others result from separating one position into different positions based on the jobs' contents. The Director of Facilities and Grounds previously was a position within the School budget, but now has been classified in the Town's system.

The pay for these positions is described in Article 5, Motion 2. For Series 50 positions, the salary depends on the individual's position in the salary range. For library and Series 40 positions, wages are determined by the job group and step. Because these actions were taken during FY09, the incremental costs, if any, were covered by funds already in the FY09 budget and are already included in the proposed FY10 budget in Article 8.

New Classifications

<u>Classification</u>	<u>Department</u>	<u>Job Group</u>
Reference Librarian	LIB	L-14
Library Assistant	LIB	L-3
Circulation Assistant	LIB	L-3
Director of Facilities and Grounds	FAC	64
Customer Service Specialist	COA	44
Safety Coordinator	DPW	53
Senior Deputy Director	SEL	60

Reclassifications: These are existing positions for which the 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 five reclassifications, four of which resulted in an increase in Job Group with no change to job title, and one which resulted in a decrease in Job Group. These job reclassifications took place during FY09 and the incremental costs were covered by funds in the FY09 budget and are already included in the proposed FY10 budget in Article 8.

Reclassifications

<u>Classification</u>	<u>Department</u>	<u>From Job Group to Job Group</u>
Planner	PLN	54 to 53
Seniors Activities Coordinator	COA	43 to 44
Projects Administrator	PBC	53 to 54
DPW Director	DPW	65 to 66
Planning Director	PLN	59 to 60

Title Changes: These changes to job titles more accurately reflect the nature of the position, although the job's classification has not changed. Most are the result of the comprehensive library position review project noted above. There is no budget impact from this change.

Title Changes

<u>From Title</u>	<u>To Title</u>	<u>Department</u>	<u>Job Group</u>
Library Assistant II	Preservation Assistant	LIB	L-3
Acquisitions Assistant	Acquisitions Specialist	LIB	L-6
Assistant Cataloger	Cataloging Assistant	LIB	L-6
Building Maintenance Person	Custodian	LIB	C-4
Customer Service Specialist	Program and Office Assistant	COA	44

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

Deletions

<u>Title</u>	<u>Department</u>	<u>Job Group</u>
Library Assistant I	LIB	L-2
Library Assistant III	LIB	L-3
Reference Librarian – Adult Services	LIB	L-14
Reference Librarian – Children’s Services	LIB	L-14
Reference Librarian – Young Adults Services	LIB	L-14
Reference Librarian – Audio-Visual Services	LIB	L-14
Reference Librarian – Periodical Services	LIB	L-14
Secretary	DFS	47

This motion seeks Town Meeting approval for actions taken during FY09 to adjust the classification of positions as required to meet the personnel needs of the Town and/or as required by the Town Bylaws. Departments and boards are able to seek reclassification or add new positions within their budgetary constraints.

Advisory recommends favorable action, 14 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 and wage schedules agreed to as part of union contract negotiations, and for the Series 40 and Series 50 employees.

Motion 1

Motion 1 will amend Schedule B to include the wage schedules for employees under union contracts that have been settled. As this Report goes to print, the Town has settled agreements with the Wellesley Free Library Association for the period July 1, 2009 through June 30, 2011 and with the DPW/MLP Supervisory Unit for the same time period. Details of these settlements are not available as the ratification process has not yet been completed at the time this Report is going to print. The motion will include requests for the appropriation of funds for the FY09

costs of these contracts. The costs for FY10 are included in the respective department's budget request under Article 8.

Negotiations are on-going with the MLP Production unit, the DPW/MLP Clerical unit and the Firefighters, all of which have expired contracts; and, negotiations are about to begin with the Police Dispatchers, whose contract expires June 30, 2009. If settlements are reached with any of these groups by Annual Town Meeting, they also will be included in this motion or as a separate motion under this Article.

Advisory will make its recommendation on Motion 1 at Town Meeting.

Motion 2

Motion 2 will amend Schedule B to adjust the Series 40 salary schedule to grant a 3.0% pay rate increase for the entire group of employees. These positions are non-union, non-management staff and are eligible for overtime. Refer to the Appendix *Introduction to Human Resources Articles*, contained in this Report, for information about the pay plan for Series 40 employees.

This group of employees' compensation has been below similar jobs relative to comparable cities and towns for multiple years and efforts have been made in prior years to bring their pay schedule closer to these comparable towns. The Human Resources Board has determined that a 3.0% increase is appropriate this year. Factors leading to that determination include the continuing problem of achieving a market-rate schedule, the desire to maintain equity with union employees, who have negotiated increases for FY10, and the fact that these non-union employees were required to participate in the "Rate Saver" health insurance plans effective January 1, 2009.

SCHEDULE B--SERIES 40 HOURLY PAY RATES
Rates effective as of July 1, 2009
Hourly rates – reflect 3% increase over FY09

Job Group	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
49	20.46	21.37	22.34	23.35	24.40	25.49
48	19.65	20.53	21.45	22.41	23.42	24.47
47	18.84	19.69	20.58	21.51	22.47	23.47
46	18.06	18.87	19.72	20.61	21.54	22.51
45	17.22	17.99	18.80	19.65	20.53	21.45
44	16.41	17.16	17.93	18.74	19.57	20.46
43	15.60	16.30	17.04	17.80	18.60	19.44
42	14.78	15.45	16.15	16.88	17.64	18.44
41	14.12	14.76	15.43	16.12	16.84	17.59

Fire Department
Weekly rates – reflect 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	938.27	985.18	1,034.43	1,086.42	1,140.77	1,197.79

Most 40-series employees are currently at step 6 and will not receive a step increase. Advisory believes the 3% increase for the Series 40 recommended in this motion is appropriate for three reasons: 1) the group's pay lags relative to comparable towns, 2) the Rate Saver plan was imposed on this group with no accommodations for pay to absorb additional out-of-pocket costs, and 3) the increase is fair and consistent with other similar groups in town.

Advisory recommends favorable action on Motion 2, 13 to 0.

No Motion to adjust Series 50 salary ranges

Customarily, the Human Resources Board recommends that the midpoint of the salary ranges for Job Groups 50 and above be adjusted by a percentage that will maintain the salary structure in a competitive position with respect to the market. Given current economic conditions, it is the judgment of the Human Resources Board that no range adjustment will be needed for FY10.

Motion 3

Motion 3 will request funding for 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.

In FY08 and FY09, the Merit Pay Plan was funded at \$150,000 for the Series 50 employees. The amount requested to fund the Merit Pay Plan in FY09 was 3.7% of the Series 50 eligible salaries. The Human Resources Board initially proposed a recommendation for the FY10 Merit Pay Plan of \$120,000, approximately 2.5% of salaries; however after a close but unfavorable vote by Advisory, the Board withdrew its recommendation. As this Report goes to print, the Human Resources Board has not yet made another recommendation to Advisory; however, the Board expects to soon, and Advisory will vote its recommendation at that time.

Despite the fact that several contracts have been settled above 3%, in large part due to the acceptance of the Rate Saver health insurance plan in the negotiations, Advisory is concerned that the Town is not positioning itself for the economic challenges it may face in FY10 and beyond. While some members of Advisory point out the Town's excellent financial position currently, other members are concerned about the uncertain economy and the need for prudence.

Advisory will make its recommendation on Motion 3 at Town Meeting.

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)

Advisory expects no motion under this Article.

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 2008 Annual Town Meeting; or take any other action relative thereto.

(Board of Selectmen)

This article requests a supplemental FY09 appropriation to the Board of Public Works for winter maintenance.

The Board of Public Works (BPW) is requesting a supplemental appropriation of \$600,000 for winter maintenance. The winter maintenance budget includes the cost of equipment maintenance, sand and salt and 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 FY09 budget of \$348,703 is well below the average actual cost for FY05-FY08 of \$655,033 (after adjustment for a FEMA reimbursement in FY05). Budgeting below the average cost of winter maintenance has been the Town's usual practice. Any unspent funds at the end of five years will be returned to the Town's General Fund.

Advisory recommends favorable action, 11 to 0.

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)

ARTICLE 8, MOTION 1

	Personal Services	Expenses	Total Operations
<u>GENERAL GOVERNMENT – BOARD OF SELECTMEN</u>			
<i>Board of Selectmen - Administration</i>			
Executive Director's Office	355,756	29,500	385,256
Finance Services	336,946	8,900	345,846
Network & Information Systems	427,842	201,223	629,065
Treasurer & Collector	238,583	125,375	363,958
Parking Fines Processing	44,989	60,200	105,189
Central Administrative Services	0	18,595	18,595
Town Report	0	4,000	4,000
Human Relations Committee	0	200	200
<i>Board of Selectmen - Human Services</i>			
Council on Aging	146,885	65,575	212,460
Veterans' Services	53,878	18,808	72,686
Fair Housing Committee	0	400	400
Youth Commission	60,661	21,848	82,509
<i>Board of Selectmen - Other Services</i>			
Zoning Board of Appeals	45,225	8,465	53,690
Housing Development Corporation	0	3,500	3,500
Metro-West Planning	0	4,418	4,418
Historical Commission	0	525	525
Historical District Commission	0	250	250
Memorial Day	0	2,500	2,500
Celebrations Committee	0	4,700	4,700
<i>Board of Selectmen - Shared Services</i>			
Law	0	269,670	269,670
Risk Management	0	292,000	292,000
GENERAL GOVERNMENT TOTAL	1,710,765	1,140,652	2,851,417
<u>OTHER GENERAL GOVERNMENT</u>			
Facilities Maintenance and Grounds	2,555,575	592,245	3,147,820
Town Clerk / Election & Registration	217,860	40,400	258,260
Board of Assessors	232,427	79,300	311,727
Planning Board	209,052	36,649	245,701
Audit Committee	0	56,250	56,250
Permanent Building Committee	9,243	7,500	16,743
Human Resources Board	254,808	21,220	276,028
Advisory Committee	8,400	28,300	36,700
Advisory Committee - Reserve Fund	0	175,000	175,000
Green Ribbon Committee	0	6,000	6,000
OTHER GENERAL GOVERNMENT TOTAL	3,487,365	1,042,864	4,530,229

	Personal Services	Expenses	Total Operations
<u>PUBLIC SAFETY - BOARD OF SELECTMEN</u>			
Police Department	4,392,874	708,282	5,101,156
Injured on Duty Insurance	0	30,000	30,000
Special School Police	95,724	2,745	98,469
Fire Department	3,809,731	323,879	4,133,610
Building Department	364,611	25,655	390,266
Emergency Medical Services	0	126,890	126,890
Sealer of Weights & Measures	14,741	3,500	18,241
PUBLIC SAFETY TOTAL - BOARD OF SELECTMEN	8,677,681	1,220,951	9,898,632
<u>PUBLIC WORKS</u>			
Engineering	465,673	76,875	542,548
Highway	919,849	440,772	1,360,621
Fleet Maintenance	123,393	56,462	179,855
Park	975,497	267,537	1,243,034
Recycling & Disposal	827,321	1,228,468	2,055,789
Management	321,375	40,825	362,200
Street Lighting	0	328,000	328,000
Winter Maintenance	0	348,703	348,703
PUBLIC WORKS TOTAL	3,633,108	2,787,642	6,420,750
<u>WELLESLEY FREE LIBRARY</u>			
Library Trustees	1,496,629	562,746	2,059,375
Regional Services (Non-Tax Impact)	144,786	75,567	220,353
LIBRARY TOTAL	1,641,415	638,313	2,279,728
<u>RECREATION</u>			
Recreation Commission	263,399	61,166	324,565
RECREATION TOTAL	263,399	61,166	324,565
<u>HEALTH</u>			
Board of Health	321,612	87,742	409,354
Mental Health Services	0	208,316	208,316
HEALTH TOTAL	321,612	296,058	617,670
<u>NATURAL RESOURCES</u>			
Natural Resources Commission	172,827	20,140	192,967
Morses Pond Project - Interdepartmental (NRC, BPW, Recreation)	0	160,370	160,370
NATURAL RESOURCES TOTAL	172,827	180,510	353,337
<u>MLP - TAX IMPACT</u>			
Fire & Traffic Signal Systems	67,957	26,834	94,791
MLP - TAX IMPACT TOTAL	67,957	26,834	94,791

	Personal Services	Expenses	Total Operations
<u>WELLESLEY PUBLIC SCHOOLS</u>			
Instruction	39,738,409	1,568,692	41,307,101
Administration	854,303	178,800	1,033,103
Operations	569,168	1,977,380	2,546,548
Community Service	0	0	0
Special Tuition/Transportation/Inclusion	3,736,434	4,660,317	8,396,751
SCHOOL TOTAL	44,898,314	8,385,189	53,283,503
<u>EMPLOYEE BENEFITS</u>			
Board of Selectmen - Group Insurance	0	13,543,200	13,543,200
Board of Selectmen - Other Post Employment Benefits Liability Fund	0	3,000,000	3,000,000
Board of Selectmen - Retirement Contribution	0	866,000	866,000
Board of Selectmen - Workers' Compensation	0	225,438	225,438
Board of Selectmen - Unemployment Compensation	0	100,000	100,000
Board of Selectmen - Compensated Absences	0	90,000	90,000
Contributory Retirement Board - Non-Contributory Pensions	0	34,540	34,540
EMPLOYEE BENEFITS TOTAL	0	17,859,178	17,859,178
<u>CAPITAL & DEBT</u>			
<i>Departmental Cash Capital</i>			
Board of Public Works - Capital	0	1,358,500	1,358,500
School Committee - Capital	0	687,876	687,876
Board of Selectmen - Capital	0	182,234	182,234
Facilities Maintenance	0	422,300	422,300
Library Trustees - Capital	0	36,500	36,500
Natural Resources Commission - Capital	0	50,000	50,000
Planning Board - Capital	0	0	0
Town Clerk - Capital	0	0	0
Morses Pond - Capital	0	50,000	50,000
CASH CAPITAL TOTAL	0	2,787,410	2,787,410
<i>Debt Service</i>			
Current Inside Levy Debt Service - Issued	0	3,563,418	3,563,418
Current Outside Levy Debt Service - Issued	0	5,381,489	5,381,489
New Debt Service - Inside Levy	0	156,403	156,403
New Debt Service - Outside Levy	0	1,639,260	1,639,260
DEBT SERVICE TOTAL	0	10,740,570	10,740,570
<u>RECEIPTS RESERVED FOR APPROPRIATION</u>			
Traffic & Parking Operations	160,633	271,100	431,733
Traffic & Parking Maintenance Capital	0	56,500	56,500
RECEIPTS RESERVED TOTAL	160,633	327,600	488,233
TOTAL APPROPRIATIONS - ARTICLE 8, MOTION 1			112,530,013

OVERVIEW OF BUDGET

The total FY10 budget request for operations, cash capital and debt service within the levy limit, including proposed salary changes in Article 5, is \$2,115,000, or 2.0%, over the FY09 request. The components of this increase are:

	Change from FY09 to FY10	
Departmental Budgets - Personal Services & Expenses	\$2,233,000	+2.8%
Employee Benefits	321,000	+1.8%
Cash Capital	(39,000)	-1.4%
Debt Service within Prop 2 ½ Levy Limit	<u>(400,000)</u>	-9.7%
	\$2,115,000	2.0%

Despite only modest growth in both departmental budgets and employee benefits, as well as a decrease in Cash Capital and Debt Service within the Prop 2½ levy limit, the FY10 budget projects a deficit of \$682,000. Although property taxes subject to Prop. 2½ are projected to increase by \$3,360,000, State Aid and Local Revenue are projected to decline by \$1,291,000, or 6.6%, significantly impacting the budget. Despite the projected deficit, Annual Town Meeting (ATM) is not being asked to support an increase in taxes through an operating override. The Board of Selectmen proposes to fund the shortfall with an appropriation from Free Cash reserves. This use of reserves is supported by Advisory given the substantial growth in Free Cash over the last several years and projections of healthy reserve balances, even after this and other proposed uses of reserves in the FY09 and FY10 budgets.

THE BUDGET PROCESS

The annual budget process started with the presentation of the Town-Wide Financial Plan (TWFP) to the ATM last spring. In October, the Advisory Committee recommended specific budget guidelines based upon an update of the assumptions used in the TWFP. Advisory recognized that development of the FY10 budget was occurring in a context of unprecedented economic turmoil. In the face of this uncertainty, Advisory issued guidelines based on substantially more conservative assumptions than those included in the TWFP. While the settlement of several significant union contracts (e.g., teachers, police) in the fall and the successful shift to the Rate Saver health insurance plan for most employees helped resolve some of the uncertainties in preparing the FY10 budget, the downturn in the economy raised new and larger concerns. Advisory assumed that State Aid and Local Revenue would remain flat in FY10 and that the voters would not approve an operating override.

The table below compares the FY10 assumptions used in the March 2008 TWFP, the budget guidelines issued by the Advisory Committee in October 2008 and the proposed budget as of March 2009:

	Town-Wide Financial Plan March 2008	Advisory Guidelines October 2008	Proposed Budget March 2009
Budgeting Assumptions:			
Tax increase (within levy limits)	3.9%	3.9%	4.1%
State Aid (Cherry Sheet) growth	2.0%	0%	-5.8%
Local Revenue growth	2.0%	0%	-7.3%
Employee Benefits increase	7.4%	7.4%	1.8%
Cash Capital expenditures	Level	Level	-1.4%
School Department increase	6.8%	3.0%	3.1%
Other Town Departments increase	3.0%	1.0%	2.4%
Total Budget	\$2.8 Million Deficit	Balanced Budget	\$0.6 Million Deficit

After Advisory's guidelines were issued, economic conditions continued to deteriorate, and projections for State Aid and Local Revenue were further reduced from those used in October. Due to an approximately 33% decline in the value of the Town's pension fund assets in calendar year 2008, the Retirement Board recommended that the Town resume funding (for the first time since 1997) of the pension plan liability in the amount of \$866,000 from the tax-impact budget. Fortunately, the substantial savings realized by converting to the Rate Saver health insurance plan and a decrease in workers' compensation funding helped mitigate the impact of the pension contribution, resulting in a modest 1.8% increase in total benefit costs for FY10.

Although the initial Cash Capital requests were substantially above level funding, ultimately they were reduced to just under the FY09 budgeted amounts. Advisory repeatedly has pointed out that it is undesirable to level fund cash capital budgets and that the Town needs to spend more money on facilities maintenance. Fortunately, substantial progress has been made on addressing the issue this year with the creation of the consolidated Facilities Maintenance Department. Additionally, funding of the request to create a Facilities Maintenance Reserve under Article 16 will enable the department to respond to unexpected maintenance needs in a timely manner and to increase facilities maintenance, in general, across the town.

The School Committee initially approved an FY10 budget request with a 4.7% increase over FY09. However, due to assumptions regarding special education "circuit breaker" funding being better in the Governor's proposed budget than initially expected, as well as to several other savings, the Schools' revised budget is a 3.1% increase, exceeding the Advisory guideline of 3.0% by \$50,000. While Other Town Departments prepared FY10 budgets that together totaled a 2.4% increase over FY09, all but two departments were at or below the 1% guideline. The approximately \$360,000 above the collective 1% guideline was due to an approximately \$130,000 increase in the DPW budget for the shared cost of town-wide street lighting caused by higher electric rates, an approximately \$30,000 increase in the cost of RDF business opportunities, and a \$250,000 increase in personal services for the Facilities Maintenance Department. The Library tax-impact budget was at the 1% guideline; however separately funded regional expenses caused the total Library budget to slightly exceed the guideline.

Departmental Operating Budgets	FY09 Appropriated Budget	FY10 Proposed Budget	% Change
Wellesley Public Schools	51,683,000	53,284,000	3.1%
Public Safety – Police & Fire	9,844,000	9,899,000	0.6%
Department of Public Works	6,198,000	6,421,000	3.6%
Facilities Maintenance Department	2,866,000	3,148,000	9.8%
General Government – Selectmen	2,870,000	2,851,000	-0.7%
Wellesley Free Library	2,252,000	2,280,000	1.2%
Clerk, Assessors, Planning, NRC, HR, Advisory	1,438,000	1,382,000	-3.8%
Recreation, Health, Natural Resources, other	1,389,000	1,390,000	0.4%
Article 5 - for Merit Pay Plan (\$150,000 in FY09)	Included Above	120,000	-20.0%
Sub Total – All Other Departments	26,858,000	27,491,000	2.4%
Total Departmental Operating Budgets	78,541,000	80,775,000	2.8%

- Certain Boards, including DPW and Library, have some expenses that are either non-tax impact or are directly offset by revenue.

Over the last several weeks, the projected deficit has been finalized based on further refinement of the revenue and cost projections and contract settlements with the Library Association and DPW/MLP Supervisory Unit. The FY10 budget does not include any funding for a new contract with the public safety dispatchers, which expires at the end of FY09, or for an agreement with the firefighters, whose current contract expired at the end of FY07. When these agreements are settled, an appropriation to fund FY10 and any prior years will come from Free Cash.

CONCLUSION AND RECOMMENDATION

Approximately \$682,000 of funding from Free Cash is needed to achieve a balanced operating budget for FY10. This deficit is 0.6% of the total budget. Although Advisory recognizes that there is a risk that State Aid or Local Revenue could be even less than is assumed in the budget, which would require use of additional reserves, it believes that the budget incorporates the best information available at this time. Advisory also recognizes that an additional appropriation from Free Cash may be necessary to fund salary increases when contracts are settled. The Town has sufficient reserves to fund all these needs.

While in the past, Advisory has had concerns that the Town was using debt financing for items that might more appropriately be funded as cash capital, this year there is no new borrowing authorized within the levy limit of Prop. 21/2, and the debt service within the levy is projected to decline \$400,000, or -10%, from FY09 to FY10. However, debt service outside of the levy limit ("excluded debt") is projected to increase \$1,334,000, or 23%, in FY10 due in large measure to the bonding of the next phase of the elementary schools infrastructure project and the beginning of the bonding for the new High School construction project. The substantial increase in debt service on excluded debt does not directly impact the deficit because it is funded principally from taxes specifically approved for this purpose by prior debt exclusion votes.

Town departments are to be congratulated on having done the difficult job of trying to meet the Advisory budget guidelines, especially in light of the very short time frame to make the required changes. As recently as October 2008, the recommended year-to-year increase in the budget guidelines was cut by more than 50 percent. If all departments were at the guideline, it would have reduced the projected \$682,000 deficit by approximately \$300,000. Advisory fully supports the proposed budget for departmental operations, employee benefits, cash capital and debt service.

Advisory recommends favorable action, 14 to 0.

GENERAL GOVERNMENT

General Government includes those Departments and Boards under the supervision of the Board of Selectmen.

	FY08 Actual	FY09 Approp.	FY10 Request	FY09-10 Change
Administration				
Executive Director's Office	679,979	364,616	385,256	5.7%
Financial Services	Incl. above	342,422	345,846	1.0%
Network and Information Systems	619,167	638,432	629,065	-1.5%
Treasurer & Collector	349,167	361,611	363,958	0.6%
Parking Fines Processing	95,958	105,189	105,189	0.0%
Central Administrative Services, and other	23,884	23,795	22,795	-4.2%
Human Services				
Council on Aging	166,721	213,221	212,460	-0.4%
Veterans' Services	56,014	60,988	72,686	19.2%
Youth Commission	79,159	82,509	82,509	0.0%
Other Services & Committees				
Zoning Board of Appeals	45,263	53,689	53,690	0.0%
Other Committees, Commissions, Services	12,513	16,293	16,293	0.0%
Shared Services				
Law	221,483	267,000	269,670	1.0%
Risk Management	211,832	339,000	292,000	-22.7%
General Government – Board of Selectmen	2,561,140	2,870,265	2,851,417	-0.7%

Executive Director's Office

This budget funds the work of the Office of the Executive Director of General Government Services. The Executive Director serves as the senior executive for the Board of Selectmen. The Board of Selectmen has authority to appoint department heads to various Town offices, to issue permits and licenses and to administer and coordinate many Town-wide matters. The Executive Director shares a joint management role with an appointee of the School Superintendent for Town-wide facilities maintenance.

The increase in the FY10 Executive Director's budget results from the addition of a second deputy director to the staff in mid-FY09, which is partially offset in FY10 by the elimination of a temporary position. Approximately half of the deputy directors' salaries are charged out to either the non-impact Traffic and Parking Fund or the Facilities Maintenance Department, reflecting the deputy directors' significant time involvement in these areas.

Financial Services

Financial Services administers the town-wide financial reporting and general ledger system, accounts payable, payroll and the annual budget. Financial Services also issues financial statements, completes various State and Federal reporting requirements and manages the Town's integrated financial software package (MUNIS). This department was reorganized as a separate department from the Executive Director's Office in FY06, and the budget was separated out starting in FY09.

Network and Information Systems

The Network and Information Systems (NIS) Department provides network and computer support to all Town departments. It processes all billings and payrolls throughout the year and maintains all data backups. The Town's network consists of nineteen servers connected via Town owned fiber optic cable to 23 buildings. The NIS department supports various computer applications including the Town's Integrated Financial Package (MUNIS), and Geographic Information Systems (GIS). In addition, the NIS staff supports all personnel computers hardware and software needs including printers and peripherals.

The minor reduction in the FY10 budget is the result of staff turnover. 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 of approximately \$157,000 for Personal Services and \$87,000 for Expenses.

Treasurer and Collector

The office of the Treasurer and Collector is responsible for town-wide cash management activities, including for the employee group benefit programs (except retirement). The office also is responsible for debt management and for assisting in the administration of other Town-wide functions, such as the self-insured Workers' Compensation Program.

Parking Fines Processing

The Parking Clerk administers and processes citations to motorists and conducts hearings for appeals from motorists who challenge the validity of a ticket. Receipts from parking fines are deposited in the Town's General Fund.

Central Administrative Services and Other

This budget includes the cost for maintaining copiers and providing the telephone system at Town Hall, as well as for the production of the Annual Town Report.

Council on Aging

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 decrease in the FY10 budget is the result of staff turnover. Approximately half of the expense portion of the budget (\$30,000) is the Town's subsidy for the busing transportation program. Other sources—including a State grant, donations and fares—provide the remainder of the approximately \$100,000 cost of that program.

Veterans' Services

The Veterans' Services Department provides financial assistance to veterans and their dependents who meet the eligibility requirements of Federal and State programs. The FY10 budget represents an increase of approximately \$12,000 over FY09 for ordinary benefits. This is an estimated amount based on expectations and early indications of the impact of the current economy on this group of recipients. However, 75% of this cost is reimbursed by the State and is returned to the Town's General Fund.

Youth Commission

Wellesley's Youth Commission provides services and programs to support a broad spectrum of the Town's middle school and high school age youth.

Zoning Board of Appeals

The Zoning Board of Appeals (ZBA) hears and decides appeals and 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 ZBA provides the public with information and responses to zoning questions and with assistance in the petitioning process.

Other Committees, Commissions and Services

This is the combined expense to support the Fair Housing Committee, Wellesley Housing Development Corporation, MetroWest Regional Planning, Historical Commission, Historical District Commission, Memorial Day Observances, and Celebrations Committee.

Law

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.

Risk Management

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 for retired disabled police and fire personnel also are funded within this budget. The decrease of \$47,000 in the FY10 budget is due to an error in last year's budget request, which did not reflect reimbursement of \$55,000 from the Enterprise Fund.

OTHER GENERAL GOVERNMENT

Other General Government includes those boards, committees or officials that are either elected, have shared reporting to the Selectmen and another board or committee, or are appointed by the Town Moderator.

	FY08 Actual	FY09 Approp.	FY10 Request	FY09-10 Change
Facilities Maintenance and Grounds	New Dept.	2,865,921	3,147,820	9.8%
Town Clerk	239,897	300,020	258,260	-13.9%
Board of Assessors	281,545	316,473	311,727	-1.5%
Planning Board	172,713	248,283	245,701	-1.0%
Audit Committee	56,800	56,250	56,250	0.0%
Permanent Building Committee	7,900	15,219	16,743	10.0%
Human Resources Board	245,668	274,731	276,028	0.5%
Advisory Committee	32,913	50,202	36,700	-26.9%
Advisory Committee – Reserve Fund	175,000	175,000	175,000	0.0%
Green Ribbon Committee	-	1,500	6,000	300%
Sub Total	1,212,436	1,437,678	1,382,409	- 3.8%
Other General Government	1,212,436	4,303,599	4,530,229	5.2%

Facilities Maintenance and Grounds

The Facilities Maintenance and Grounds Department is responsible for the maintenance and upkeep of all Town buildings, except buildings managed by the Department of Public Works and the Municipal Light Plant. These buildings include: Town Hall, Police Station, both Fire Stations, main Library and two branches, Recreation/Health (Warren) Building, High School, Middle School and the seven elementary schools – approximately 800,000 square feet of school buildings and 300,000 of other town buildings. Facilities Maintenance is a new department created in FY09 to consolidate the building and grounds maintenance functions into one department under the management of a Director of Facilities Maintenance and the joint direction of the Board of Selectmen and the School Committee. This budget includes the personal services of 3.5 FTE administrative personnel and approximately 48 FTE custodial and maintenance personnel. Expenses include building and custodial supplies and materials and service contracts and excludes utilities expense, except for Town Hall.

The FY10 budget is the first budget that was prepared by this department as a stand-alone function; the FY09 budget was developed by consolidating facilities maintenance expenses included in several departmental budgets. The FY10 budget request is approximately \$282,000, or 9.8%, over the budget for FY09, primarily due to the substantial increase in personal services of \$272,000. This increase in personal services reflects an increase of approximately \$60,000 in administration, including the allocation of approximately half of a new deputy director's salary to the Facilities Maintenance Department. Also, as part of the effort to be able to bring some maintenance and repair work "in-house," a full-time electrician and full-time carpenter, along with two seasonal painters, were added to the department's staffing for approximately \$112,000. Lastly, cost increases for the approximately 45 FTE custodial and maintenance staff are approximately \$100,000.

Town Clerk

The Town Clerk's office conducts all Federal, State and local elections in Town and maintains an accurate voting list. The office maintains vital records (e.g., births, deaths, marriages), the Town's Bylaws and other Town records required under the laws of the Commonwealth, 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 all temporary workers varies from year to year depending on the number of regularly scheduled elections. The FY10 budget decrease is largely the result of a favorable election cycle with only one scheduled Town vote in March versus three during FY09. The budget does not include funds for unscheduled elections, such as for overrides or debt exclusions that are normally funded by a request from the Reserve Fund.

The Town Clerk's office generates approximately \$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

The Board of Assessors is part of Town government, but is regulated by the Massachusetts Department of Revenue. The Board is required to: make annually a fair valuation of all taxable property, both real and personal; establish and maintain an accurate database 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.

The approximately \$7,000 reduction in the FY10 budget from the FY09 budget is primarily due to not having to perform an in-depth analysis of assessments prior to granting certification, which was completed last in FY09 and is required only every third year by the Department of Revenue.

Planning Board

The Planning Board controls subdivision development, studies the resources, possibilities and needs of the Town in order to prepare a comprehensive plan in accordance with Massachusetts General Laws, recommends changes in the Town Zoning Bylaw, appoints members of the Design Review Board and considers applications for Projects of Significant Impact (PSI), among numerous other responsibilities.

The Planning Board's major projects for FY10 include the PSI review of the new High School, recodification of Wellesley's Zoning Bylaw, and development and oversight of a Town-wide pedestrian plan, as well as a master plan for the State Street district.

The decrease in the FY10 budget is related to savings due to staff turnover.

Audit Committee

The Audit Committee is responsible for the annual examination of the Town's consolidated financial statements in accordance with generally accepted auditing standards in the United States. The projected annual audit fee is \$93,000, of which approximately \$37,000 is allocated to the Enterprise Funds.

Permanent Building Committee

The Permanent Building Committee (PBC) 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 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 Project Administrator, are included in the relevant project budgets.

PBC's current priorities include the close-out of the Middle School renovation project and construction of the MLP/DPW garages. PBC continues coordination of the elementary schools' capital projects and the design development of the new High School, headed toward the beginning of construction in late 2009 or early 2010.

Human Resources Board

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.

Advisory Committee

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 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 budget funds the production and distribution of the Committee's reports and a 0.2 FTE Administrative Assistant.

The savings achieved in this year's budget is due to a change in the Town Bylaw whereby the full Advisory Report no longer must be sent to every household in town, but only to Town Meeting Members and to residents who make such a request. Included is the estimated cost for the two Advisory "Letters" that are required to be sent to all residents town-wide in place of the full Report.

Advisory Committee - Reserve Fund

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 that 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.

PUBLIC SAFETY – BOARD OF SELECTMEN

	FY08	FY09	FY10	FY09-10
	Actual	Approp.	Request	Change
Police Department	4,787,416	5,054,868	5,101,156	1.1%
Injured on Duty Insurance	-	30,000	30,000	0.0%
Special School Police	68,222	97,486	98,469	1.0%
Fire Department	4,134,477	4,132,367	4,133,610	0.0%
Building Department	319,964	388,550	390,266	1.4%
Emergency Medical Services	119,000	122,600	126,890	3.5%
Sealer of Weights and Measures	8,496	18,241	18,241	0.0%
	9,437,575	9,844,112	9,898,632	0.6%

Police Department

The FY10 budget funds positions for a total of 43 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, and three secretaries (one funded from revenue).

The FY10 budget request represents a net increase of approximately \$46,300, or 0.9%, over the FY09 budget; \$39,300 is for personal services and \$7,000 is for expenses. The contract settlements during FY09 with the Superior Officers and with the Patrolman (with salary increases of approximately 3.5% and 3.0% respectively for FY10) increased personal services costs; however, the impact of these increases is offset by \$48,000 from detail revenues applied to the personal services budget for three secretaries and approximately \$15,000 from favorable turnover from five new patrolmen, three as replacements and two filling previously vacant positions. The FY10 budget does not include salary increases for Dispatchers who have a collective bargaining agreement that expires on June 30, 2009.

Of the \$708,000 expense budget, vehicle replacement, vehicle maintenance, and gasoline account for approximately 44% (\$309,000). Expenses related to the Police Station and departmental equipment account for 43% (\$302,000) and tuition, training and professional memberships account for another 13% (\$97,000) of the budget.

The Police Department in FY09 generated approximately \$200,000 in revenue from fines and permit fees and received approximately \$160,000 in State reimbursement (under the Quinn Bill) for education costs. Early projections are that State reimbursement under the Quinn Bill may be reduced to approximately \$115,000 for FY10. These are components of Local Revenue and State Aid in the Sources and Uses statement.

Injured on Duty Insurance

This is insurance to cover salary replacement of injured firemen or policemen. While in FY09 this expense was included in the Risk Management budget in a similar amount, in FY10 it has been moved to the Public Safety budget. In prior years the Town self-insured for this risk.

Special School Police

The school crossing guards provide safe passage for school children at busy intersections and thoroughfares. The FY10 budget again funds 17 school crossing guards and one substitute guard, all of which are part-time positions and can be difficult to fill. Currently four positions are open; police officers are assigned to cover unfilled posts.

Fire Department

The Fire Department staff of 57 includes 36 Firefighters, 12 Lieutenants, 4 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.

The contract with the firefighters has been open since July 1, 2007. Therefore, the FY08 through FY10 budgets reflect no regular salary changes. Small changes in personal services costs include stipends for education benefits, EMT stipends and step increases in the expired contract.

Building Department

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 FY10 operating budget is unchanged from FY09. Revenues from building permits and related charges are anticipated to be lower than those collected in FY09, which were projected to be somewhat less than in FY08. At this time however, given the economic situation, it is difficult to project how these revenues will actually be affected during FY10.

Emergency Medical Services

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. As revenue generated from ambulance fees is insufficient to cover the cost of this contract, the Town appropriates funds to cover the shortfall.

The FY10 budget increase is in anticipation of changes that will be included in a new contract when the current contract expires on June 30, 2009.

Sealer of Weights and Measures

The Sealer of Weights and Measures provides consumer protection 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.

BOARD OF PUBLIC WORKS

	FY08 Actual	FY09 Approp.	FY10 Request	FY09-10 Change
Engineering	513,705	544,181	542,548	-0.3%
Highway	1,231,134	1,351,130	1,360,621	0.7%
Fleet Maintenance	171,861	173,926	179,855	3.4%
Park & Tree	1,152,609	1,167,149	1,243,034	6.5%
Recycling & Disposal	2,002,780	2,058,757	2,055,789	1.4%
Management	344,733	358,141	362,200	1.1%
Street Lighting	188,051	196,500	328,000	66.9%
Winter Maintenance	810,093	348,703	348,703	0.0%
	6,414,965	6,198,487	6,420,750	3.6%

The Board of Public Works (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.

The Park and Highway Division maintains Town roadways, sidewalks, curbs, and street name signs. It also maintains catch basins, culverts, storm drains, Town parks and playgrounds, public shade trees and brooks and streams. The Recycling and Disposal Facility (RDF) is responsible for disposing of solid waste and recyclable materials. The RDF is the Town’s most used facility with over 350,000 vehicle trips to this 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.

The Board of Public Works is requesting an appropriation of \$6,420,750 from Town funds to pay operating expenditures in FY10. This request represents an increase of \$222,300, or 3.6%, over the FY09 budget. Except for the substantial increase in street lighting and an increase in the cost of RDF business opportunities, discussed below, the BPW budget increase would have been at the Advisory Committee guideline of 1.0%.

The FY10 Budget projects a 4% increase in personal services, which reflects increased labor costs, largely driven by the terms of new labor contracts and increases in the compensation of personnel not subject to labor contracts. The budget projects a 2% decrease in expenses, excluding street lighting, largely driven by projected lower levels of trash and wood waste at the

RDF and a lower contribution to a reserve fund for the purchase of a new baler for use at the RDF.

The winter maintenance budget is level funded for FY10. The FY10 budget of \$348,703 is below the four-year average of actual snow removal costs of \$655,033 (after adjustment for a FEMA reimbursement in FY05) and below actual snow removal costs in any of the last four years. Budgeting below the average cost of winter maintenance has been the Town's customary practice. If actual costs are greater than the budgeted amount, as is the case in FY09, the Town has the option, under Massachusetts law, of funding the overrun through a supplemental appropriation from Free Cash (See Article 7) or of rolling the cost forward into the next fiscal year. (The latter option exists only if current funding is equal to or higher than funding the prior year.) In light of this flexibility, which is not available for other expenditures, it has been the Town's position, supported by Advisory, to budget snow removal costs at a level below the average cost of snow removal.

The street lighting budget has increased by \$131,500, or 67%, primarily driven by the increased cost of electricity. The formula by which the cost is determined tends to lag increases in electrical costs paid by rate payers. The cost of electricity to rate payers has risen notably following the expiration of a favorable fixed price contract between the Municipal Light Plant and Constellation Energy.

The DPW projects FY10 RDF revenues of approximately \$400,000—a substantial decrease from approximately \$700,000 in FY09—reflecting lower revenues from recycled materials. These revenues are a component of Local Revenue. The DPW budget also includes the projected cost of RDF business opportunities of \$93,000, an increase of 25%. Revenues are returned to the Town and are not reflected in the DPW budget. Although the resale value of recycled materials has declined substantially, revenue from these business opportunities is projected to at least equal the \$93,000 cost. In some years, these activities have generated net revenue for the Town; for example, in FY08, the net revenue was \$115,000. The DPW supports the business initiatives even absent a certain positive return in FY10, because it can elect to not continue activities during the course of the year; to the extent it does continue them, it enhances the relationship with customers and there is substantial upside potential if the price of recycled materials increases.

Budget Risks

Under some circumstances, the DPW may shift personal services either to DPW capital projects or to Town programs funded through other budgets. For FY10, the budget assumes that approximately \$755,000 in DPW personal services costs will be funded through other budgets. In some cases, the occurrence and timing of such work is controlled by other departments and, accordingly, the DPW might not be able to recover all of these projected costs in FY10 or subsequently. Another FY10 budget risk is that there is one open contract.

FY10 DPW Program Budget

Consistent with recent budget reporting practice, the DPW FY10 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. Appropriating aggregate funds for Personal Services and for Expenses with only a recommendation for the allocations allows the Board of Public Works the ability, if necessary and 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 any deficiencies must be obtained from the Reserve Fund or approved by Town Meeting.

BOARD OF LIBRARY TRUSTEES

	FY08 Actual	FY09 Approp.	FY10 Request	FY09-10 Change
Library Trustees	2,114,598	2,038,985	2,059,375	1.0%
Regional Services – (Non-Tax Impact)	205,503	212,789	220,353	3.6%
	2,320,101	2,251,774	2,279,728	1.2%

Since its opening five years ago, the new Library has served an increasing number of patrons each year, without adding staff and while maintaining the expected level of service. Remote renewals, public access computers and a self-check-out machine have been instrumental in this accomplishment.

Town Funds (tax-impact) Portion of the Budget

The FY10 tax-impact budget increase of \$20,390 is at the Advisory guideline of 1.0% over FY09. This increase is principally due to salary increases for employees covered by collective bargaining under a new agreement that was recently settled and is subject to approval by Annual Town Meeting (Article 5). Expenses increased approximately \$5,000 due to projected increased energy costs, software licenses and service contracts.

Regional Funding for Interlibrary Loan Services

The Wellesley Free Library provides Interlibrary Loan services to patrons of the Metro-West 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 Town taxes. Costs have risen slightly due to an anticipated increase in postage and salary increases. FY10 is the final year of a three-year contract for the delivery of these services. It has not yet been determined if the contract will be renewed.

Branches

During the past year and a half, a Citizen Branch Campaign raised sufficient sums to reopen the branches with private funding. The FY10 budget includes no expenses for these branches, nor will future budgets—the Trustees understand that non tax-impact funding was implicit in the re-opening of the facilities. The Wellesley Community Children’s Center is currently leasing the Fells Branch building for their after-school program, and the Hills Branch for office use. The Library Trustees are seeking approval under Article 15 to use these lease payments to fund necessary capital costs at the branches.

Other Funding

To more fully understand the financial requirements that enable the library to provide the range of services and materials that are currently available, it is important to recognize that the Library Trustees rely on a number of outside funding sources. Various gifts, grants and bequests are donated to the Town for the benefit of the library, e.g. the Hathaway House Library Bookshop Fund (a full report can be found in the Annual Town Report). Trust funds have specific terms of use. The Library also receives grants from the Centennial Fund for the purchase of materials that enhance but do not replace core materials; and from the Friends of the Library which provides funds for programming and museum passes.

During FY08, the Library received \$45,000 in State Aid as well as grants from the Library Building Fund for building and technology enhancements. In all, the various grants and funds contributed a total of \$372,000 during FY08.

OTHER COMMISSIONS AND BOARDS

Other Commissions & Boards	FY08 Actual	FY09 Approp.	FY10 Request	FY09-10 Change
Recreation Commission	392,912	322,279	324,565	0.7%
Board of Health (BOH)	372,917	409,715	409,354	-0.1%
BOH – Mental Health Services	166,924	208,316	208,316	0.0%
Natural Resources Commission (NRC)	175,437	189,827	192,967	1.7%
NRC – Morses Pond Project	130,871	160,370	160,370	0.0%
Municipal Light Plant (Tax Impact)	85,155	94,791	94,791	0.0%

Recreation Commission

The Recreation Commission's \$324,565 budget covers the tax-impact costs of the Recreation Department; in addition, the Recreation Department has a non tax-impact program budget that is funded by fees charged to program participants. The program fees are intended to cover the actual costs of the programs and any unreserved excess balance in the recreation revolving fund at the end of the year is returned to the General Fund.

Board of Health

The Board of Health assesses the public health needs of the community, providing environmental and community health services, communicable disease monitoring, and public health nursing services. Other functions include enforcing sanitary regulations and emergency response planning. The budget also subsidizes community mental health services provided by an independent organization.

Natural Resources Commission

The Natural Resources Commission manages park and conservation land, cares for public shade trees, acquires land and conservation restrictions, sets policy for pets control and pesticide use, protects the Town's forests and serves as the Town's wetland protection agency. The NRC has a role in collaborative efforts with other boards, including the Morses Pond Comprehensive Management Plan, the Playing Fields Task Force and others.

Morses Pond Project

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.

Municipal Light Plant (Tax-Impact)

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 \$50,000 in FY10, or approximately 80% of the cost of the fire alarm program. Town buildings are connected to the alarm system without charge.

WELLESLEY PUBLIC SCHOOLS

	FY08 Actual	FY09 Approp.	FY10 Request	FY09-10 Change
Instruction	36,936,398	39,760,742	41,307,101	3.9%
Administration	865,555	1,010,941	1,033,103	2.2%
Operations	4,357,777	2,639,773	2,546,548	-3.5%
Community Service	3,950	0	0	-
Special Tuition & Transportation	6,753,000	8,271,557	8,396,751	1.5%
	48,916,679	51,683,013	53,283,503	3.1%

The Wellesley Public School system serves more than 4,800 students with a system-wide staff of approximately 750 full-time and part-time employees. For FY10, the School Committee is requesting an appropriation of \$53.3 million for school operations, an increase of \$1.60 million, or 3.1%, over the FY09 budget. The allocation of this sum across the various budget categories is summarized above. The complete *Wellesley Public Schools FY10 Recommended Budget* can be found on the Wellesley Public Schools website at www.wellesley.mec.edu, via the link for District Information.

The 3.1% budget increase for FY10 is the smallest percentage increase requested for the schools in the past decade, reflecting an easing of some of the budgetary pressures generated by rapid enrollment increases and special education expense growth in the past, and a new teachers' contract that is fair and reasonable for all parties. As shown in the annual percentage-change data immediately below (based on actual expenditures, except for FY09 and FY10, where budget figures are used), the annual increase has averaged 6.2% over both the ten-year and most recent five-year periods:

FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10
9.2%	7.3%	7.2%	3.4%	3.8%	5.4%	9.2%	4.9%	8.5%	3.1%

The School Committee has taken several additional steps which will benefit the Town financially in the future, including negotiation of a shift by most school employees to the Rate Saver health plan, and a decision to raise the price of the school lunch program to cover 50% of the health insurance costs of food service workers (beginning September, 2009). Future savings from both these initiatives do not impact the School budget, but will benefit the town-wide budget (reflected in the Employee Benefits/Group Insurance line). Another initiative, subsidization of a new busing plan for Wellesley High School, does add to the budget, but should at the same time contribute to the resolution of traffic issues relating to the new Wellesley High School (WHS) project.

I. Getting to a Budget

The Advisory guideline issued in October for the School budget was a 3.0% increase, well below the 6.8% number in the Town-Wide Financial Plan presented to the 2008 Annual Town Meeting. The relative austerity in Advisory's guideline reflected 1) the rapidly deteriorating economic and financial environment; and 2) general agreement that an operating budget override should be avoided. The School Committee's requested budget of \$53.3 million is a reduction of close to \$840,000 from the Superintendent's initial recommended budget presented to the School Committee in December. The budget request is at 3.1%, rather than 3.0% because an additional \$50,000 was added to the funding of the new High School busing plan; this is discussed in more detail below.

Importantly, the level of spending in the FY10 budget benefits from cost savings versus budget in the current fiscal year that will carry over into next year. Spending will likely come in lower than budget this year, FY09, primarily because of lower-than-expected personal services expenses and changes in the student population in the special education programs. Some \$541,380 of savings from these “Adjustments to the FY09 Base Budget” is reflected in the FY10 budget.

The FY10 School budget also benefited from several favorable cost-saving developments during the budgeting process. Significant savings were achieved from lower-than-projected pricing in the new fuel contracts signed in late December. In addition, the Governor’s proposed budget for the Commonwealth disclosed much less severe cuts in the “Circuit Breaker” special education reimbursement formula than originally anticipated (and built into earlier budget proposals), and also capped some out-of-district tuition rates that would otherwise have seen increases. Further, decisions to defer relocation of the School Department’s central administration staff from the Middle School until FY11 and to not fund two new professional staffing positions (an additional elementary school teacher, and an assistant director for the special education programs) also eliminated potential increases. Apart from an increase in the High School’s student athletic fee from \$175 to \$230, and cuts in the departmental expense budgets, the budget was achieved with much less “pain” than initially feared and no cuts to existing staffing were required.

II. Analysis of FY10 Budget Growth Drivers

The following analysis of the FY10 School budget reviews the primary components driving the 3.1% budget increase. Additional information and analysis of the School budget, and “benchmarking” information comparing Wellesley’s schools with a peer group of nearby towns, may be found in the three appendices that appeared in last year’s Advisory Report (prepared for the 2008 ATM). This Report, including the appendices – Teachers’ Salary Structure, Special Education Programs, and Enrollment Forecasts – is now on the Advisory website, and can be accessed through www.wellesleyma.gov via the Boards & Committees link to Advisory. Revisions to these appendices with more recent data and updated commentary on selected items are also now available on the same site.

An analysis of the year-over-year cost drivers projected for FY10 is shown in the table below, and discussed in detail following the table:

Drivers of Cost Increases						
	FY08		FY09*		FY10*	
		%		%		%
Total Prior Budget	47,032,871		49,619,071		51,683,013	
Personal Services	2,333,867	4.9	1,485,700	3.0	1,101,436	2.1
Enrollment Increases	275,840	0.6	500,558	1.0	439,933	0.9
Special Tuition & Transport.	25,916	0.1	1,821,082	3.7	97,249	0.2
Utilities Expense	(63,298)	-0.1	209,467	0.4	(248,630)	-0.5
Program Enhancements	54,315	0.7	184,631	0.4	310,414	0.6
All Other Changes, net	(40,440)	-0.1	21,799	0.0	(99,912)	-0.2
Total Current Budget	49,619,071	5.5	53,842,308	8.5	53,283,503	3.1

*One complication in the comparisons with prior years is the transfer of \$2.1 million for custodial and maintenance personal services and expenses from the School budget to the new Facilities Maintenance Department budget. As a result, absolute levels of change in several of the categories are not strictly comparable from year to year, and the “Total Current Budget” in the FY09 analysis does not match the “Total Prior Budget” in the FY10 analysis.

• **Personal Services Increase (Level Services) Increase of \$1,101,436 (2.1%)**

The School Department's FY10 budget includes \$44.9 million for all personal services, an increase of \$1.9 million, or 4.5%, from the FY09 budget of \$43.0 million. The table above looks at the increase in personal services costs a bit differently. It shows the dollar amount of the personal services increase at "level services," i.e., stable staff size, providing the same programs for the same number of students. It excludes personal service increases due to enrollment increases, special tuition and transportation, and program enhancements, all of which are included in separate categories in the table. For FY10, the increase in the personal services number is \$1.1 million, which represents an increase of 2.1% over the aggregate FY09 budget (versus the total FY10 budget increase of 3.1%).

The year-over-year increase in personal services (at level service) as a cost driver is lower than in the prior two prior years, in both the dollar amount and as a percent over the prior year budget. This reflects a substantial projected savings from "staff turnover," and the impact of the recently-settled teachers' contract, which is discussed at greater length below. Savings from staff turnover result when new teachers, administrators, or other staff are hired with less experience and lower salaries than those they replace. Actual turnover savings have been substantial in recent years, frequently exceeding the budgeted number by a wide margin. There are several other salary adjustments that effect the year-to-year change in personal services expense, including additional employee contract settlements (e.g., secretarial staff), allowances for potential increases for other collective bargaining units, expected increases for the groups not covered by collective bargaining, and returns from leaves of absence.

• **Enrollment Increase Cost Growth Increase of \$439,933 (0.9%)**

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 sizes and violating 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 FY10 and for the last several years, along with the associated operating budget increase. Where relevant, actual enrollment growth is also shown in parentheses. The FY10 budget increase is based upon 9.1 new FTE positions (6.6 professional and 2.5 support); in the FY09 budget the School Department had projected an increase of 96 students, and based the budget upon 9.0 new FTE positions (7.0 professional and 2.0 support).

Enrollment Projections and Budget Increases				
	Projected (Actual) Additional Students		Operating Budget Increase	
	Students	% Students	Costs	% of Total
FY07	71 (72)	1.6% (1.6%)	\$491,000	1.2%
FY08	96 (146)	2.1% (3.2%)	\$276,000	0.6%
FY09	96 (121)	2.1% (2.6%)	\$501,000	1.0%
FY10	48	1.0%	\$440,000	0.9%
Totals K to 12, not including Pre-K or Out-of-District Students				

For FY10, the elementary schools and the High School are not projected to experience any enrollment increases; in fact, in aggregate, high school enrollments should decline by 22 students next year, before resuming a strong upward trend. But the enrollment pressures at the Middle School continue, with a net increase of 70 students expected. The School Department is being forced to play “catch up” in regular education staffing at the Grade 6 level and has moved to restructure Grade 6 from 16 classes in 4 “houses” to 18 classes in 4½ “houses.” 2.0 FTE new Grade 6 teachers, and new classroom space, are being added for FY10. With projections of some 397 students in Grade 6, the net result is a likely average core class size in FY10 of 21.8, versus 22.9 in FY09. Funds for additional staff for core academic courses and electives at higher grade levels in the Middle School (3.1 FTE) and additional guidance counseling resources (0.5 FTE) are also included in the FY10 budget. At the High School, resources are provided for a new inclusion classroom for students “aging up” from the Middle School, to be staffed with 1.0 FTE special education professional and 1.0 FTE teaching assistant.

Notwithstanding the above, with the economy currently in rather dire straits, forecasting enrollments is probably a more uncertain enterprise than usual, as declining home sales raise the possibility of reduced in-migration, perhaps only to be offset by changes in the public/private school choice mix.

- **Special Tuition and Transportation**

Increase of \$97,249 (0.2%)

Special Tuition and Transportation (ST&T) expenses include the costs associated with educating students with the most intensive special needs. These students receive services through one of the “substantially separate” Inclusion Programs within the Wellesley Public Schools (167 students participated in these programs as of October 1, 2008), or through out-of-district (OOD) placements in a variety of different settings (68 students as of October 1). ST&T does *not* include the costs associated with educating students with mild to moderate disabilities and special needs - students who are also on Individualized Education Plans (IEPs) and receive additional services, but who mostly attend regular classrooms. The costs associated with this Instructional Special Education group (which numbered approximately 620 as of October 1, 2008) are reflected in the Instructional category of the budget. As of October 1, 2008, 855 Wellesley students (17.4% of total enrollment) were receiving special education services either through Instructional Special Education or ST&T. (See the Advisory website for a more detailed discussion of ST&T programs, services, and funding.)

The FY10 budget for ST&T is \$8,396,751, an increase of just \$125,000 or 1.5% over FY09. Netting out the enrollment-driven staffing increase at the High School and several other adjustments leads to the \$97,249 number shown in the cost-drivers table above. The ST&T increase for FY10 is dramatically lower than the increases requested in several recent years, reflecting in part a decline in budgeted OOD Tuition expenses. The FY10 ST&T budget includes a \$3,632,690 request for the Inclusion Program, a 7.6% increase over the FY09 budget of \$3,374,052. Currently, the Inclusion Program includes two pre-school classes, two ISS (Inclusion Services at Sprague School) classrooms, a Middle School Intensive II program, and a High School Bridges program. As noted above, extension of the Middle School program to the High School is planned for FY10. It is also anticipated that some students in out-of-district placements will return to the Wellesley schools to participate in one or more of the Inclusion Programs.

Special Tuition and Transportation				
	FY07	FY08	FY09	FY10
	Actual	Actual	Budget	Budget
Number of Students				
Inclusion	87	123	132	168
Out-of-District	66	96	93	93
Transportation	123	136	141	153
Costs				
Personal Services	2,466,654	2,690,989	3,395,844	3,736,434
Expenses:				
Inclusion	306,400	565,351	437,900	374,650
Out-of-district tuition	4,388,824	5,289,866	6,010,741	5,809,699
Less: Circuit Breaker	-1,270,009	-2,012,782	-2,040,466	-2,050,094
Transportation	390,176	457,208	467,538	526,062
Total Net Cost	6,282,045	6,990,632	8,271,557	8,396,751

The \$3,795,605 FY10 request for OOD Tuition represents a decrease from FY09 of \$210,670, or 5.3%. This is due in part to a decrease in the number of students to be placed in collaborative and vocational programs for FY10, either because of graduations or because they will return to the Wellesley schools. In addition, the Governor's proposed FY10 budget includes a freeze on tuitions for a number of private OOD programs, benefiting the School's FY10 budget. The FY10 rate for Circuit Breaker funding, the state reimbursement for a portion of legally-mandated services that exceed a pre-specified per-student threshold, has been reduced to 70%, below the current rate of 72% (and the rate at the beginning of the current school year of 75%). However, this is a far less severe reduction than the School Department had anticipated. The FY10 OOD Tuition request reflects an expected \$2,050,094 reimbursement from the Commonwealth; since reimbursement is paid with a one-year lag, this number is based on FY09, not FY10, expenses.

Recent history suggests that the ST&T number is very difficult to forecast accurately, and significant revisions to budgets, and to spending versus budget, can be expected. In FY08, the School Committee anticipated a significant shortfall of funds for OOD Tuition and sought a supplemental appropriation under Article 7 of the 2008 Annual Town Meeting in the amount of \$530,000. This was approved. Subsequently, the School Department was able to turn-back these funds, and added additional funds to the turn-back from savings in the FY07 ST&T budget. In FY09, ST&T costs are running well behind budget, and another turn-back seems very likely. As noted above, for FY10, fears that the State's Circuit Breaker reimbursement would be slashed proved unfounded, permitting a significant reduction in the ST&T budget for next year from that initially presented to the School Committee by the Superintendent. Nevertheless, given the high gross (and net) costs of many of these programs, as shown below, even a small change in student placement numbers can have significant budgetary impacts, and it is unlikely that the budget uncertainty could ever be eliminated completely.

FY10 Budget Out-of District Students and Tuition Cost					FY09 Range of Tuition Per Student	
	FY10 Students	Out of District Tuitions	Circuit Breaker Offset	Net Tuition Cost	Low	High
Residential	13	2,291,269	(1,318,321)	972,948	50,638	361,997
Day	56	2,942,160	(646,470)	2,295,690	27,583	123,016
Collaborative	10	495,879	(85,303)	410,576	19,991	55,281
Vocational	4	80,391	0	80,391	18,090	20,664
Total	93	5,809,699	2,050,094	3,759,605		

In aggregate, the Special Education program continues to grow at a rate consistent with the State average. Wellesley's success rate in graduating students receiving special services is quite high relative to the State (92.3% for Wellesley vs. 62.8% for the State), and Wellesley's programs and services hold a very strong reputation. However, Wellesley's percentage of education budget spent on Special Education and its average OOD Tuition costs remain among the very highest of the peer towns with which Wellesley is typically compared.

• **Utilities Expense** **Decrease of \$248,630 (-0.5%)**

Total utilities expense, including fuel oil, natural gas, electricity, telephone, trash, water, and sewer, are budgeted at \$1,647,935, or approximately 3.5% of the total School Department's FY10 budget. This reflects a decline of \$248,630 or 13% from last year's expense budget for this category, and a 0.5% reduction versus the aggregate FY09 budget. This year, the School Department purchased oil and natural gas under contracts negotiated directly with suppliers, and did not work through The Educational Collaborative (TEC). The new contract price for fuel oil is 51.6% below the FY09 contract and for natural gas, 22.9% less. Other Town departments also purchase oil and gas through these School Department contracts, and benefit from these savings. Electricity costs are the second largest item in the category, and in contrast to the fuel costs, these are again projected to increase sharply as the Municipal Light Plant continues to raise rates.

• **Program Enhancements** **Increase of \$310,414 (0.6%)**

The FY10 budget provides \$310,414 for a variety of program enhancements and restorations. Included are funds for the 2nd Edition of materials for the new elementary mathematics curriculum, *Investigations* (\$77,296), for library-book purchases across the K-12 system (\$49,500), and for *Virtual High School*, an Online educational program that should help to expand course offerings at the High School in a very cost-effective manner and improve scheduling flexibility for students (\$22,568). Funds to procure legal services for the special education program on a retainer basis (\$50,000) and to subsidize the new transportation plan at the High School (\$111,050) are included in this category as well. This is the first time in five years that non-mandated busing expenses have appeared in the Schools budget, and this initiative warrants more detailed comment below.

• **All Other Changes, net** **Decrease of \$99,912 (-0.2%)**

This category, something of a catch-all for items not included in one of the cost driver categories above, shows a decrease from FY09. This decline is due in part to cuts in Departmental Expense budgets at the Middle and High Schools.

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 2½ and the expense growth of salaries and benefits, the School budget has had its own structural challenges. Together, the three largest cost drivers – salary increases, enrollment growth and mandated special education expense – have typically generated 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. The demand for special education services has grown over time; 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 principle benchmarks of a quality school system, enrollment growth will contribute to the structural budget increase.

Fortunately, FY10 personal services costs are projected to rise at a significantly lower rate than in many recent years, as the new contracts, turnover savings, and lower enrollment growth help ease this source of budget pressure. Budgeted ST&T cost increases are also at considerably lower levels than on many occasions in the past, although this could easily change in the future. Importantly, despite the drastic financial conditions facing the Commonwealth, the Governor protected State aid for education from significant cuts, and avoided deep cuts to the Circuit Breaker reimbursement.

Teachers' Contract Settlement

Teachers' salaries, which are set by contract, are the major driver of personal services (approximately 75%). 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 the attainment of significant educational milestones (a "lane change"). Typically, there is also a base annual percentage increase to salaries across all steps and lanes. As has been noted in prior years, contract negotiations are not conducted in a vacuum – salaries in Wellesley need to be reasonably competitive with those in peer towns in order for Wellesley to attract and retain the best teachers.

The new teachers' contract, concluded through collective bargaining in the fall and retroactive to July 1, 2008, provided for a 1% salary adjustment in FY09 for those teachers still on steps and 3% for those at the top step. For FY10, there is a built-in adjustment to the "steps" in the schedule, with all step increases now equalized in percentage terms at 4.2%. To accomplish this, beginning in FY10, the salary schedule will increase from 13 steps to 15 steps with the addition of two new steps at the bottom end of the scale. With the top step held unchanged, the 15 steps are then set so as to "equalize" the percentage progression across all 15 steps. Instead of moving up one step in FY10 from FY09, teachers will move up two steps on the new 15-step schedule. For example, a teacher at step 5 in FY09 would move to the new step 7 on the FY10 salary scale. While complex, this adjustment is an important initiative to help ensure more consistency in year-to-year pay adjustments, as step increases previously fell anywhere between 3.0% and 8.6%. Also in FY10, there is a 3% "across the board" salary increase for all steps, including the top step. On balance, there are budget savings from this combination of changes. The salary schedule is also increased by 3% across the board in FY11. The other key feature of the new teachers' contract was the shift to the new Rate Saver health insurance plan.

While the new collective bargaining agreement with the teachers (and school nurses) has now been settled, several other employee groups are in contract negotiations. Unlike the other collective bargaining agreements in Town, the School employee contracts are not subject to specific approval by Town Meeting. Therefore, funds are included in the budget to meet actual and anticipated settlements from these collective bargaining negotiations. In addition, funds are

included to cover salary increases for non-union employees of the School system. These non-union employees number in excess of 200, and include (among others) teaching assistants, paraprofessionals, the technology staff, and senior administrators. Some of these groups have salary schedules that include steps. The School Committee approved salary increases for non-union staff for FY09 in November, 2008; these were generally at 3.0%, although school principals and several senior administrators received larger percentage increases of 3.75%. For FY10, the budget includes \$230,377 for non-union salary increases, set variously at 2.5% and 3.0%. In light of the economic conditions and the general budget constraints facing the Town at this time, the budget impact is higher than some on Advisory would have liked to have seen, especially for the higher pay scales.

Enrollment Growth and Class Size

Next year, at long last, the Wellesley Public School system should begin to move away from the year-over-year enrollment increases typical of the past 10 years, i.e., anywhere between 75 to 155 students, or 2% to 4% growth. The actual increase in enrollments in FY09 was 121, but the School Department's forecast is for a more manageable 48 additional students in FY10, and 54 in FY11. It seems likely that we reached peak enrollment at the elementary schools in FY09, with declines projected beginning in FY11. Peak enrollment should follow at the Middle School in FY14, and at the High School in FY18. The School Department has successfully managed a challenging period of substantial enrollment growth at the elementary level: although there have been increases in the size of classes at several elementary schools, the number of classes over guideline has remained within reasonable bounds. Meanwhile, steps are being taken to relieve the most challenging area of pressure in the system, Grade 6 at the Middle School. For now the High School is enjoying a very short-lived respite from enrollment pressures.

Special Tuition and Transportation Costs

The ST&T portion of the School budget is projected to increase only very modestly in FY10. Controlling the growth of these expenses is critical to the budget process, and the School Department has undertaken several steps to keep special education costs in check. The new position of OOD Coordinator, filled in FY09 to provide comprehensive oversight of all out-of-district placements, brings a new level of institutional knowledge to help manage the associated OOD tuitions and expenses, and relieve pressure on the department heads responsible for managing service delivery internally. The benefits from this hire have exceeded expectations. Substitution of expensive OOD placements with less-costly in-district inclusion programs remains an overall objective; the addition of an inclusion classroom at the High School in FY10 is one example of this. Further, the School Department, at the urging of Advisory, retained the services of a consultant for an independent, top-to-bottom review and evaluation of the strengths, weaknesses, and cost-effectiveness of the special education program. While the consultant's report has not been submitted at the time this Report goes to print, steps are already being taken to implement some of the suggestions generated from this review (e.g., the appropriation of \$50,000 for specialized legal support on a retainer basis).

Transportation Plan

In response to concerns over short- and long-term traffic issues associated with the new High School project, the School Department has included \$111,050 in the FY10 budget to cover a major share of the \$183,550 cost of a significantly improved student busing service at the school. The funds will be used to lower the price of a WHS bus pass from \$473 in FY09 to \$250 in FY10 – a level believed to be attractive enough to encourage increased ridership, both one- and two-way. The amount budgeted to cover this subsidy is based on the assumption that, at this price, bus pass sales will increase by roughly 18%, from 246 to 290. The ultimate cost to the operating budget will of course depend on the number of passes sold; if this falls short of the estimate above, the School Department will have to find additional funds to meet the cost of the new buses from elsewhere in its budget. It is anticipated, however, that bus pass sales will grow

over time. Whether \$250 is the “right” pass price, or is too low given the impact on the budget, is open to further discussion; on this score, experience with the new plan in FY10 will be most helpful. Other forms of incentive – such as tying senior-year student parking privileges at the new High School to bus ridership in the lower grades – might also help increase bus ridership, and should be examined more thoroughly.

Conclusion

The good news in this year’s budget cycle is that the School Committee has kept the requested percentage increase in the budget to the lowest levels in many years. This has been achieved through hard work and skill, and also a very significant measure of good fortune. This is no more evident than in the budget for ST&T, which is showing some payoff from ongoing efforts to manage OOD Tuition costs, but which has also benefited from the Governor’s recent budget decisions for the Commonwealth and from budget-lowering changes in the student population. Unfortunately, the FY10 budget did not quite meet Advisory’s 3.0% guideline and it is likely that even more could have been done to control school spending in anticipation of the very difficult budget environment that may confront the Town for the next several years.

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 Town 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 Town departments and has been working with the boards to raise awareness.

The FY10 budget includes \$17,859,178 in funding for Employee Benefits, a 1.8% increase from FY09.

	FY08 Actual	FY09 Approp.	FY10 Request	FY09-10 Change
Group Insurance	13,297,872	13,595,000	13,543,200	-0.4%
OPEB Liability Funding	3,000,000	3,000,000	3,000,000	0.0%
Pension/Retirement Contribution	0	0	866,000	-
Workers’ Compensation	386,736	714,382	225,438	-68.4%
Unemployment Compensation	100,000	100,000	100,000	0.0%
Compensated Absences	29,693	90,000	90,000	0.0%
Non-Contributory Pensions	55,938	38,700	34,540	-10.7%
	16,870,239	17,538,082	17,859,178	1.8%

Group Insurance

The Group Insurance budget covers the Town’s share of the cost of employee and retiree health insurance benefits, as well as a limited health reimbursement plan as part of the new health insurance program. In addition, it includes the cost of an employee assistance program and the Town’s share of the Federal Medicare tax, dental insurance, long-term disability insurance and life 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, which constitutes the major portion of this budget, will remain essentially flat in FY10, a significant change in a long trend of rapidly rising costs for health insurance. The Town has reached agreement with about 85% of the benefit eligible employees (union and non-union) to migrate to a new health plan design, effective January 1, 2009, with a 15% premium reduction. At the time the FY09 budget was created, none of these issues had been settled, thus none of the cost savings were included in the FY09 budget. Negotiations are ongoing with the balance of the Town's employees to also migrate to these new plans. The Town has agreed to pay annual fees of \$60 for participants in two of these plans through FY11, for a total of \$63,000 at this point. At the same time, new competitive bidding has reduced both Group Life Insurance and Long Term Disability costs to the Town by \$98,000.

OPEB Liability Fund

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.

Pension/Retirement Contribution

Contributions to this account have not been required in a decade because the system has been fully funded. Although the Retirement Board is not required to resume contributions based on the most recent actuarial valuation, which was as of January 1, 2008, the Board feels it would be fiscally prudent to resume contributions given the recent severe economic downturn. The Board has voted to request \$1,000,000 in funding for FY10, with the probability that the FY11 and FY12 requests would increase substantially from that level. MLP, Water, Sewer and the Wellesley Housing Authority will be required to contribute their individual percentage shares of the normal costs, resulting in a net request from the Town of \$866,000.

Workers' Compensation

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

Over the first ten years of the program, no additional appropriation was required because the earnings on the fund balance were adequate to cover costs. In more recent years, the fund balance has been reduced and earnings have been significantly lower, resulting in an increase in the appropriation. Because there was a large increase in the FY09 required appropriation, and the Town's loss history has continued in a moderate pattern, the FY10 appropriation is significantly lower. It is important to note that the actuarial calculation was done with fund balances as of June 30, 2008, prior to the downturn in the financial markets. This will be reflected in next year's calculation.

Unemployment Compensation

The 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 an 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, 2008, the balance was \$141,260.

Compensated Absences

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

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. Currently we are paying one retiree and one beneficiary of a deceased retiree.

CASH CAPITAL AND DEBT SERVICE

Cash capital is the annual purchase of capital assets (such as equipment, furnishings or minor construction projects) or projects which due to their size and irregular occurrence are not part of departmental operating budgets. Debt service (principal and interest payments for bonded projects) is referred to as either "inside the levy," meaning it is part of the Town's annual operating budget subject to Proposition 2½, or "outside the levy," meaning it is debt service on projects that the voters have excluded from the limits of Proposition 2½. The Town's general policy has been to maintain the combined funding for cash capital and debt service inside the levy at a level between 7% and 8% of Taxes and Current Revenues. The intention is to provide a level of funding that adequately addresses routine capital needs, while preventing undue pressures on the operating budgets of various Town boards and departments. As the table below indicates, these FY10 combined amounts are somewhat lower than previous years as a percentage of Taxes and Current Revenues (6.3% vs. 6.8%).

The Advisory guideline for FY10 cash capital was to remain level with FY09. A number of departments made substantial cuts in their initial cash capital requests and deferred some projects or purchases in order to meet the guideline; yet at the same time, the most important capital requirements continue to receive needed funding. While in past years the Town has had an uneven approach to ongoing maintenance of its assets, the creation of the new Facilities Maintenance Department and the Facilities Maintenance Reserve Account, proposed under Article 16, are expected to address these needs in a much more organized and focused way, resulting in a more efficient allocation of these important capital funds. Inside the levy debt service on existing debt is projected to decline \$400,000, due to no new borrowing in FY10 as well as to only \$156,000 of new debt service on previously authorized borrowings. The new debt service is based on an assume interest rate of 4.5%.

Outside the levy debt service continues to increase, which has driven up the Total Debt Service and the Total Capital Costs as a percentage of Total Taxes plus Current Revenue. There is a \$1,334,000 increase in outside the levy debt service for FY10. Existing debt, which is lower than in FY09, is entirely School related: Middle School, Bates, Sprague, and the elementary

infrastructure bonding. However, there is an increase of approximately \$1,640,000 in new outside the levy debt service for new borrowing in FY10, comprised of \$653,000 for the second elementary school infrastructure bond issue and \$987,000 for the initial bonding of the new High School construction project.

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

	FY04	FY05	FY06	FY07	FY08	FY09	FY10
Cash Capital	2,592	2,592	2,297	2,399	2,943	2,826	2,787
as % of Inside Levy Taxes plus Current Revenue*	3.4%	3.1%	2.8%	2.6%	2.6%	2.8%	2.7%
Inside Levy Debt Service	2,999	3,113	3,625	4,033	4,010	4,120	3,720
as % of Inside Levy Taxes plus Current Revenue	3.9%	4.0%	4.5%	4.4%	4.2%	4.0%	3.6%
Outside Levy Debt Service	2,379	2,316	2,862	4,473	4,413	5,687	7,021
as % of Total Taxes plus Current Revenue	3.0%	2.9%	3.4%	4.7%	4.4%	5.6%	6.3%
Total Debt Service	5,378	5,429	6,487	8,506	8,423	9,807	10,741
as % of Total Taxes plus Current Revenue	6.8%	6.7%	7.7%	8.9%	8.4%	9.0%	9.6%
Total Capital Costs	7,970	7,847	8,784	10,905	11,366	12,633	13,528
as % of Total Taxes plus Current Revenue	10.1%	9.7%	10.4%	11.4%	11.3%	11.6%	12.1%
Inside Levy Taxes plus Current Revenue	76,197	78,583	91,448	92,133	96,569	101,802	103,889
Total Taxes plus Current Revenue	78,576	80,899	84,319	95,927	100,312	108,653	112,080

*Current Revenue equals State Aid plus Local Revenue

Departmental Cash Capital

Departmental Cash Capital is appropriated to boards, committees and officials for the purchase of equipment, furnishings, minor construction projects or other capital assets that are neither part of departmental operating budgets nor financed with bonds paid from Debt Service, but, instead, are paid for from cash on a current basis. These purchases are considered capital assets generally due to the multi-year useful life, the non-recurring nature of the purchase or the substantial cost of the item compared to the size of the department's operating budget.

	FY08 Actual	FY09 Approp.	FY10 Request
Board of Public Works	1,503,500	1,303,500	1,358,500
School Committee	982,811	775,507	687,876
Board of Selectmen	132,104	182,268	182,234
Facilities Maintenance	-	366,708	422,300
Library Trustees	42,405	36,300	36,500
Natural Resources Commission	56,000	35,000	50,000
Morses Pond	0	50,000	50,000
Planning Board	50,000	25,000	0
Town Clerk	16,000	52,000	0
	2,942,719	2,826,283	2,787,410

Board of Public Works

The Board of Public Works (BPW) is requesting \$1,358,500 in cash capital, which is nearly half of the total cash capital request. The BPW cash capital is allocated as follows:

	FY08 Actual	FY09 Approp.	FY10 Request
Street and Sidewalk Maintenance	525,000	580,000	570,000
Equipment Replacement	378,000	557,000	433,000
Athletic Fields/Playgrounds	152,000	107,000	145,000
DPW Facilities Maintenance	176,500	39,500	173,500
Other	72,000	20,000	37,000
Site Remediation for PCBs	200,000	-	-
	1,503,500	1,303,500	1,358,500

The BPW reduced its initial cash capital request by \$216,000 in response to budgetary constraints. The primary effect of this reduction in capital expenditures will be to defer planned work on the Sprague tennis courts.

Compared to the FY09 budget, expenditures on street and sidewalk maintenance are being reduced by \$10,000 and equipment replacement is being reduced by \$124,000. Expenditures on athletic fields and playgrounds are being increased by \$38,000 and expenditures on DPW facilities maintenance is being increased by \$134,000, reflecting planned RDF facility improvements.

This capital budget is consistent with the recent practice of looking 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 cycle. Approximately one mile of sidewalks are repaired or rehabilitated annually.

Equipment and vehicle replacement occurs on a rolling basis with a goal of rehabilitating or replacing high-maintenance and unreliable vehicles and equipment. The FY10 equipment and vehicle replacement budget provides for the replacement of twelve items.

School Committee

The School Committee is requesting \$687,876 in cash capital, excluding school-related facilities maintenance capital items, which is nearly 25% of the total cash capital request. School cash capital is allocated as follows:

	FY08 Actual	FY09 Approp.	FY10 Request
Technology	522,049	488,196	495,298
Furniture and Furnishings	118,081	54,474	52,990
Roof Maintenance and Repairs	104,000	-	-
Copiers, Equipment and Storage	80,864	46,303	66,360
Environmental Safety	40,000	-	-
Modular Classroom Study	30,000	-	-
Instructional Equipment	30,537	30,534	26,479
Maintenance Equipment	29,280	-	-
Interior Reconfigurations/Improvements	-	156,000	35,000
Plumbing and Heating	8,000	-	-
Safety	-	-	11,749
	982,811	775,507	687,876

In November, the School Department recommended, and the School Committee adopted, a Cash Capital Budget totaling \$951,881. Of this amount, \$144,670 reflected funds to cover facilities maintenance capital items, which was subsequently allocated to the Town's new Facilities Maintenance Department, leaving the capital budget for the School Department at \$837,745. In light of the growing Town-wide budget pressures, the Schools were asked by Advisory to reduce the cash capital request by \$150,000. In January, the School Committee adopted a \$687,876 cash capital budget, excluding maintenance capital items. On this adjusted basis, the FY10 cash capital budget request is lower than the Schools' capital appropriation for any of the prior three years.

It deserves to be noted, however, that the FY09 budget included \$156,000 for interior renovations at the High School for additional classroom space, while in the FY10 request there is a smaller \$35,000 allocation for interior conversions at the Middle School to accommodate the impact of rapid enrollment increases. In addition, in October 2008, Special Town Meeting voted to appropriate \$985,000, to be funded out of the Free Cash reserve, for interior renovations at the High School to provide five additional classrooms in time for the start of the school year in September, 2009.

Typically, technology is the largest category of school cash capital spending, with a significant portion of this for replacement of aging computers and other equipment. The Schools were able to achieve approximately two-thirds of the requested budget reduction from lower pricing on the 265 replacement computers in the budget. Other reductions included cuts in the number of new (non-replacement) lap-tops and workstations to be acquired for the elementary schools, while lower prices on the remaining non-replacement computers also contributed to the savings. The removal of several "emerging technologies" initiatives were eliminated from the budget, although it is anticipated that some of these items will be funded by non-budget impact funding sources. Lower prices on the remaining non-replacement computers also helped. Advisory notes that the

budget might have been cut further had the School Department decided to postpone for one year a decision to begin accelerating the purchase of replacement computers, in order to cut the replacement cycle from 6 years to 5 years over the coming 4-5 years. This increases computer purchases for the year by approximately 30 units. While this step is in accordance with Department of Elementary and Secondary Education (DESE) recommendations, in light of the challenging economic environment for the remainder of FY09 and beyond, Advisory has suggested that the schools consider deferring this initiative.

Board of Selectmen

	FY08 Actual	FY09 Approp.	FY10 Request
Administration			
Customer Service software	10,000	-	-
Mailing System	-	26,092	-
Network and Information Systems	-	41,000	67,000
Public Safety			
Police	76,104	51,126	53,709
Fire	46,000	64,050	61,525
Building Maintenance	159,800	In Facilities Maintenance Dept.	
	291,904	182,268	182,234

The Board of Selectmen oversees capital budgets for two functions: General Government Administration and Public Safety. Network and Information Systems capital will pay for the second year of a three-year project to upgrade switches on the Town's network and the replacement of an auto backup tape device. Also, \$33,000 is allocated for the first part of a photography flyover of the town for updating topographical data used by the GIS system.

In FY10, the Police capital budget is for the third year of a four-year plan to purchase mobile and portable radios to replace current equipment that is approximately 10 years old. The Fire capital budget is \$30,000 for the first year of a three-year plan to replace protective clothing and gear, \$18,000 to replace three defibrillators and two oxygen meters, and \$13,525 for year two of a four-year plan to replace five portable radios each year.

Facilities Maintenance

	FY08 Actual	FY09 Approp.	FY10 Request
Town Hall		120,900	115,000
Library		-	10,000
Police Station	New	19,800	10,000
Fire Stations	Department	17,200	60,000
Warren Building		1,900	-
Morses Pond Bath House Roof		-	20,000
School Facilities		206,908	144,670
Other School Facilities		-	62,630
		366,708	422,300

The Facilities Maintenance Department requests \$422,300 for FY10, which represents the first year of a consolidated budget to address current maintenance capital needs across several town buildings. This amount includes \$115,000 to replace the chiller in the Town Hall, \$15,000 for replacement of worn carpets in the Library and the Police Station, \$24,500 for structural floor and ceiling repairs in Fire Station No. 1 and \$33,500 for a number of maintenance items including a boiler replacement and renovated kitchen counters and cabinets in Fire Station No. 2. In addition, \$144,670 is designated for broad a range of schools infrastructure and maintenance items, such as electrical panels and lighting, plumbing, heating, ventilation, roof maintenance and safety related updates and improvements.

It should be noted that there is no provision in this account for funds which could be required to address unanticipated or emergency needs, which is being requested by the new Facilities Maintenance Reserve Account under Article 16.

Natural Resources Commission

	FY08 Actual	FY09 Approp.	FY10 Request
Natural Resources Commission			
Tree Planting	25,000	25,000	30,000
Warren Basket Ball Court	21,000	-	-
Trail Improvement & Boundary Markers	10,000	-	-
Fuller Brook Park Restoration Study	-	10,000	-
Park Sidewalk and Path Repairs	-	-	20,000
Morses Pond Project			
Storm Water Management	-	50,000	50,000
	56,000	85,000	100,000

The NRC reduced its proposed capital budget request by \$200,000 to help reduce the budget deficit. Note that \$130,000 of the original request was for the Lower Falls Charles River Bridge Preservation Project, which has been redirected as a request to the CPC, should the matching funds from the State and the City of Newton become a reality. The \$50,000 will enable the NRC to continue its tree planning program and to make emergency repairs to park sidewalks and paths. 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.

Morses Pond Project

The NRC also deferred several elements of the Morses Pond Comprehensive Management Plan, reducing the capital request by \$66,000. The capital request retains \$20,000 for the Watershed Education Program, \$29,000 for Storm Water Management/Low Impact Development Improvements (\$20,000 of this is for design/permitting/other support, and \$9,000 for construction) and \$1,000 for manual harvesting and benthic barrier support/monitoring.

Board of Library Trustees

	FY08 Actual	FY09 Approp.	FY10 Request
Computer / Server replacements	24,000	33,000	28,000
Equipment replacement	-	-	8,500
Video surveillance system	-	3,300	-
Repaint garage floor	8,000	-	-
Fells Branch doors / windows	10,504	-	-
	42,504	36,300	36,500

The Library request represents the replacement, on a five-year schedule, of 20 out of 105 computers, as well as one of five servers. In addition, a 10-year old microfilm machine will be replaced during FY10.

DEBT SERVICE

This budget provides funds to pay the FY10 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

	FY09 Tax Rate	FY10 Request
Debt Service on Existing Debt	3,676,059	3,563,418
Projected New Debt Service	443,762	156,403
Total Inside Levy Debt Service	4,119,821	3,719,812

Outside the Levy

	FY09 Tax Rate	FY10 Request
Debt Service on Existing Debt	5,529,838	5,381,489
Projected New Debt Service	156,933	1,639,260
Total Outside Levy Debt Service	5,686,771	7,020,749

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 was \$245,573 as of June 30, 2008. Projected FY10 receipts are sufficient to cover these withdrawals. In FY10, \$546,733 will be withdrawn from the Fund to pay for Traffic and Parking operations (\$431,733), Traffic and Parking maintenance capital (\$56,500) and Traffic and Parking debt service (\$54,480).

Traffic and Parking

	FY08 Actual	FY09 Approp.	FY10 Request	FY09-10 Change
Operations	311,408	449,891	431,733	4.0%
Cash Capital	54,159	56,500	56,500	0.0%
	365,567	506,391	488,233	3.6%

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.

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 signal reconfiguration at Linden St. and Weston Rd. (\$22,500), and new parking meter machines (\$36,000). These costs are included in the inside the levy limit debt service portion of the budget.

ARTICLE 9. To see what action the Town will take to fix the salary and compensation of the Town Clerk 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 a salary increase for the Town Clerk. 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 reviews the Town Clerk's salary and makes a recommendation to Annual Town Meeting for an appropriate merit increase for the next fiscal year. They take into consideration any adjustments made to the Series 50 positions under Article 5, as well as other factors.

The Town Clerk's present salary is \$73,585. As this Report goes to print, the Board of Selectmen has not yet made its recommendation on the Town Clerk's salary for FY10.

Advisory will make its recommendation at Town Meeting.

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)

Advisory expects no motion under this Article.

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)

Under this Article, the Municipal Light Plant (MLP) requests the appropriation of the revenues from rate-payers and other sources and the cash on hand as of June 30, 2009, for payment of the MLP operating and capital expenditures in FY10.

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 8,900 residential customers and 1,100 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, Massachusetts. The MLP’s principal expense is the purchase of electricity, which the MLP resells to customers in the Town. The MLP also owns and is responsible for the maintenance and improvement of the electric distribution system in the Town.

Revenues

The MLP projects FY10 operating revenue will be \$33.9 million, an increase of \$3.0 million (10%) over the FY09 budget. The projected increase in revenue is attributable to a growth in demand and rate increases of 1% per month through February 2010. The MLP’s electric rates, however, are expected to remain among the lowest in the area.

Operating Expenses

The MLP projects FY10 operating expenses of \$32.3 million, an increase of \$1.9 million (8.5%) over the FY09 budget. The increase in operating expense is due to the increased cost of energy, transmission and Forward Capacity Market (“FCM”) charges the MLP is required to pay to ISO-New England. Shown in the following table are the principal categories of the MLP’s operating expenses for FY06 to FY10:

Operating Expense	FY06 Actual	FY07 Actual	FY08 Actual	FY09 Approp.	FY10 Projected
Administrative & General	\$614,438	\$637,581	\$546,757	\$606,700	\$576,549
Purchased Power	11,669,447	10,963,449	22,721,182	24,258,300	25,423,600
Transmission	3,093,714	1,310,635	1,714,642	1,876,000	2,400,000
Distribution	893,010	1,011,123	913,457	995,647	1,027,502
Customer Service	236,924	261,551	378,574	438,004	456,699
Depreciation	1,569,025	1,887,298	2,247,610	2,268,846	2,436,746
Total Operating Expense	\$18,076,558	\$16,071,637	\$28,522,222	\$30,443,497	\$32,321,096

The MLP’s FY10 operating budget continues to reflect significant transmission cost increases. In FY07, the last full year of the Constellation Power Supply contract, the MLP paid \$360,000 for its capacity needs.

The MLP is projecting energy and capacity expense of \$25,423,600 for FY10, a 5% increase over FY09. Approximately, \$460,000 of the increase is required to serve the projected 1.8% load growth; the balance of the increase is attributable to increased energy costs.

Administrative and general costs are projected to decrease because the MLP's annual zero-based budgeting approach has allowed it to assign additional costs to other cost centers.

Capital Expenditures

The FY10 MLP capital budget is \$2.7 million. Capital expenditures are summarized in the following table:

Capital Budget	FY09	FY10
System Improvements	\$1,142,377	\$1,057,252
Power Factor Correction	0	123,512
Replace G & W Switches	170,183	170,183
Replace Poles	125,765	0
Upgrade Transformers	281,609	237,609
Additional Overhead	114,500	118,250
Additional Underground	114,500	118,250
Subtotal Distribution Upgrades	\$1,948,934	\$1,825,056
Customer-Related Work	\$353,000	\$353,000
Provide 400/600 AMP Service	250,200	250,200
Replace Vehicles	100,000	175,000
Maintain General Plant	24,000	24,000
Improve Technology and GIS	30,000	70,000
Replace Street Lights	35,449	35,449
Replace Meter/Mail Equipment	20,636	11,000
Subtotal Other Capital Projects	\$813,285	\$918,649
Total FY10 Capital Budget	\$2,762,219	\$2,743,705

The major increases in the capital budget are for the "power factor connection," which reflects the plan to add capacitor banks at various locations on the distribution system as a means of adding capacity, and for vehicle replacement, as the MLP is purchasing a new "bucket" truck. These increases are more than offset by projected decreases in expenditures for system improvements, transformer upgrades, and pole replacement. The absence of projected expenditures on pole replacement reflects a judgment that other expenditures are higher priorities, not that there is an absence of poles that the MLP has identified as desirable to replace.

Income Statement and Balance Sheet

In October 2008, the MLP staff updated its Five-Year Financial Forecast to reflect the impact of oil and natural gas price spikes in 2008. Based on the revised forecast, the MLP is projecting an operating loss of \$1.2 million for FY09. In December 2008, Standard & Poor's reaffirmed the MLP's "AA Stable" rating.

Pro Forma Operating Income Statement (000's)

	FY09	FY10
Operating Revenues	\$30,910	\$33,929
Discounts Allowed	(800)	(800)
Non-Operating Revenue	1,150	1,150
Total Revenue	31,260	34,279
<hr/>		
Operating Expenses		
Purchased Power Costs	26,313	26,440
Transmission Costs	1,876	2,100
O&M Costs	4,309	4,417
Total Operating Expenses	32,498	32,957
<hr/>		
Net Operating Income	\$(1,238)	\$1,322

The MLP's net income will be used to fund the annual \$1 million payment to the Town. 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's cash payment is estimated to be at least twice the amount that would be paid by NStar as a for-profit entity if it owned the MLP's property in Wellesley.

**Pro Forma Balance Sheet (000's)
As of June 30th**

	2009	2010
Cash and Equivalents	\$4,516	\$4,787
Accounts Receivable	3,041	3,041
Reserve for Uncollectible	(4)	(4)
Inventory-Material & Supplies	844	844
Other Current Assets	1,501	1,501
Total Current Assets	9,898	10,169
Fixed Assets:		
Property, Plant & Equipment	74,780	77,582
Vehicles & Other Equipment	3,234	3,409
Less: Accumulated Depreciation	(28,722)	(31,048)
Construction Work in Progress	500	500
Total Fixed Assets	49,792	50,443
Total Assets	\$59,690	\$60,612
<hr/>		
Total Current Liabilities	4,133	4,133
Contribution Capital	8,959	9,559
Retained Earnings	46,598	46,920
Total Liability And Equity	\$59,690	\$60,612

Cash and Equivalents are projected to remain relatively stable from FY09 to FY10, after declining in recent years as the rate stabilization fund was drawn down, the cost of the new building was paid from Retained Earnings (rather than financed), station reconstruction was funded, and increased transmission costs were absorbed. The Town's General Fund retains interest and investment earnings on MLP cash.

Outlook

The MLP is continuously 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 light of the continual need to purchase “strips” of power in the energy market, a favorable credit rating is highly desirable.

In anticipation of the 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. Drawdown from this fund will be completed in June 2009.

Revenues generated by the MLP’s work for Devens, Massachusetts has provided substantial support for its budget. This work is projected to decline substantially but lost revenues will be offset by the planned 1% monthly rate increase.

The MLP expects to implement a program that will allow rate payers to make voluntary renewable energy purchases through the standard billing process. This will allow rate payers who wish to do so to purchase, in part or entirely, energy generated by renewable sources.

Advisory believes the operating and capital budgets presented in this Article are appropriate.

Advisory recommends favorable action, 14 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’s FY10 Receipts and its cash on hand as of June 30, 2009, for payment of the Water Division operating and capital expenditures in FY10, provided that the total amount of expenditures in FY10 shall not exceed \$7,072,506.

Overview

The Water Division provides water supply, storage and distribution to residential, commercial and institutional customers. The Town’s water supply system includes wells, pumping stations, treatment facilities and a distribution system with two underground reservoirs. Water is supplied primarily from Town wells supplemented by the Massachusetts Water Resources Authority (MWRA). The principal expenses of the Water Division are for the maintenance and operation of the Town wells and distribution system, as well as for 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.” Revenues are received from rates charged to users.

The budget is designed to break-even on a cash flow basis in a “moderate” water usage year. 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. Overall, cash and equivalents in the Water Fund at the end of FY10 are projected to be \$1.7 million. Interest earned goes to the Town's General Fund.

FY10 Operating Budget

The following table shows the Water Fund's anticipated sources and uses of funds for FY10.

Water Enterprise Fund	FY09	FY10	Change
Sources			
Water Fund Receipts			
Water Charges	4,820,525	5,499,968	679,443
Other Charges	-	-	-
Subtotal - Operating Revenues	4,820,525	5,499,968	679,443
Other Cash Sources			
Depreciation	815,000	800,000	(15,000)
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	204,630	275,910	71,280
Rate Stabilization	536,221	(78,006)	(614,227)
Contingency - From Available Cash	311,759	330,634	18,875
Subtotal - Other Cash Sources	2,111,610	1,572,538	(539,072)
Total Sources	6,932,135	7,072,506	140,371
Uses			
Operating Expenses	4,048,782	4,097,097	48,315
Non-Operating Expenses (Depreciation & Interest)	925,710	965,013	39,303
Other Non-Operating Expenses (House Service Connections)	200,000	200,000	-
Capital Expenses & Debt Obligations			
Capital Outlay	875,640	724,000	(151,640)
Expenditures of Contrib. in Aid of Construction	40,000	40,000	-
Debt (Principal)	530,244	715,762	185,518
Subtotal - Capital & Debt	1,445,884	1,479,762	33,878
Contingency	311,759	330,634	18,875
Total Uses	6,932,135	7,072,506	140,371

The Water Fund's receipts in FY10 from rate-payers are projected to be \$5.5 million. This revenue is based on an estimated annual usage of 1.145 million CCF (or 856 million gallons) of water. The BPW has not yet set water rates for 2010; the projected revenue assumes a 12.5% increase effective June 1, 2009.

Operating expenses in FY10 are projected to be \$4,097,000, which is an increase of \$48,000 compared to the FY09 budget. Personal service costs are projected to be \$1,528,000, an increase of \$58,400, or 4%. The cost of MWRA charges for water are expected to decrease by about \$81,000, based on somewhat lower water usage from that source. Other expenses are expected to increase by approximately \$71,000, largely due to increases in the costs of chemicals, electricity, and insurance, partially offset by a decrease in projected health insurance and workers compensation costs. Other (non-operating) charges are projected to increase by

approximately \$39,300, or 5.4%, largely attributable to increased interest expense associated with the new DPW building. Overall, total expenses are projected to be \$5,062,000, an increase of 1.8% relative to FY09.

FY10 Projected Capital Budget

BPW projects capital expenditures of \$724,000 in FY10, a \$150,000, or 17.3% decrease relative to the FY09 budget. The FY10 capital program includes \$375,000 for water supply improvements; \$40,000 for hydrants; \$85,000 for meter maintenance and the replacement of water meter batteries on a planned schedule prior to battery failure; \$109,000 for building and equipment maintenance, and \$10,000 for the GIS system; \$50,000 for well cleaning; and \$55,000 for a reserve fund for major capital expenditures, including future replacement of meters.

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. The Water Division is continuing steps to improve local well yields to reduce the Town's reliance on MWRA water.

Advisory believes the operating and capital budgets proposed in this Article are appropriate.

Advisory recommends favorable action, 14 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's FY10 receipts and cash on hand as of June 30, 2009, for payment of the Sewer Division operating and capital expenditures in FY10, provided that the total amount of expenditures in FY10 shall not exceed \$8,247,881.

Overview

The Sewer Division provides for the construction, operation, and maintenance of the Town's sanitary sewer system including trunks, force mains and laterals and pumping and lift stations. Sewage is sent to the Massachusetts Water Resources Authority (MWRA) for treatment at the Deer Island station. MWRA charges represent 80% 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. Revenues are received through rates charged to users. 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. Interest earned goes to the Town's General Fund.

FY10 Budget

The following table shows the Sewer Division's anticipated sources and uses of funds for FY10. As shown, the Sewer Fund's receipts in FY10 are projected to be \$6,804,000. This includes an assumed rate increase of 7.5% as of July 1, 2009, which has not yet been approved by the BPW.

Sewer Enterprise Fund	FY09	FY10	Change
Sources			
Sewer Fund Receipts			
Sewer Charges	6,148,048	6,319,174	171,126
Wellesley College	450,000	455,000	5,000
Other Charges	37,000	30,000	(7,000)
Subtotal - Operating Revenues	6,635,048	6,804,174	169,126
Other Cash Sources			
Depreciation	287,000	297,000	10,000
Non-Operating Income	30,000	30,000	-
Interest Received	10,000	10,000	-
Contribution in Aid of Construction	5,000	5,000	-
Grant Proceeds	128,884	112,500	(16,384)
Loan Proceeds	157,525	137,500	(20,025)
Rate Stabilization	92,988	257,688	164,700
Contingency - From Available Cash	576,042	594,019	17,977
Subtotal - Other Sources of Cash	1,287,439	1,443,707	156,268
Total Sources	7,922,487	8,247,881	325,394
Uses			
Operating Expenses - Non MWRA	1,178,928	1,178,095	(833)
Operating Expenses - MWRA Charges	4,919,881	5,002,399	82,518
Subtotal - Operating Expenses	6,098,809	6,180,494	81,685
Non-Operating Expenses (Depreciation & Interest)	382,000	446,883	64,883
Other Non-Operating Expenses (House Service Connections)	30,000	30,000	-
Capital Expenses & Debt Obligations			
Capital Outlay	492,640	630,000	137,360
Expenditures of Contrib. in Aid of Construction	5,000	5,000	-
Debt (Principal)	337,996	361,485	23,489
Subtotal - Capital & Debt	835,636	996,485	160,849
Contingency	576,042	594,019	17,977
Total Uses	7,922,487	8,247,881	325,394

Operating expenses in FY10 are projected to be \$6,180,494, an increase of \$81,685 or 1.3% from FY09. This increase is driven by an increase in MWRA charges of approximately \$83,000, or approximately 2%. Non-MWRA operating costs of approximately \$1,178,000 in the aggregate are nearly unchanged. This figure includes an increase in personal services which is offset by a decrease in other expenses.

MWRA charges constitute approximately 75% of overall operating expenses. The projected MWRA charges are based on information the BPW has received from the MWRA Advisory Board and are subject to change.

Other (non-operating) charges are projected to be \$447,000, an increase of 17%. The increase is largely driven by the interest expense associated with the DPW building.

Capital Budget

Capital outlays for FY10 are projected to be \$630,000, an increase of 137,000 or 28% from FY09. This increase is for increased planned spending on pumping station improvements.

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 operating and capital budgets proposed in this Article are appropriate.

Advisory recommends favorable action, 14 to 0.

ARTICLE 14. To see if the Town will vote pursuant to Section 53E½ 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—those that may be used without appropriation and are established for particular uses by Town departments—must be authorized or reauthorized annually by vote of the Town Meeting. These funds are sourced solely from the departmental receipts received in connection with the programs supported by the revolving funds. The name and amounts of funds requiring authorization/reauthorization are as follows:

Street Opening Maintenance, said funds to be expended under the direction of the Department of Public Works, annual expenditures not to exceed \$150,000;

DPW Field Use, said funds to be expended under the direction of the Department of Public Works, annual expenditures not to exceed \$200,000;

Council on Aging Bus Fund, said funds to be expended under the direction of the Council on Aging Department, annual expenditures not to exceed \$110,000;

Council on Aging Social and Cultural Programs, said funds to be expended under the direction of the Council on Aging Department, annual expenditures not to exceed \$45,000;

Building Department Document Fees, said funds to be expended under the direction of the Building Department, annual expenditures not to exceed \$50,000;

Teen Center Program Revenues, said funds to be expended under the direction of the Recreation Department, annual expenditures not to exceed \$35,000;

Recreation Summertime Revenues, said funds to be expended under the direction of the Recreation Department, annual expenditures not to exceed \$30,000;

Recreation Scholarship Revenues, said funds to be expended under the direction of the Recreation Department, annual expenditures not to exceed \$35,000;

Brookside Gardens, said funds to be expended under the direction of the Natural Resources Department, annual expenditures not to exceed \$5,000; and

Library Rental Fund, said funds to be expended under the direction of the Library Trustees, annual expenditures not to exceed \$15,000.

Expenditures are paid from cash receipts collected from outside sources specifically for the purposes designated and without any expense to the Town. The Council on Aging Bus Fund reflects an increase of \$11,000 due to the fact that the busing contract will be going out for bid within the next year and an expenditure increase is anticipated. Advisory continues to support the management of these programs through revolving funds, as approved in 2006 and subsequent 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, including transfer of rent receipts from the approved leases of the branches, to the Library Trustees for the purpose of funding capital improvements to be made at the branches, and/or other library purposes; to establish a revolving fund for said purpose pursuant to Section 53E½ of Chapter 44 of the General Laws; or take any other action relative thereto.

(Library Trustees)

This Article seeks to appropriate funds received from rental of the Hills and Fells Branch Libraries for capital expenses necessary to maintain the buildings, for which the Trustees are responsible.

After an override request for operating funds for the branches failed in 2006, the Trustees, in an effort to utilize the vacant buildings, received approval at the 2007 Special Town Meeting to execute leases with the Wellesley Community Children's Center (WCCC) for portions of each branch not required for library purposes. The WCCC rents space at the Fells Branch for after-school child-care and space at the Hills Branch for office use. The leases currently generate \$18,200 annually, in addition to partial reimbursement of utility expenses.

The Trustees are seeking transfer of these lease funds in order to meet the costs of capital needs that may arise while the branches are open under private funding. At this time, a critical requirement is the replacement of the furnace at the Hills Branch, with an estimated cost of \$25,000.

If this Article is approved, a Branch Capital revolving fund would be established with \$18,200 from Free Cash (based upon the FY09 rental payments) along with all branch lease income from FY10, or an additional \$18,200. The Library Trustees, with guidance from the Facilities Maintenance Department, would use these funds for capital expenses, as necessary.

The majority of Advisory members support the request by the Library Trustees to transfer the lease payments to a revolving fund, which, like similar funds, will require annual reauthorization at Town Meeting. It appears to be reasonable use of funds generated by the Trustees to both expand the use of the branches by other Town groups and to provide a flow of funds to maintain the buildings.

A minority believe that there is no need for the Library to set up a revolving account as the maintenance of the branches, which are Town-owned buildings, should be the responsibility of the Town and its Facilities Maintenance Department. Thus the lease payments would remain in the General Fund.

Although not part of this Article, Advisory expressed to the Trustees its understanding that the Town's vote in 2006 to decline taxpayer support for the branch libraries related to all branch expenses, both operating and capital. Advisory also expressed its concern about the Trustees' potential inability to cover all costs should the lease income cease for any reason or should the capital needs exceed the available funds. Recently, the Trustees indicated that if at any time funds should not be available to address the capital needs at either branch, they fully expect the Town to be responsible for these expenses.

Advisory recommends favorable action 11 to 2, with 1 abstention.

ARTICLE 16. To see if the Town will vote to establish a Town Facilities Maintenance Account dedicated to the maintenance of town facilities, including school buildings, the intent being for the unencumbered balance of said account to be annually available to the ensuing fiscal year; to authorize the Board of Selectmen to petition the General Court for Home Rule legislation for same, if necessary; 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 seeks to establish a Facilities Maintenance Reserve Account under the control of the Facilities Maintenance Department for unanticipated capital needs and emergency repairs. The account is intended to provide the resources and flexibility to respond to unanticipated needs for repairing, replacing, restoring or renovating existing facilities infrastructure.

The Board of Selectmen and School Committee currently are developing a formal written policy regarding the account that will, amongst other things:

- Require Board and Committee authorization for disbursements from the account
- Prohibit the use of funds for new infrastructure or personal services costs
- Require annual reporting to the Advisory Committee and Town Meeting

Examples of work that would qualify as emergency or unanticipated include replacement or repair of roofs, masonry, windows, ceilings, doors, flooring, woodwork, electrical and mechanical systems and grounds. The reserve would not be used for new infrastructure or to supplant funds available in the operating or capital budgets. Public bidding laws related to construction and the purchase of goods and services, as well as any required review by the Permanent Building Committee, would be followed.

The proposed initial funding is an appropriation of \$200,000 to be taken from Free Cash. As funds are expended from the account, there would be an annual request to Town Meeting to replenish the account to the target balance as part of the appropriation for the cash capital budget.

Advisory supports the concept of a maintenance reserve account for unanticipated repairs or replacements. This reserve would be available for maintenance on the 17 buildings with approximately 1.1 million square feet of space under the responsibility of the Facilities Maintenance Department. The draft policies regarding use and approvals seem appropriate and should provide for adequate controls and follow-up reporting.

This reserve is a necessary complement to the existing cash capital budgeting process. The Capital Improvement Plan is a five-year, forward-looking planning tool, updated on an annual

cycle; however, as it is not designed to address unexpected capital needs in a timely manner, unexpected repairs or emergencies often are addressed with a low-cost solution – when, in some cases, a more extensive repair or replacement would have been more effective in the long-term.

Advisory considered whether this account would be duplicative of the Advisory Reserve Fund which is available for transfers to departments for unforeseen or extraordinary expenses. While these transfers could be used for emergency infrastructure repairs, typically the Reserve Fund has been used for addressing departmental budget shortfalls due to unusual events – such as the need for additional personnel, a special study or a consultant to respond to a special situation. In addition, most building repairs are undertaken in the summer, due to the weather and to the schools being empty, which is the time of year when Advisory generally does not meet.

The ability for Town Meeting—through Advisory—to monitor the account on an annual retrospective basis, using actual final project costs, and to approve the amount by which the account is replenished annually should provide appropriate and sufficient control. While the initial funding request is \$200,000, it is anticipated that in the first year, barring a major problem, the actual usage will be less than half of this amount. Advisory believes this reserve is necessary to support the expanded Facilities Maintenance Department and the Town’s overall facilities maintenance efforts.

Advisory recommends favorable action, 12 to 0.

ARTICLE 17. To see what sum of money the Town will raise and appropriate, or otherwise provide, to the School Committee, in addition to the amount appropriated under Article 8 of the Warrant for the 2009 Annual Town Meeting, for additional busing at the Wellesley High School; or take any other action relative thereto.
(School Committee)

Advisory expects no motion under this Article.

ARTICLE 18. To see if the Town will vote to study and/or implement a proposal for a town-wide public transportation system; to appoint a committee to study the matter; to raise and appropriate, or otherwise provide, a sum of money for the same; or take any other action relative thereto.
(Board of Selectmen)

Advisory expects no motion under this Article.

ARTICLE 19. To act on the report of the Community Preservation Committee on the fiscal year 2010 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)

This Article seeks approval of the appropriations proposed by the Community Preservation Committee (CPC), as described in the *Report of the Community Preservation Committee* contained in this Advisory Report. The *Report of the Community Preservation Committee* also explains the Community Preservation Act (CPA), the requirements for allocating CPA funds, past and projected funding, balances available in the Community Preservation Fund, criteria for evaluating requests for funding brought before the CPC and an update of previously-funded projects. Refer to this report for a more complete understanding of the CPC and the proposals CPC recommends for approval at this 2009 Town Meeting.

FY10 Project Recommendations

The CPC received five completed applications for FY10 projects and is recommending the requested level of funding for all of them. The total project budget is \$1,265,000, more than 85% of which is directed toward community housing. In addition to project costs, CPC is requesting \$50,000 in administrative funds, for a total of \$1,315,000.

1. Renovation of Waldo Court Complex
2. Grant to the Wellesley Housing Development Corporation
3. Lower Falls Railroad Bridge
4. Sprague Clock Tower Preservation
5. Barton Road Master Plan

Under this Article, the CPC seeks approval for the appropriation of monies held in the Community Preservation Fund to these projects. Favorable action under this Article would reduce the approximate \$5.6 million fund balance, which would otherwise be carried forward for future CPC projects, but has no direct tax or budget impact. 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.

1. Renovation of Waldo Court Complex

- Sponsor: Wellesley Housing Authority (WHA)
- Description of Project: Renovation of the 12 units at Waldo Court to restore them to use
- CPA Category: Community Housing
- Recommended Amount: \$700,000

The State Department of Housing and Community Development has awarded \$1,650,000 in grants to the WHA to cover architectural/engineering work for Waldo Court and the cost of extensive rehabilitation to two of its three buildings and the site. Plans are well underway and the project is expected to be bid in spring 2009. The CPC allocation would extend the project to cover all twelve units at Waldo Court. This project would be the second-largest Wellesley CPC allocation to date. However, the cost of converting each unit of well-located rental community housing from an uninhabitable to a modernized state is reasonable.

The CPC recommends that the sum of \$700,000 (\$463,482 from the Community Housing Account and \$236,518 from the Undesignated Account) be appropriated from the Community Preservation Fund for this project.

Advisory recommends favorable action, 11 to 0.

2. Grant to the Wellesley Housing Development Corporation

- Sponsor: Wellesley Housing Development Corporation (WHDC)
- Description of Project: Provide equity capital to enable the WHDC to purchase, build, renovate, and/or accept as a gift dwellings or properties for the purpose of creating one or two units of affordable housing at each location, or to preserve existing stock.
- CPA Category: Community Housing
- Recommended Amount: \$350,000

This proposal is like the \$450,000 CPC allocation to WHDC approved by the 2006 Annual Town Meeting (ATM). If approved, it would once again provide the WHDC with working funds to act on potential affordable housing opportunities as they become available. Lenders continue to show an interest in providing bridge financing to WHDC to augment its equity capital until homes are sold to income-qualified buyers. While the pace of additions to Wellesley's community housing stock supported by this project is slow and the per-unit cost is relatively high, the type of housing – one or two units of affordable housing at a location – is the type most in keeping with Wellesley neighborhoods. Since its inception, CPC has been the source of Town funding for the WHDC.

The CPC recommends that the sum of \$350,000 be appropriated from the Undesignated Account of the Community Preservation Fund for this project.

Advisory recommends favorable action, 11 to 0.

3. Lower Falls Railroad Bridge

- Sponsor: National Resources Commission (NRC) and Trails Committee
- Description of Project: Provide funding for the Lower Falls Railroad Bridge Partnership to apply for a Massachusetts Department of Conservation and Recreation (DCR) matching grant. The project would preserve a DCR-owned abandoned railroad bridge over the Charles River and convert it and its DCR-managed approaches to a pedestrian/bicycle crossing between the Wellesley (located adjacent to 27 Washington Street) and Newton sides of the river. The project would be managed by the DCR, with input from the partners.
- CPA Category: Historic Resources, Recreation
- Recommended Amount: \$100,000 (No money would be spent without equal funding of the partnership by Newton's CPC and receipt of a \$200,000 State match in FY10.)

In February 2009, Phase 1 of this project, \$12,000 in funds from the Trails Committee, the NRC Gift Fund and the Newton Conservators, was approved for a \$24,000 matching grant by the DCR. The sponsors expect the DCR to complete this design phase of the project, which will detail the scope of work, by early fall 2009. To apply for a \$200,000 matching grant for the construction phase, both Wellesley and Newton must commit \$100,000 to the project and submit a Phase 2 application. The likely due date for FY10 applications is mid-October 2009, leaving little time between the completion of Phase 1 and the submission of the next application. Given the overlap between the planning of this project and the CPC/ATM funding cycle, CPC is requesting that Town Meeting approve funding for Phase 2 before the project is fully defined so that the sponsors can participate in the coming year's DCR application cycle. At the time this Advisory Report is going to print, CPC plans to request that funds for this project be allocated to

CPC itself. CPC would “hold” the project funds, if approved by Town Meeting, and release them for the DCR application only if CPC and other relevant boards and committees are in favor of the project based on the Phase 1 outcome. It is not yet clear how this interim approval process would work.

Advisory understands that proponents of this project see it as an opportunity to obtain a recreational asset with historic roots for the Lower Falls area, before the currently-unsafe span deteriorates and while partnership funding from Newton and the State may be available. Advisory further recognizes that creating trail connections with adjacent communities is one of the priorities of the Trails Committee and that the Lower Falls Bridge could become a link to what might eventually become a trail to the Riverside station along the abandoned railroad corridor.

However, Advisory questions whether this project is a priority at this time, given that a bridge exists nearby at Washington Street, that the project covers the Lower Falls Bridge restoration only and does not provide new trails, and that the existing DCR trails, though not well-maintained, are reachable now without the bridge. The Committee is concerned that the bridge’s location limits its broad recreational appeal to Wellesley. It is far from the street and the immediate riverfront area is currently somewhat desolate. Advisory recognizes that a proposed development at the adjacent 27 Washington Street has been approved, but also that the development itself would include a walking trail. The bridge would be car-free, but it is not within close walking distance to many Wellesley residents and its access would be via busy Washington Street. Even with the partnership, the \$100,000 cost to Wellesley is large relative to the \$5,000 - \$6,000 projected annual capital request for maintaining Wellesley’s more than 24 miles of existing trails.

An additional Advisory concern is that the bridge proposal requests Town Meeting funding approval for Phase 2 of the project before Phase 1 plans have been developed. The Committee believes that Town Meeting should at least wait until Phase 1 is complete to evaluate this project, even if doing so would mean missing the application deadline for DCR matching funding this year.

The CPC recommends that the sum of \$100,000 be appropriated from the undesignated account of the Community Preservation Fund for this project.

Advisory recommends unfavorable action, 13 to 0, with one abstention.

4. Sprague Clock Tower Preservation

- Sponsor: Department of Public Works (DPW)
- Description of Project: Preserve the structural and aesthetic integrity of the 80-year old tower, located in Elm Park. Both the tower and the park are listed on the National Register of Historic Places.
- CPA Category: Historic Resources
- Recommended Amount: \$65,000

Inspection of the tower by a Town engineer in the summer 2008 revealed that the historic structure, a prominent feature of Wellesley Hills Square, is in need of work to maintain its integrity. The proposal is to stabilize the tower through structural reinforcement, weatherization, and correcting deteriorating conditions; the work includes substantial masonry repointing. Upon receiving a request for funding from the DPW, the CPC used administrative funds to hire an

independent engineering firm, who performed a detailed inspection that confirmed the need for work and provided specific recommendations and alternatives.

The CPC recommends that the sum of \$65,000 be appropriated from the Historic Resources Account of the Community Preservation Fund for this project.

Advisory recommends favorable action, 14 to 0.

5. Barton Road Master Plan

- Sponsor: Wellesley Housing Authority (WHA)
- Description of Project: Take steps toward the creation of a master plan for the Barton Road community housing complex, including improving the quality of life for Barton Road residents, assessing the potential for developing more housing on the site and the type and affordability of such housing, and integrating any new housing with the existing development.
- CPA Category: Community Housing
- Recommended Amount: \$50,000 (Potential to obtain additional \$25,000 State matching grant exists, but is not a pre-requisite for the project.)

This Wellesley Housing Authority request for CPC funding has gone through several iterations over the past several months as the CPC has worked to elicit a clear proposal from the WHA. As this Advisory Report is going to print, although the CPC has recently approved this WHA request, there is no written description of the specific work to be done, who might do it, and when. It is not clear what the deliverable of the project would be and what decisions it would inform. There has also been a moving target of what level of funding is required, ranging from \$100,000 to the current approach of getting started on a plan now with the \$50,000 CPC allocation.

Advisory shares the WHA's and CPC's concern for the Barton Road residents and appreciation of the multiple challenges that persist in the housing development, despite the \$15m renovation completed six years ago. The Committee understands the WHA's desire to investigate adding housing, potentially mixed-income, within the Barton Road property. Advisory is less convinced that doing the latter would improve the current conditions, or would be an easily-welcomed addition to the Cedar Street area.

Although Advisory agrees with the intent of making positive changes at Barton Road, it believes that the proposed project is not ready for funding. The current proposal is so broad and undefined that it is difficult to see what results it would achieve for Barton Road. Some areas that the WHA seeks to study extend beyond Barton Road itself and may fall under the authority of other areas of Town government. Some may have been investigated already. Planning for even one of the areas described would be a challenging undertaking. Advisory believes a more specific project, or an element of a more defined whole, would represent a better investment than rushing to get started on a Master Plan.

The CPC recommends that the sum of \$50,000 be appropriated from the Undesignated Account of the Community Preservation Fund for this project.

Advisory recommends unfavorable action, 13 to 1.

ARTICLE 20. To see if the Town will vote to take by eminent domain the former American Legion Site, located at 496 Washington Street, in order to confirm town ownership already acquired by deed; to raise and appropriate the sum of one dollar (\$1.00) for the purpose; to designate said parcel under the jurisdiction of the Board of Selectmen for the use of a Senior Center; to raise and appropriate, or otherwise provide, a sum of money to raze the existing building and for the architectural, engineering, and/or other professional services and for the construction of a new Senior Center and such other activities relating thereto as the Board of Selectmen shall determine to be in the town's interest; to accept gifts to be applied to the same, including the gift proffered by the Mary Esther ("Billie") Tolles Charitable Foundation; and to determine whether such sums shall be raised by taxation, through borrowing and/or transfer from available funds, including from the available and unexpended balances on hand previously appropriated for other capital building projects now completed; or take any other action relative thereto.

(Board of Selectmen)

Under this Article the Board of Selectmen seek an appropriation, to the Permanent Building Committee, to fund the design of a free-standing Senior Center, to be located on land controlled by the Town at 496 Washington Street. They propose to take the funds for this Article from Free Cash reserves, and to return to a subsequent Town Meeting, with bids in-hand, to seek funds for the construction of the Senior Center. The Board of Selectmen and the Council on Aging have issued a *Report of the Senior Study Committee for the 2009 Annual Town Meeting*. The "Executive Summary" of this report is included in this Advisory Report.

Advisory understands the desirability of a dedicated Senior Center and the benefits of a free-standing building. The Committee has seen a very strong expression of support for the proposed Senior Center from the senior community and from other Town citizens. Advisory believes that, comparatively, the Town under-serves the needs of its senior citizens. The construction of a dedicated Senior Center would meet what some would characterize as the Town's obligation to provide its senior citizens a full range of services in an attractive and functional facility, just as it does for the Town's youth through the public schools, playing fields, and parklands. Others see such a project as a well-deserved sign of respect and gratitude for the contributions that seniors have made, and continue to make, to our community.

The American Legion parcel presents an attractive site for a stand-alone center. The Town controls the property and the American Legion is anxious to be relieved of its occupancy. The site is centrally located, near other Town facilities and across the street from a large senior housing facility. It is half way between the High School and the Middle School, facilitating the possibility of intergenerational programming. On the other hand, while significant street parking is available, parking at the site is very limited, and the Selectmen will have to work very hard to provide adequate transportation to and from the Center.

As contemplated, the project would produce a center of adequate size. The building would be roughly the same size as many senior centers around the Commonwealth. Conversely, the size of the parcel limits the potential to expand the Center, should that ever prove to be necessary. The proponents have attempted to address this problem by including a full basement in the design, with half of the space remaining unfinished.

Advisory has weighed the pros and cons of the issue, as the Study Committee's proposal has become more concrete. However, since the proposal is not in final form, Advisory believes that it should wait until the facts are available before making its final recommendation.

Advisory's concerns focus primarily on the potential cost of the center, particularly at this time. Given the unsettled economy and the Town's uncertain finances, some members of Advisory do not believe it is prudent to add five million dollars in long-term debt at this time. Given the risks involved in taking on debt, members believe the Senior Study Committee should re-examine the possibilities of using other facilities in Town, such as the Wellesley Community Center, the Recreation Building or the Libraries. Advisory also expresses concern that the design funds sought in this Proposal would come from Free Cash, part of the Town's reserves.

In contrast, some members of Advisory feel strongly that this is a very worthy project, that it should be viewed as a very long-term investment, and that if the issue is simply one of timing then the current weak economic environment is, in fact, an excellent time to take maximum advantage of the significantly lower construction costs that may be available.

Some Advisory members see a significant value in the proponents' stated desire that any debt financing be within the levy limits. In that way, the debt service will not increase the financial burden on the Town, but will force the Town to reduce spending in other areas to stay within the levy limit (or, of course, seek an override from the voters.) Other members, however, express regret that the Town as a whole does not, at this time, have an opportunity to vote on the construction of a Senior Center. They believe that the construction of another town-owned building should be subject to town-wide approval.

Some Advisory members are concerned that a stand-alone Senior Center would inevitably lead to an increase in the operating budget of the Council on Aging. Regardless of the level of volunteer support, the substantial increase in senior programming would require the Town to add some level of paid staff.

In summary, this Article requires a balancing of two legitimate concerns. On the one hand, Advisory believes in the desirability of a Senior Center and numerous citizens have come forth to express their support. On the other hand, the economic situation facing our country and the Town are stark and uncertain. Advisory, and ultimately, Town Meeting members, will have to weigh these two competing interests in voting on this Article. Advisory is seeking additional information before making its final recommendation.

Advisory will make its recommendation at Town Meeting

ARTICLE 21. To see if the Town will vote to transfer the remaining unencumbered money previously appropriated for the Middle School Project under Motion 1 of Article 7 of the Warrant for the December 6, 2004 Special Town Meeting to the amount appropriated under Motion 1 of Article 5 of the Warrant for the October 20, 2008 Special Town Meeting for the High School Project; and to reduce by an equal amount the authorization to borrow for said High School Project; or take any other action relative thereto.

(Board of Selectmen)

This Article would permit the Director of Finance to use any remaining, no longer needed, bond proceeds authorized at the December, 2004 Special Town Meeting for the Middle School Project for costs associated with the High School Project, thereby reducing the amount of new borrowing needed for the new high school. Currently, it is anticipated that the amount to be transferred would be approximately \$68,000.

Advisory will make its recommendation at Town Meeting.

ARTICLE 22. To see if the Town will vote to transfer the remaining unencumbered money previously appropriated for completed traffic signal installations under Motion 1 of Article 3 of the Warrant for the December 6, 2004 Special Town Meeting and Motion 1 of Article 3 of the Warrant for the November 28, 2000 Special Town Meeting to the amount appropriated under Motion 3 of Article 8 of the Warrant for the 2006 Annual Town Meeting for traffic signal system upgrades and maintenance; or take any other action relative thereto.

(Board of Selectmen)

Advisory expects no motion under this Article.

ARTICLE 23. To see if the Town will vote to accept as a public way (without betterments) the following street as laid out by the Board of Selectmen: Burnett Lane, as shown on a plan on file in the Office of the Town Clerk entitled "Street Acceptance Layout of Burnett Lane Wellesley, Mass." drawn by GLM Engineering Consultants, Inc., dated November 20, 2006, revised January 5, 2007; to raise and appropriate money therefor, or take any other action relative thereto.

(Board of Selectmen)

This Article requests acceptance of Burnett Lane as a public way. Upon acceptance as a public way, the Town will assume ownership of the road and responsibility for its upkeep, as it does for all accepted ways. Burnett Lane is a cul-de-sac off McLean Street in Precinct E. It has been constructed at the developer's expense in accordance with Town specifications and a subdivision plan approved by the Planning Board in 2001. Under the Town of Wellesley Street Acceptance Policy, adopted by the Board of Selectmen in January 2007, Burnett Lane is a Type 1 street (i.e., new subdivision). All construction of and modifications to the street have been completed, the Town Engineer recommends accepting the street and all remaining funds from the developers Surety Bond have been refunded.

Advisory agrees that Burnett Lane meets the standards for acceptance as a public way.

Advisory recommends favorable action, 11 to 0.

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, typically for access for utility services, granted to, or abandoned by, the Town. As this Report goes to print, it is anticipated that fourteen easements will be presented to Town Meeting. Six of the easements relate to the construction of a new underground storm drain near Edmunds Road, Arnold Road and Lowell Road. The storm drainage easement impacts the following properties:

- 82 Edmunds Road
- 90 Edmunds Road
- 106 Edmunds Road
- 91 Arnold Road
- 97 Arnold Road
- 61 Lowell Road

Four of the easements, located on Polaris Circle, a recently constructed subdivision off Cedar Street, are for the following purposes: a sight line easement, a water and sewer easement for underground utilities, a storm drainage easement for underground storm water collection and an electric utility easement for the electrical system in the roadway.

The remaining easements consist of a storm drainage easement at 89 Ledgeways, an electric utility easement for two transformers and wires at 62-66 Hastings Street, and another electric utility easement for a transformer and wiring at 28 and 32 Burke Lane. The final easement is a utility easement for various utilities at 56 Edgemoor Avenue.

None of the easements described herein involve any expense to the Town. Advisory's recommendation concerns the fourteen easements previously described. It is possible that additional easements will be presented to Town Meeting; if so, Advisory will make its recommendation on any additional easements at Town Meeting.

Advisory recommends favorable action, 14 to 0.

ARTICLE 25. To see if the Town will authorize the use of funds received from Federal or State sources for engineering services, for plans and specifications, for construction, reconstruction, remodeling, rehabilitation and/or modernization of Town facilities and infrastructure, including School, Municipal Light Plant, Water and Sewer facilities and infrastructure; to raise and appropriate, or otherwise provide, money for the same; and to determine whether additional sums for said projects shall be raised by taxation, through borrowing and/or transfer from available funds; or take any other action relative thereto.

(Board of Selectmen)

Advisory expects no motion under this Article.

ARTICLE 26. To see what sum of money the Town will raise and appropriate, or otherwise provide, to complete the Town's acquisition of the most-westerly portion of the Cochituate Aqueduct, said parcel of land comprising 5.59 acres running from the Natick Town Line to approximately 25' south of Dedham's Brook Waste Weir, said acquisition being authorized by Chapter 267 of the Acts of 2002, provided the Town pay the fair market value of said parcel to be determined by an independent appraisal, and also all other costs associated with the same; to determine whether such sum shall be raised by taxation, through borrowing and/or by transfer from available funds; to authorize the Board of Selectmen to file Home Rule legislation regarding the same if necessary; to authorize the Board of Selectmen to enter into a lease of a portion of said property; or take any other action relative thereto.

(Board of Selectmen)

Advisory expects no motion under this Article.

ARTICLE 27. To see if the Town will vote to authorize the Board of Selectmen to enter into agreement(s) for the exchange of town-owned land in consideration for the town acquiring privately owned land in order to enhance the town's interests; to determine whether said exchange(s) shall be for monetary consideration in addition to the value of land(s) to be exchanged; to raise and appropriate, or otherwise provide, a sum of money

for this purpose; to determine which board shall have jurisdiction of any such land acquired; to authorize the Board of Selectmen to execute deeds for the parcel(s) to be conveyed out; and, if it is in the town's interest, to execute new leases, and/or terminate or amend existing leases so that the town may use the parcel(s) in the meantime; 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 Board of Selectmen to petition the General Court for special Home Rule legislation authorizing the Board of Assessors to increase the property tax benefit to a higher amount than that set by General Laws Ch. 59, Section 5K for those persons eligible for the Senior Work-Off program; or take any action relative thereto.

(Board of Selectmen)

This Article requests authorization for the Board of Selectmen to seek special legislation from the Massachusetts legislature authorizing the Board of Assessors to increase the real property tax benefit offered to certain homeowners under the Senior Work-Off program by \$250 per property to \$1,000. For FY09, homeowners 60 years of age or older with a gross income of not more than \$34,626 (single) and \$57,835 (married), adjusted annually by a cost of living adjustment, can reduce their real property tax liability in any fiscal year in exchange for volunteer service to the Town (based upon the state hourly minimum wage, currently \$8/hour, without benefits) up to a maximum of \$750. This program is managed by the Council on Aging, which limits the program currently to a maximum of 25 homeowners. Presently, 14 homeowners avail themselves of this benefit, although not every participant receives the maximum benefit. No other changes to the program are contemplated at this time. The \$250 benefit increase would equate to a maximum annual incremental cost to the Town of \$6250 if all 25 resident seniors were to participate fully each year. This benefit would assist low-income seniors to remain in Wellesley and would be offset by the volunteer service provided to the Town. Homeowners who participate in this program may also be eligible for the tax relief benefit described under Article 29.

Advisory recommends favorable action, 11 to 0.

ARTICLE 29. To see if the Town will vote to increase the tax relief benefit authorized by General Laws Ch. 59, clause Forty-First C of section 5, from \$750 to the maximum of \$1000 and from \$4,000 to \$8,000 in property valuation; or take any action relative thereto.

(Board of Selectmen)

This Article seeks to authorize the Board of Assessors to reduce the real estate tax liability of certain elderly homeowners by \$1,000, an increase of \$250 over the present allowable reduction of \$750. This change requires a Town Meeting vote. This tax benefit is limited by both gross income (for FY09, generally a maximum of \$28,556 for singles and \$42,835 for married couples) and an asset limitation of \$49,253 for singles and \$67,723 for married couples, excluding generally the full value of the residence for which the benefit is sought. The income and asset levels are adjusted annually by a cost of living adjustment. As of January, 2009, 49 homeowners had requested the benefit for FY09. Increasing the benefit will assist low-income homeowners of limited assets with the ability to remain in their homes in Wellesley.

Homeowners who avail themselves of this benefit may also participate in the volunteer program described under Article 28.

Advisory recommends favorable action, 11 to 0.

ARTICLE 30. To see if the Town will vote to authorize the sale of all existing tangible property at 53, 55, and 57 Seaver Street, including the structures, contents, improvements and landscaping (but not the land) as the Board of Selectmen shall determine to be in the Town's interest; or take any other action relative thereto.

(Board of Selectmen)

At the November 2007 Special Town Meeting, the single family residences at 53, 55 and 57 Seaver Street were purchased to expand the Wellesley High School site in connection with a planned new or renovated high school. This article seeks Town Meeting approval to sell any and all tangible property located at these three properties. Tangible property includes: fixtures, equipment, cabinetry, moldings, windows, etc. or an entire structure if in the Town's best interest. No land will be included in any sale. To sell the property, the Town will request bids from interested parties for all or part of the structures. Any income generated from the disposition of the property will be contributed to the Town's General Fund.

Advisory recommends favorable action, 14 to 0.

ARTICLE 31. To see what action the Town will take on the recommendation that the Town adopt a town-wide sustainable energy plan; to raise and appropriate, or otherwise provide, a sum of money therefor; to authorize the Green Ribbon Study Committee to continue as a committee for another year, or take any other action relative thereto.

(Board of Selectmen)

The 2008 Annual Town Meeting approved the creation of the Green Ribbon Study Committee (GRSC). Nine members were subsequently appointed by the Moderator. The *Green Ribbon Study Committee Report*, included in this Advisory Report, describes the committee's charge to develop a Sustainable Energy Plan for the Town and the preliminary work that has already been accomplished.

The purpose of this article is to take further action towards the development and implementation of the Sustainability Energy Plan.

The Committee will request Town Meeting to ratify the proposed goal of reducing by 10% the Town's energy use (public and private) by the year 2013. Energy use includes gasoline, diesel, heating oil, natural gas, and electricity generated from non-renewable sources. The base year for calculating energy use would be 2007, the last year for which data was studied. The goal of a 10% reduction falls in line with the Environmental Protection Agency's 10% challenge to municipalities, as well as with the Commonwealth's goal to reduce total energy consumption by 10% by the year 2017.

Advisory notes that the 10% reduction is a *goal* and not a mandate. The Commonwealth's Green Communities Act also states, explicitly, that 10% is a *goal*. In FY10, the GRSC intends to complete a specific plan to reach the Town's goal and it seeks Town Meeting's ratification of that goal.

The second request authorizes the GRSC to continue for another year in order to finalize the Sustainable Energy Plan and to develop recommendations on how best to incorporate sustainability goals in the Town's day-to-day operations as well as in the private sector. Recommendations could include a widening of the scope of sustainability to issues beyond energy, such as water conservation and recycling.

Advisory is supportive of the goals of sustainability. The GRSC report lists many reasons for the need to reduce our energy consumption and recognizes that there are times when it takes local initiatives to encourage adoption of sustainability goals. Advisory looks forward to seeing the delivery of the GRSC's Sustainability Energy Plan and is hopeful that such a plan will be detailed, with specific action items and benchmarks for measurement.

Advisory recommends favorable action, 14 to 0.

ARTICLE 32. To see if the Town will authorize the Board of Selectmen to enter into an energy performance contract pursuant to Massachusetts General Law Chapter 25A, Section 11I regarding Energy Management Services, including expenditures for high efficiency lighting, weatherization and insulation, energy management control systems, burner controls, window films, HVAC motors, PC monitor controls, high efficiency doors and other enhancements; to raise and appropriate, or otherwise provide, funds for such purposes; or take any other action relative thereto.

(Board of Selectmen)

Advisory expects no motion under this Article.

ARTICLE 33. To see if the Town will vote to approve changes, as recommended by the Board of Selectmen, in the implementation of the Development Agreement for Linden Square dated June 3, 2005 between the Town of Wellesley and Lindwell SC, Inc., Lindwell OP, Inc., and Lindwell Realty Trust, authorized by Town Meeting on June 13, 2005 relative to the continued use and operation of the VW parcel (as defined in the Development Agreement) as a car dealership and repair facility through December 31, 2011; or take any other action relative thereto.

(Board of Selectmen)

Under this Article, the Board of Selectmen seek ratification of an amendment to the Development Agreement, dated June 3, 2005, between the Town and the developers of Linden Square. The Agreement, in its original form, prohibited the developers from extending the lease of the existing Wellesley Volkswagen dealership beyond December 31, 2010 and from permitting any other automobile dealerships from operating in the development. The Agreement also (i) required the developers to conduct certain "Development Site trip counts" with regard to the Volkswagen site, and (ii) required the Town to expend a minimum of \$750,000 on the so-called Traffic Loop by the time of the first trip count, in October 2008.

The developers have requested the right to extend the lease for the Volkswagen dealership to, at the latest, December 31, 2011. In exchange, in response to the Town's request, the owners will extend the time during which the Town must expend or encumber \$750,000 toward the Traffic Loop to June 30, 2009. In addition, the owners will re-grade and resurface the sidewalk in front of the dealership and assume responsibility for removing snow from the sidewalk in front of the entire Volkswagen dealership until such time as the final planned improvements to that section of the sidewalk are completed. Also, the owners will pay to the Town, in two payments,

\$50,000, to be used as determined by the Board of Selectmen, in consultation with the owners. Town Counsel, in conjunction with counsel for the owners, will draft the exact language of the Amendment, which is expected to be available by the time of Town Meeting.

Advisory believes the amendment to the development agreement is reasonable and is an appropriate outcome that allows the owner to retain the Volkswagen dealership as a tenant in a real estate market that might have meant an empty building, and in exchange the Town receives payment and more time to complete the Traffic Loop.

Advisory recommends favorable action, 14 to 0.

ARTICLE 34. To see if the Town will vote to further regulate Large House Review by amending the Zoning Bylaw Section XVII. LARGE HOUSE REVIEW, by striking subparagraph 1. within Section C. Applicability. and restating Subparagraph 2., so the part of Section C. being changed will read substantially as follows:

Notwithstanding the foregoing, this section shall not apply to the reconstruction of pre-existing, non-conforming buildings, damaged or destroyed by accidental cause, including fire, or otherwise damaged or destroyed without the consent of the owner, in accordance with SECTION XVII. PRE-EXISTING NON-CONFORMING USES, STRUCTURES AND LOTS., C. DISASTER REBUILD;

or take any other action relative thereto.

(Planning Board)

Advisory expects no motion under this Article.

ARTICLE 35. To see if the Town will vote to further regulate proposed construction and/or alteration of a single and two family dwelling on a non-conforming lot by amending the Zoning Bylaw, Section XVII. PRE-EXISTING NON-CONFORMING USES, STRUCTURES AND LOTS., SECTION B. CHANGES TO NON-CONFORMING STRUCTURES. by striking from the first paragraph in Subsection 1. One and Two-Family Dwellings the phrase "except changes which themselves comply with this Zoning Bylaw" and substituting "except small-scale alterations, extensions or structural changes," and make such further amendments to the same as shall conform the section to recent case law, the currently proposed version of said amendments being on file on the Office of the Planning Board; or take any other action relative thereto.

(Planning Board)

Advisory expects no motion under this Article.

ARTICLE 36. To see if the Town will vote to amend the Town Bylaws, Article 5. Policies and Procedures., by adding a new Section 5.6. Acceptance of Gifts. Said section shall define the policy of the town on acceptance of gifts to the Town for any public purpose, including but not limited to money and or securities, real and personal property; said section shall set forth the policy, authority, procedures and/or reporting requirements for donations received by the Town of Wellesley or any of its departments or committees; or take any other action relative thereto.

(Board of Selectmen)

This Article amends Article 5 of the Town Bylaws by adding a new section 5.6 that creates a Town-wide policy for the acceptance of gifts. This proposed bylaw, drafted by the Advisory Committee on Gift Acceptance Policy, an ad hoc committee created by the Board of Selectmen in 2008, complements the naming rights bylaw adopted by the Town at the 2008 Annual Town Meeting.

The proposed bylaw authorizes the Board of Selectmen to accept donations on behalf of the Town. The Natural Resources Commission, the Library Trustees and the School Committee may also accept gifts of personal property to the extent permitted by law. All donations of real estate must be approved by the Selectmen and Town Meeting. Any Town board may approve or decline gifts, but any board that does not have the authority to accept gifts must have such gifts accepted by the Selectmen. In the event a board declines a gift, that decision is final and does not need any further approval from the Selectmen or any other Town board. Any board approving, declining or accepting a gift is required to adopt a written policy consistent with the proposed bylaw after at least one public hearing, and such policy is required to be filed with the Town Clerk and posted on the Town's website.

The proposed bylaw: sets forth certain matters to be considered by a board accepting gifts; describes generally the financial administration of such gifts; and provides for annual reporting requirements. Further background and details, including the text of the proposed bylaw, are included in the *Report of the Advisory Committee on Gift Acceptance Policy to the Selectmen* in this Advisory Report. Advisory recommends that you read the *Report* for further details.

Advisory will make its recommendation at Town Meeting.

ARTICLE 37. To see if the Town will (1) designate one Board or Officer to issue permits for the excavation of trenches on privately owned land and for the excavation of a public way, pursuant to Section 2 of Chapter 82A of the General Laws; and (2) amend the Town Bylaws, ARTICLE 19. BOARD OF SELECTMEN, Section 19.7. Appointments. and/or ARTICLE 29. BOARD OF PUBLIC WORKS, Section 29.3 General Duties., in furtherance thereof; or take any other action relative thereto.

(Board of Public Works)

This Article requests that the Town designate the Board of Public Works to be the trench permitting authority for issuing permits on all defined excavation and trench work on public and private land within the Town, as required by the new State law and regulations on trench safety.

The State Legislature amended Massachusetts General Laws Chapter 82A, Section 2 to require each municipality to appoint a person or entity to serve as the permitting authority for all defined trench and excavation work in the Town and to allow the Town to collect fees for issuing said permits. The State suggests that appropriate selections for Permitting Authority may include, but are not limited to: Town Engineers, DPW Directors, Building Departments and Fire Department Chiefs. The State's Department of Public Safety is still providing guidance to cities and towns regarding the implementation of the new regulations, which are scheduled to take effect in March 2009. The Department of Public Works will be designated as the permitting authority for the Town and it is most likely that the Department of Public Works Engineering Division will take on the overall administration of the permitting program.

The law and regulations are designed to prevent the general public from suffering an injury or fatality by falling into an unattended trench or excavation. The law defines a trench as any

excavation 3 feet or deeper and less than 15 feet wide, and requires that every trench be permitted by the Town, whether on public or private property. At present, permits are only required for trenches in the public way and are issued by the Department of Public Works.

Advisory recommends favorable action, 11 to 0.

ARTICLE 38. To see if the Town will vote to regulate the use of marijuana or tetrahydrocannabinol (“THC”) on town land and in the public way, one proposal of which is to amend the Town Bylaws, Article 49. Police Regulations, Section 49.19. Possession and Use of Alcoholic Beverages. to preclude the possession and use of marijuana or THC on public property or on the public way; further proposals, if any, will be on file on the Office of the Board of Selectmen; 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 vote to amend the Town Bylaws, Article 52. Bylaw, Rule or Regulation Violations; Non-Criminal Disposition, to strike the existing references of Chapter 90G of the General Laws, which have been repealed by the legislature, and add and/or retain reference to Section 21D of Chapter 40 of the General Laws in its place; to amend other provisions as may be consistent with said statute; or take any other action relative thereto.

(Board of Selectmen)

This Article seeks to amend a Town Bylaw (Article 52) to correct a reference to a section of the General Laws (Chapter 90G) that was repealed by the State legislature several years ago, and replace it with a new reference to Section 21D of Chapter 40, now the appropriate reference. The term “Non-Criminal Dispositions” relates to the procedures for the disposition of a violation of a Town official’s order related to public health, building codes, fire prevention codes or Town bylaws.

Advisory recommends favorable action, 11 to 0.

ARTICLE 40. To see if the Town will vote to amend the Town Bylaws Article 46B. DENTON ROAD NEIGHBORHOOD CONSERVATION DISTRICT., 2. BOUNDARIES OF THE DENTON ROAD NCD to include three additional properties 56, 60, and 72 Denton Road, which would also raise the total properties bound by the District from 20 to 23 and would raise the total number of properties regulated by the NCD from 16 to 19. In addition a few grammatical changes have been proposed so the new paragraph would read substantially as follows:

2. BOUNDARIES OF THE DENTON ROAD NCD

The Denton Road NCD shall comprise 23 properties bounded by 10 Denton Road on the East and 72 Denton Road on the West.

The owners of the following 19 properties fronting Denton Road have elected to be in the NCD: 9, 10, 14, 15, 16, 19, 24, 28, 29, 31, 32, 44, 55, 56, 60, 61, 71, 72, and 75.

The owners of the following 4 properties have chosen not to participate in the NCD at this time: 11, 39, 40, and 65 Denton Road, or take any other action relative thereto.

(Denton Rd Neighborhood Conservation District Commission
& Historical Commission)

The Bylaw to authorize the establishment of Neighborhood Conservation Districts (NCDs) was first enacted under Article 46A after being approved at the 2007 Annual Town Meeting. The Denton Road Neighborhood Conservation District was the first neighborhood to be so designated under the new Bylaw and was approved at the 2008 Annual Town Meeting.

The enabling Bylaw 46A, section 3(i), provides for amendments to the geographic boundaries, such as the addition of properties which are contiguous to the existing district, as detailed in the *Report of the Denton Road Neighborhood Conservation District Commission* found in this Advisory Report. This addition, as required by the Bylaw, has received joint approval from the Historic Commission and the Planning Board, following a public hearing prior to being brought to Town Meeting for approval by majority vote. Advisory was supportive of the initial request for the creation of the Denton Road District and remains so in the present case, although a minority is still uncomfortable with some aspects of the initial configuration of the District.

Advisory recommends favorable action, 9 to 2.

ARTICLE 41. To see if the Town will vote to amend the Town Bylaws, ARTICLE 49. POLICE REGULATIONS, by adding a new Section 49.34 to prohibit the use of construction, earthmoving, or yard maintenance equipment, powered by electric or internal combustion engines, and any commercial outdoor activity, except between the hours of 7 am and 7 pm or dusk, whichever occurs later, on Monday through Friday, and between the hours of 8 am and 7 pm or dusk, whichever occurs later, on Saturdays and state observed holidays, and between the hours of 9 am and 7 pm or dusk, whichever occurs later, on Sundays. The foregoing shall not apply to emergencies nor snow removal operations; the bylaw being proposed to be on file in the office of the Board of Selectmen; to renumber existing 49.34 to 49.35; or take any other action relative thereto.

(Citizens' Petition)

This Article is a citizen's petition requesting approval by Town Meeting to adopt changes to the Town Bylaws in order to restrict the times allowed for certain activities that make noise. As this Report goes to print, the current draft of the proposed Bylaw is as follows:

ARTICLE 49. POLICE REGULATIONS, by adding a new Section 49.34 to prohibit the use of all construction, earthmoving, or yard maintenance equipment, powered by electric or internal combustion engines, except between the hours of 7 am and 7 pm or sunset, whichever occurs later, on Monday through Friday, and between the hours of 8 am and 7 pm or sunset, whichever occurs later, on Saturdays and state observed holidays, and between the hours of 9 am and 7 pm or sunset, whichever occurs later, on Sundays; and further, to prohibit any commercial outdoor activity, except between the hours of 7 am and 7 pm or sunset, whichever occurs later, on Monday through Friday, and between the hours of 8 am and 7 pm or sunset,

whichever occurs later, on Saturdays and state observed holidays, and between the hours of 9 am and 7 pm or sunset, whichever occurs later, on Sundays, unless the party or entity seeking to conduct commercial outdoor activity shall first have received a permit from the Chief of Police for the conduct of necessary commercial outdoor activity which could not be performed during the otherwise permitted times without serious suffering, loss, damage, or public inconvenience. The foregoing shall not apply to emergencies nor snow removal operations, nor shall it in any way be deemed to permit activity otherwise prohibited by Massachusetts General Laws chapter 136, nor shall it in anyway be deemed to prohibit activity otherwise permitted by Massachusetts General Laws chapter 136. The bylaw being proposed to be on file in the office of the Board of Selectmen; to renumber existing 49.34 to 49.35; or take any other action relative thereto.

The main intent of the Article is to restrict the commercial use of outdoor power equipment for construction, earthmoving or yard maintenance to the following time frames:

1. 7:00 AM to 7:00 PM or sunset Monday through Friday
2. 8:00 AM to 7:00 PM or sunset Saturdays and State holidays
3. 9:00 AM to 7:00 PM or sunset Sundays

The restrictions for power equipment apply primarily to work involving lawn mowers, leaf blowers, vacuums, chain saws, and so forth. The increase of noise associated with these activities over the years seems clear, and though it has been a common assumption that these types of bylaws are in place, in fact they are not.

The proposed Bylaw applies to commercial outdoor activity and addresses other causes of complaints, (e.g., roofing, painting, carpentry) which can also be a source of noise at unreasonable times. This restriction does not apply to private citizens working on their own homes, which has not generally been a source of complaints.

The proposed Bylaw does allow for commercial activity during the restricted times if the party receives a permit from the Chief of Police. This exemption covers situations where it may be necessary for work to be done outside the permitted hours, such as the striping of a parking lot at night. The Chief of Police already handles exceptions of this type under the Massachusetts Blue Laws (Chapter 136).

The proposed Bylaw specifically exempts emergencies and exempts snow removal operations, enabling driveways to be plowed or cleared with a snow blower outside the regulated hours. It makes no specific mention of actual, measureable noise levels.

The proposed Bylaw would be a police regulation, typically enforced with a verbal request. Repeat offenders may be subject to a fine, not exceeding fifty dollars, under Article 49.34 of the Town Bylaws.

The majority of Advisory supports the proposed Bylaw and agrees that the limitations are reasonable and appropriate.

Those not concurring expressed concerns about the time frames, possible negative economic effects and that in some cases activities such as carpentry are allowed by homeowners, but not by commercial entities.

Advisory will make its recommendation at Town Meeting.

ARTICLE 42. To see what sum of money the Town will raise and appropriate, or otherwise provide, to the Permanent Building Committee for a feasibility study including engineering, architectural, cost estimates and/or other services in connection therewith to salvage for reuse the ten story clock tower, or parts thereof, including its steeple and the adjacent one story main entrance lobby of the Wellesley High School, all constructed in 1938. Said study to include the possible future addition of another civic building abutting the existing lobby and tower and its impact on the High School site, especially parking, and the moving of the tower or parts thereof to some other site or elsewhere on the same site. The Permanent Building Committee shall actively seek out the opinions of the Recreation Commission and interested citizens and hold at least two public hearings to obtain input from the public. To determine whether such sum shall be raised by taxation, borrowing and/or transfer from available funds. Funds for this study shall be available for use immediately upon dissolution of the 2009 Annual Town Meeting; or take any other action relative thereto.

(Citizens' Petition)

Advisory expects no motion under this Article.

ARTICLE 43. 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 44. 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 45. 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 46. 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 47. 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 48. 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, 11 to 0.

ARTICLE 49. 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 Community Preservation Committee

I. The Community Preservation Process in Wellesley

In 2002, Wellesley accepted the Community Preservation Act ("CPA") and formed a Community Preservation Committee. Pursuant to the CPA, Wellesley established a surcharge of 1% 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 Land Court and Land Registry fees. The State's payment to each CPA community is determined by a statutory formula, but in practice the State match until this year has been almost 100%. Because of sharply declining fee revenues as well as the expansion of the number of localities adopting the CPA, the match declined substantially in the payments received in FY09 matching FY08 local surcharges. The \$510,994 received by the Town in October 2008 represented a 67.6% match. At that time, the Department of Revenue advised that communities with a surcharge of less than the 3% maximum amount could expect a 35% match in the FY09 payment to be received in October 2009. Over the past several months, the economy and collections from Land Court and Land Registry fees have continued to decline, although there is some hope that mortgage refinancing driven by low interest rates may stabilize Registry receipts. It nonetheless seems likely the actual match percentage will be less than 35% and that the Town will receive less than \$275,000 in October 2009. For planning purposes below, we have estimated a \$225,000 match.

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 expenditures for the purposes permitted by the CPA -- maintenance and ordinary operating expenses are not eligible and even capital spending related to recreational and open space properties not acquired with CPA funds are constrained. 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 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 Historical 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. Activities to Date

Overview of Community Preservation Activities

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 Community Preservation Plan can be found at the Committee's link on the Town's website at www.wellesleyma.gov.

Through the 2008 ATM, the Committee has supported a total of 20 different projects (some in several stages). \$3,344,854 dollars have been appropriated for those projects. Of this total, \$1,791,740 (53.6%) has been appropriated for Recreation, \$755,500 (22.6%) has been appropriated for Affordable Housing, \$499,344 (14.9%) for Historic Resources and \$298,260 (8.9%) for Open Space. The large total for Recreation reflects the appropriation of \$1,500,000 for the Sprague Field project last spring – by far the largest single project ever considered or funded by the Committee. This one project represents 44.8% of the total project appropriations made during the first six years of Town's activities under the Community Preservation Act.

Open Projects

Ten CPC funded projects were open as of June 30, 2008

Sprague Field (Recreation)

As the Committee reported to the 2007 Annual Town Meeting:

“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, grew substantially during FY2008, a substantial majority of our Committee believed that the CPC portion of the new Master Plan was worthy of strong support, for a number of reasons in addition to those recited above:

-- The Master Plan as a whole provided 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.

-- Appropriating the full requested sum for the CPA-eligible costs associated with the Remediation Area, (i) tends to lower the need for general Town funds, at a time of difficult

financial constraints, and (ii) tends 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 was 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 the 2007 Town Meeting concerning proposed work at Sprague Field. The Master Plan also met our guideline of offering substantial funding from sources other than the CPC.

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

The Sprague Field project was substantially completed during the summer of 2008 at a cost significantly below the original budget. A reconciliation and allocation of the savings among the three sources of funding (the user groups, the CPC, and the Town General Fund) is underway.

Original Town Hall (Historic Resources)

\$296,000 was appropriated at the 2008 Town Meeting for deconstruction and preservation of elements of the Original Wellesley Town Hall (contained within the old Wellesley Country Club clubhouse which was demolished at the end of last year). The Wellesley Historical Commission made a dedicated and 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 as envisioned would have included 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 reuse of those elements in a new structure at a permanent location within the Town. During the presentation, discussion and approval of this project in April at Town Meeting, there was a frank recognition that the ultimate location and use for the material had not been settled, and that even the plans for initial deconstruction were quite preliminary and would require negotiation of satisfactory arrangements with the Wellesley Country Club, development of a work plan satisfactory to a number of stakeholders, and successful solicitation of bids allowing the project to be completed within budget. However, the CPC felt and Town Meeting ultimately agreed that the unique importance of the Original Town Hall and the need to carry out any project before the building was demolished in the fall of 2008 merited the Town working hard in an attempt to overcome these uncertainties.

Unfortunately, to the deep regret of the Wellesley Historical Commission and the Community Preservation Committee, the few bids received for the project as originally envisioned substantially exceeded the amount appropriated. After intensive consultation among the WHC, CPC, the Board of Selectmen, the Department of Public Works, Town Counsel and the Wellesley Country Club, it was ultimately agreed that the demolition subcontractor for the Country Club would preserve the original flooring material from the room in which the climactic Needham Town Meeting vote was held to establish the Town of Wellesley as well as portions of the staircase, two lunette windows, and sample of other materials. These artifacts have been loaded into a trailer and stored by the DPW for future reuse in one or more buildings, including potentially the new high school or a senior center. The total cost of this project was \$16,205 and the unexpended balance of \$279,795 has been returned to the funds reserved for future Historic Resources projects.

Morses Pond Phosphorus Inactivation System (Open Space / Recreation)

The second largest set of projects which have been funded through CPA funds relate to the preservation of Morses Pond for recreation and open space purposes. \$75,000 was appropriated in FY 2005 for development of the Morses Pond Comprehensive Management Plan for the preservation of the pond. In FY2007, \$250,000 was appropriated for a weed harvester and in FY2008 \$153,000 was appropriated for a phosphorous deactivation system for storm water runoff. Overall, these projects have been managed well below budget: the development of the plan and the purchase of the weed harvester were completed for \$61,000 less than the amounts appropriated, with the balance returned to the CPA Fund for future projects. However, at the time of the 2008 ATM it appeared that the phosphorous inactivation system would cost somewhat more than was originally appropriated. Consequently, the CPC recommended and Town Meeting appropriated an additional \$7,500 for this project. This project has now been substantially completed and it appears the costs will be below the budgeted amount.

Marriage License Record Preservation (Historic Resources)

\$30,000 was appropriated for the preservation of marriage license records of the Town from 1881 to 2000. This project was completed during the summer and fall of 2008 at a cost of \$29,010 and the balance was returned to the funds reserved for Historical Resources.

Historic Resources Inventory Pre-survey (Historic Resources)

\$10,000 was appropriated at the 2008 ATM 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. This information is essential if the Town is to proceed to the next stage of creating a strategic preservation plan. Recent events, including the loss of the Wellesley Inn and the Original Town Hall make it clear that such a strategic preservation plan is critically needed for the Town to carry out effective activities to preserve our historic resources. The Historical Commission is now in the process of hiring the consultant.

National Register Plaques for Sprague Clock Tower and Hills Branch Library (Historic Resources)

\$1,200 was appropriated at the 2008 ATM for plaques designating the Sprague Clock Tower and the Hills Branch Library as listed on the National Register of Historic Places. CPA funds had previously been used to apply for these listings. The plaques are currently being designed.

Affordable Housing Survey (Community Housing)

\$10,500 was appropriated to the WHDC at the 2006 ATM to engage a consultant to develop a comprehensive database of all affordable housing units in Town, to develop a simple reporting system to be used to monitor compliance with applicable affordability restrictions, and to recommend enforcement procedures the Town could follow if a development is found not to be complying. The work is now being performed and the project should be completed within the next several months.

Affordable Housing Purposes (Community Housing)

\$125,000 was appropriated to the WHDC at the 2006 ATM for affordable housing purposes. At that time, it was anticipated that these funds would be used in conjunction with the installation of a two-family modular house at 10 Boulevard Road as part of the Town's agreement with the developer of new condominiums at the site of the former Wellesley Inn. The project has not been commenced but remains active.

Listing of Hills Branch Library and Fuller Brook Path on National Registry of Historic Places (Historic Resources)

At the 2005 Annual Town Meeting, \$7,450 was approved to apply for registration of the Hills Branch Library and the Fuller Brook Path on the State and National Registers of Historic Places. The Hills Branch Library application has been approved and the Fuller Brook Path registration is in process. \$1,400 remains to fund further consulting services for this application.

Preservation of Wellesley Farms Train Station (Historic Resources)

\$107,500 was appropriated at the 2004 ATM for the preservation of the Wellesley Farms Train Station. \$95,401 was expended in several stages. The Wellesley Historical Commission and the CPC are now evaluating whether further work should be carried out at this time or whether this project should be closed.

III. Resources Available for Community Preservation Activity

Based on the current projections of the costs to complete the ten existing projects as well as projections of local tax surcharges, State matching funds, and interest, the Town CPA funds will have a balance of approximately \$5.6 million on hand as of June 30, 2009 to fund new projects. In addition, approximately \$1.1 million in revenue will be received during FY10 (including a projection of \$225,000 in State matching funds), so that the total available funds for FY10 projects will approximate \$6.7 million. Should a project arise which exceeds the Town CPA funds available balance, the Town may, with the approval of a two thirds vote at Town meeting, borrow against future CPA revenue. The Town's local CPA tax revenue would support borrowing in excess of \$5 million while still leaving available monies for a reasonable level of new modest to moderate projects in subsequent years.

IV. Appropriations at the 2009 ATM

1. Renovation of Waldo Court Complex (Community Housing)

Sponsor: Wellesley Housing Authority

Description of the Project: Renovation of the 12 units at Waldo Court to restore them to use.

Recommended Amount: \$700,000

This request supplements State grants totaling \$1.65 million and will allow the WHA to renovate all three buildings at the Waldo Court complex at 50 Linden Street. Currently nine of the units are vacant and uninhabitable. These vacancies have existed since 2001.

The scope of work includes:

- building envelope repairs and improvements;
- kitchen and bathroom modernization;
- interior refurbishment of walls, ceilings, floors, and finishes ;

- reconfiguring of interior for greater livability;
- heating, plumbing, electrical and life and safety upgrades;
- site drainage, site and parking improvements;
- lead and asbestos abatement, and
- accessibility upgrades if required by code.

The WHA had previously received a grant of \$782,805 from the Department of Housing and Community Development (DHCD) to modernize the kitchens/baths and improve the site work at Waldo Court/Linden Street. After an extensive survey was completed by DHCD, the report noted that this property required a comprehensive modernization. The WHA approached DHCD to increase the grant to do a comprehensive work plan on the site and all building components and systems. The State agreed and increased the prior construction grant to \$1,500,000 and \$150,000 for Architect/Engineering services, which is double the amount previously awarded for work at this site but would be sufficient to renovate only two of the three buildings.

As this development is located in an area of town that has convenient access to transportation, shopping, churches, library, schools, etc. it qualifies as one of the State's "smart growth" developments. DHCD has committed this additional money because this site needed a more comprehensive work program to get the units back on-line. These same factors have lead the CPC to recommend appropriation of \$700,000 to allow all three buildings to be renovated at the same time as part of one, cost efficient project.

2. Grant to the Wellesley Housing Development Corporation (Community Housing)

Sponsor: Wellesley Housing Development Corporation

Description of the Project: Additional capital to invest in the creation or preservation of affordable housing stock.

Recommended Amount: \$350,000

The 2006 ATM approved an appropriation of \$450,000 for the WHDC to invest in housing which could be used as affordable housing. The WHDC used \$361,697.83 of the CPC grant to purchase a house and make minor renovations to it. The house has since been sold as an affordable unit to an income qualified family. The balance along with the \$350,000 requested at this 2009 ATM will provide the WHDC with over \$433,000 in funds available to respond quickly to opportunities as they arise, subject to the approval of the Board of Selectmen. The CPC believes that providing affordable housing is important to strengthening and preserving the culture of the Town. The Wellesley Housing Development Corporation was created by the Board of Selectmen and Town Meeting for that purpose.

3. Lower Falls Railroad Bridge (Recreation, Historic Resources, Open Space)

Sponsor: Natural Resource Commission and Trails Committee

Description of the Project: Funds for Lower Falls DCR Railroad Bridge Partnership Matching Grant Phase 2 application with the City of Newton and the Massachusetts Department of Conservation and Recreation (DCR)

Recommended Amount: \$100,000

The project would convert the old, abandoned and deteriorating railroad trestle, which crosses the Charles River in the Lower Falls Area (downstream of the Route 16 bridge), to a pedestrian bridge and approaches providing open access to it that will connect with many trails and walkways that exist or can be developed on both sides of the river. This will be the key first step in the creation of an overall safe and scenic, pedestrian friendly, passive recreation trail system to benefits residents living in the Wellesley/Newton Lower Falls area and adjacent

neighborhoods. The DCR owns the bridge/ trestle and approaches and will oversee and manage the project as well as maintain the bridge in the future with Wellesley Trails Committee and Newton Bicycle / Pedestrian Task Force support. The design phase (Phase I) of this project has been funded with \$24,000 from the DCR with matching grants totaling \$12,000 from the Wellesley Trails Committee, NRC gift funds and the Newton Conservators. The Phase II construction activities would be funded by the DCR, City of Newton CPC and the Wellesley CPC. The estimated cost of construction (Phase II) is \$400,000.

The Wellesley Historical Commission has determined that the bridge is a Historic Resource and they support this project. The project is consistent with plans to develop the 27 Washington Street property although it is not contingent on that project, and is also consistent with the comprehensive plan for Wellesley Lower Falls development. This project supports three of the objectives of the CPA by creating a new recreational asset, adaptively reusing and rehabilitating an historic structure, and enhancing open space (although since this is already existing open space not acquired with CPA funds it probably cannot be funded as open space *per se*) An appropriation of \$100,000 from undesignated CPA funds to the Community Preservation Committee is requested, contingent on: a) Wellesley's portion of the Phase II project costs not exceeding 25% of the total project cost, b) at least equal grant funds from the City of Newton, and c) the concurrence of relevant Wellesley Boards and Committees on the Phase II construction plan and the integration of this project into overall plans for the Lower Falls area on the Wellesley side of the Charles River. At the completion of the design phase (assuming the City of Newton has committed its funding), the CPC will oversee the process of finalizing the Phase II matching grant application and gaining the concurrence of the other Wellesley Boards and Committees. If Wellesley's share of the project is less than \$100,000 the remainder will be returned to the undesignated fund balance.

4. Sprague Clock Tower Preservation (Historic Resources)

Sponsor: Department of Public Works

Description of the Project: Work to preserve the structural and aesthetic integrity of the Tower

Recommended Amount: \$65,000

The Department of Public Works originally requested \$63,500 for this work on the Isaac Sprague Memorial Clock Tower located in Elm Park. The tower was built in 1928 and was placed on the National Register of Historic Places in 2007. It does not appear that any major structural work has been performed in the past 80 years. The tower has been carefully inspected by both a Town engineer and a consultant retained using \$2,000 of Administrative funds of the CPC. There is general agreement on the overall scope of the work required, although certain details remain to be defined (for instance whether to repair or replace the wood door and stone surrounds at the ground level). Consequently, we request an appropriation of \$65,000 to the DPW contingent on the concurrence of the CPC and the Wellesley Historical Commission on the final Request for Proposal and work plan of the selected bidder.

5. Barton Road Master Plan (Community Housing)

Sponsor: Wellesley Housing Development Corporation

Description of the Project: Initial phase of development of a Barton Road Master Plan through a neighborhood and community wide planning process

Recommended Amount: \$50,000

The Barton Road complex was built post World War II as barracks-style veterans' housing in an area then served by some public transportation, grocery stores and other services. In the intervening decades these supporting services have fallen away. Despite expenditure of

substantial funds in the beginning of this decade to renovate the existing buildings and their 88 units of low income family housing, there is general recognition that design deficiencies remain. This, along with recurring problems of a socio-economic nature such as vandalism, lack of jobs, insufficient retail services and lack of accessible public transportation, needs to be addressed to have a favorable impact on the neighborhood. If ways can be found to mitigate these problems and change the socio-economic mix of residents, there will be benefits to the residents of the neighborhood and to the broader community. There is a substantial amount of space available for new and fill-in construction at the complex if that would help address some of the changes needed. Further study is needed to assess the needs and determine the affordability level of any proposed housing, types of housing, and financing sources.

Objectives of this initial phase of study will be:

1. Existing Residents' Survey / Existing Conditions Survey: The needs of existing residents and the impact of any new development need to be identified and assessed. Also, the existing buildings and site will be evaluated and plans for improvements identified.
2. Supportive Services: The existing residents need improved services – help with employment opportunities, education, training, accessible public transportation and other needs. The master plan will identify plans of tangible improvements for existing and new residents.
3. Design Scope: Assess opportunities and constraints for development within the site of the existing buildings and on WHA-owned open land at the boundaries and generate to the extent budgeted funds allow, program alternatives with different housing types, open space treatments, community facilities and recreational areas.

This Master Plan Study will produce an initial vision for the future of the existing Barton Road development as well as any expansion. It will identify a program which seeks to

- support and enhance the current development
- integrate any potential expansion of housing into the community and upgrade the overall design and use of the area
- connect the development to the broader Wellesley community by looking to improve services for shopping, transportation, trails, recreation, educational and other programs

The WHA will seek to supplement the \$50,000 appropriated from CPA funds with State grant monies to more fully flush out program alternatives and potential financing options. However, expenditure of the \$50,000 to carry out of the initial phase of the project is not contingent upon the receipt of any such grants.

The CPC (along with the WHA) has struggled with this project: the complexities are daunting and ultimately this will be a long, multi-staged process. Under M.G. Ch. 44B Sec 5.b (2) one of the core roles of the CPC is to make recommendations “for the acquisition, creation, preservation and support of community housing”. The Barton Road complex represent a major portion of the existing community housing stock in Wellesley and the clearest location where construction of additional units is feasible. The CPC concluded that we have an obligation to the Town and the residents of Barton Road to begin acting – even if that action is only to put in motion the initial phase of a long process to find solutions to the daunting complexities.

6. Administrative Funds

Recommended Amount: \$50,000

The Town may appropriate up to 5% of estimated annual revenues for administrative purposes. In each of the past fiscal years, \$50,000 has been appropriated. Increasingly, the CPC is utilizing these funds for consultants and other support to better define, shape, and analyze potential projects. Based on the estimated annual revenues from local and state matching funds of somewhat over \$1 million, we again request an appropriation of \$50,000.

7. Appropriations to Designated Reserves

The Community Preservation Act requires each fiscal year the Town to appropriate or reserve for future appropriations 10% of the estimated annual revenues for three designated purposes. Based on the estimated FY09 annual revenues, we request the appropriation of \$152,800 for each of Open Space (Excluding Recreation), Historic Resources, and Community Housing.

V. Looking Forward

The Community Preservation Committee continues to work diligently with other Town Boards and community organization to successfully implement already approved projects, consider new projects, and in particular to advance the process of generating long term strategic plans for historic resources, open space, recreation and affordable housing to guide a pro-active program to best utilize the substantial resources generated by the CPA surcharge and State matching funds. We place a particular emphasis on working proactively to define and ultimately bring forward projects where the CPC can provide a significant level of funding, including for the acquisition of land for open space, recreation, and affordable housing. Based on the available fund balance, even after funding the projects to be considered at the 2009 ATM as well as the CPA borrowing capacity, we see an opportunity to provide up to approximately \$10 million to support such projects.

Respectfully Submitted,

Jack Morgan, Chair
Kathryn Bowry, Vice-Chair
Bradley Boyd

James Conlin
Rose Mary Donahue
Joan Gaughan

Dona Kemp
Theodore Parker
Helen Robertson

February 23, 2009



REPORT OF THE SENIOR STUDY COMMITTEE FOR THE 2009 ANNUAL TOWN MEETING

Submitted by the Board of Selectmen

March 2, 2009

In early 2007, the Board of Selectmen, in collaboration with the Council on Aging (COA) formed a Senior Study Committee to evaluate how the Town can best meet the evolving needs of Wellesley's seniors. During the past two years, the Study Committee has researched socioeconomic trends, met with gerontologists and other experts, surveyed Town residents, hosted a number of public forums, and visited senior centers in neighboring communities. This research has confirmed that the needs of Wellesley's seniors are similar to the needs of their peers in other communities. Specifically, Wellesley seniors are increasingly seeking opportunities to learn, socialize, exercise, and otherwise stay vital.

The Study Committee has also seen firsthand that the quality of a senior center facility impacts a town's ability to support its seniors. Successful senior centers are attractive, welcoming environments that flexibly support concurrent activities with minimal paid staff. Communities that have invested in a new or renovated center have invariably seen a significant increase in senior participation, including senior volunteers to support an expanded program.

The Town is the potential recipient of a gift of approximately \$800,000 from the trust of Mary Esther "Billie" Tolles, a former Wellesley resident. The gift is conditioned on the Town's use of the funds to construct a senior center. During 2007, the Study Committee explored the use of those funds to renovate the Wellesley Community Center, the present location of the COA. Ultimately, the Study Committee and officials of the Community Center concluded there was not a sufficient convergence of interests to support this approach. Following an evaluation of other potential sites, the Study Committee requested and received a \$50,000 appropriation at the 2008 Annual Town Meeting, half of which was paid by the Tolles Trust, to study the feasibility of constructing a new senior center on the former American Legion property at 496 Washington Street. Sterling Associates, an architectural firm that specializes in senior centers, was hired to perform the study.

The results of the feasibility study suggest the American Legion site would readily support a two-story facility of approximately 12,400 square feet. Such a structure would be fully compliant with the Town's zoning bylaws including footprint, building height and setback requirements. Sterling Associates has developed a preliminary design concept, which provides offices for the COA staff and visiting support professionals, the Town's Veterans officer, a drop-in area, a number of flexible spaces for various size activities and programs, a kitchen and a large hall that could be configured or subdivided for various uses. This preliminary design concept has been validated through review by the Study Committee and the COA Board, and at a number of public forums.

The parking needs of the proposed center would be met through a combination of on-street parking, 34 on-site spaces, and increased emphasis on car-pooling and use of senior transportation.

The use of other municipal parking facilities through a volunteer-based valet arrangement is also being explored.

The estimated cost based on the preliminary design concept is \$5.8 million. A portion of this cost would be offset by the anticipated gift, and the Town would fund the remainder of the cost with long-term debt. Based on current interest rates, the projected debt service cost for the project would increase the median annual tax bill by \$43. This amount would decline each year as the debt is repaid.

Residents over age 60 currently represent 21% of Wellesley's population and this percentage is projected to increase. The proposed FY10 operating budget for the COA, including related health insurance costs, is \$220,000, which represents 0.2% of the Town budget and equates to \$41 per Wellesley senior. Operation of the proposed senior center would necessitate one additional staff person (a custodian to maintain the facility and help with program setup and takedown) and the incremental annual operating cost (including the cost of the added staff person) is projected to be \$43,000.

At the upcoming 2009 Annual Town Meeting, the Selectmen will request an appropriation to the Permanent Building Committee (PBC) for funds sufficient to pay for the detailed design of a new senior center, based on the preliminary design. Representatives of the Study Committee are currently working with the PBC to determine the amount of that appropriation request and to further analyze the estimated cost of the total project. Following completion of the design documents during the summer of 2009, the Selectmen intend to return to a subsequent Town Meeting with bids in-hand to request an appropriation to fund the construction of the center.

While the appropriation to be requested at the upcoming Annual Town Meeting requires a simple majority vote, the subsequent appropriation for the cost of construction will require a 2/3rds majority. To avoid any apprehension regarding the Town's commitment to this project, the Selectmen have voluntarily agreed to subject the current appropriation request to a 2/3rds majority.

Conclusion

The Board of Selectmen unanimously supports this proposal. Despite these difficult economic times, the Selectmen are persuaded by the merits of this investment toward meeting the growing needs of our seniors. An improved facility would result in greater participation in COA programs and make a positive difference in the lives of many current and future residents. The Town spends less on its seniors than surrounding communities and the COA has never been the recipient of any capital funds. While \$5 million is a significant cost, amortized over 20 years it will initially have a modest impact on property taxes and that impact will decline each year. The Selectmen also believe the current economic climate is likely to result in favorable construction bids, which should result in a lower project cost.

Additional information regarding the work of the Senior Study Committee and the Feasibility Study is available on the Town website (www.wellesleyma.gov).

Gregory B. Mills, Chair

Barbara D. Searle, Vice Chair

Owen H. Dugan, Secretary

Katherine L. Babson, Jr.

Harriet S. Warshaw

GREEN RIBBON STUDY COMMITTEE REPORT

Summary

The 2008 Annual Town Meeting created the Green Ribbon Study Committee to develop a sustainable energy plan for the Town, covering both the public and private sectors. The Committee has completed the first of five phases in a sustainable energy plan—to develop a baseline inventory of energy use and associated greenhouse gas emissions and to research other towns' energy action plans and pertinent Massachusetts legislation. The Committee is proposing that the 2009 Annual Town Meeting approve a target to reduce Townwide emissions 10% from the measured 2007 levels by 2013, which requires an average reduction of 2% per year during the period 2009 – 2013. Adoption of the target would complete the second step in the process.

The Committee also is asking for a one-year extension of its charter to complete the third phase, an energy action plan to achieve the target, and to recommend an ongoing governance structure for carrying out the action plan. Phases four and five, implementing the action plan and measuring and reporting the results, would become the responsibility of the new governance structure, once approved.

Under Article 8 the Committee has requested a budget of \$6,000 (within the Selectmen's budget) to fund membership in ICLEI-Local Governments for Sustainability¹, to produce and distribute its report, to initiate some projects in 2009, and to establish an e-mail network and website to support its efforts.

Charge to the Committee voted at 2008 Annual Town Meeting

Develop a Sustainable Energy Plan for the Town, to help guide its future choices concerning energy use and consumption. The Plan shall identify policies and actions that will increase energy conservation and efficiency, reduce reliance on fossil fuels, and reduce carbon emissions, at both the public and private levels. Recommend the next steps the Town might take toward a broader Sustainability Plan for Wellesley.

Definition and Benefits of Energy Sustainability

Sustainable energy is the provision of energy to meet the needs of the present without compromising the ability of future generations to meet their needs. A sustainable energy plan identifies strategies to conserve energy (e.g. turn off lights in empty rooms), use energy more efficiently (e.g. use compact fluorescent lights), and to acquire energy from renewable resources. A sustainable energy plan can benefit Wellesley by reducing the amount of money spent by the municipality, its residents and businesses for energy that does not contribute to quality of life, e.g. electricity consumed by inefficient appliances; by increasing the comfort of our homes and offices, e.g. insulation makes a space more comfortable as well as reducing heating and cooling energy use and costs; by contributing to cleaner air, e.g. more efficient cars reduce gasoline exhaust, which contributes to both health and pleasure; by reducing our reliance on fossil fuels, which reduces our reliance on foreign sources and improves our energy security and our balance of payments, and by reducing our emission of greenhouse gases and our contribution to global warming.

Progress to Date

At its first meeting in June 2008, the Committee agreed on the importance of taking a fact-based approach to developing a Sustainable Energy Plan and decided to join ICLEI-USA Local Governments for Sustainability, a network of municipalities working on climate protection. Membership in ICLEI provides links to the 34 member towns in Massachusetts and a broader national and international network.

¹ ICLEI was formerly International Council for Local Environmental Initiatives, but is now known by its acronym.

The Committee has adopted the ICLEI-recommended process for developing a sustainable energy plan: 1) develop a benchmark inventory of energy use; 2) adopt an emissions reduction target; 3) develop an energy action plan; 4) implement the policies and actions; 5) monitor and verify the results.

The Committee studied sustainable energy efforts in ten Massachusetts towns through interviewing leaders, reading their actions plans, and viewing their websites, with a particular focus on the nearby suburban towns of Arlington, Lexington, Needham, and Newton. One consistent theme in our findings is the need for a combination of municipal and volunteer actions and the critical importance of "social marketing" to engage wide participation from residents and businesses. We found many good ideas, and much good information, but observed that towns generally have not made an effort to measure the results of their initiatives before the target year for completing the action plan.

The Committee also reviewed Massachusetts environmental laws enacted in 2008. The Green Communities Act establishes a goal to reduce total energy consumption in the Commonwealth at least 10% by 2017. Among its provisions, this lengthy legislation provides for more stringent energy efficiency requirements in building codes, imposes requirements on investor-owned utilities, and creates a green communities program to assist municipalities that commit to reducing municipal energy use 20 percent within five years and fulfilling other requirements. The Global Warming Solutions Act requires the Commonwealth to reduce its greenhouse gas emissions at least 80 percent below 1990 levels by 2050 and provides for the establishment of interim targets.

The Committee developed a baseline inventory of energy use in Wellesley, including electricity, natural gas, fuel oil, gasoline and diesel use by municipal departments, residents, businesses and institutions such as the colleges in Town. The methodology and results of this inventory are presented in the next section. This inventory has proved to be a time-consuming and complicated process. While we hope to refine and improve the measurement process over time, we believe the results are robust enough to provide the foundation for a strategic plan for energy sustainability. We have made every effort to ensure that the inventory process is well documented and replicable, so that we can monitor and report on the impact of the initiatives in the sustainable energy plan annually.

The Committee has collected information on Town initiatives already underway, including programs at the Municipal Light Plant (MLP) to offer rebates on Energy Star appliances, to provide net metering for qualifying solar energy installations, and to investigate opportunities to acquire renewable energy; the inclusion of geothermal energy and other energy efficient measures in the design of the new Wellesley High School (WHS); the efforts of the WHS Green Team to reduce energy use and to revive the WHS solar panels; anti-idling and walk-to-school initiatives at the elementary schools; the inclusion of information on compact fluorescent lights and energy efficiency in seminars sponsored by the Natural Resources Commission. Members of the Committee have collaborated with the MLP on the design of a survey of residents and businesses about their expectations for MLP action to support sustainable energy; the design of a voluntary renewable energy purchase program; and discussion of alternative tiered pricing structures. Members also are collaborating with the Board of Selectmen's Office on its investigation of energy service companies (ESCOs) to implement energy efficiency improvements in municipal buildings and the Planning Board on its walkability study.

The Committee believes that all of these efforts provide a necessary and strong foundation for recommending an emissions reduction target and for completing the next step in the process, the development of a viable, robust, and long-lasting Sustainable Energy Plan for the Town.

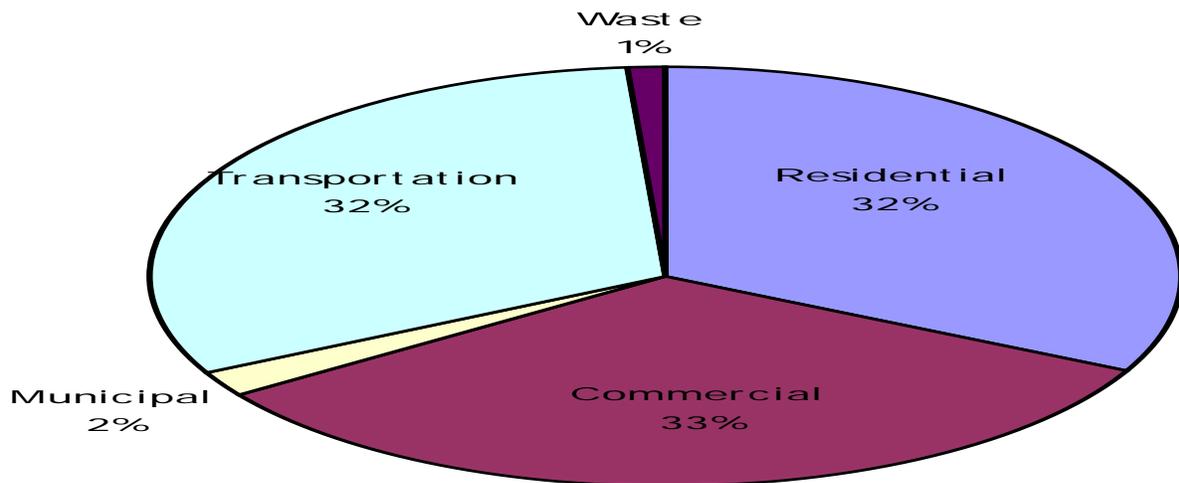
Wellesley Energy Inventory

The inventory was developed using ICLEI software, which provides a tested and widely used method and the algorithms necessary to convert raw data to a measurement of energy use in terms of greenhouse gas emissions. Measurement of electricity and natural gas consumption is comprehensive and accurate, based

on data provided by the Municipal Light Plant and National Grid. Fuel oil use is an estimate based on the number of Wellesley homes using fuel oil and ICLEI-provided data on average fuel oil consumption per household in the northeastern United States. Gasoline and diesel use is based on the concept of vehicle miles traveled within the Town borders, whether by residents or drivers passing through Town. This concept excludes travel by Wellesley residents outside the Town borders. The measurement we are reporting also excludes traffic on the mile of Route 128 within Town borders. Vehicle traffic on Route 9 is based on actual average counts. To estimate traffic on other streets within Town, we used traffic counts provided by Beta Engineering from nine traffic studies they have conducted since 2000. Vehicle miles are multiplied by ICLEI-provided parameters for fuel efficiency, based on an estimate of the mix of vehicle types for the region and year, to estimate gasoline and diesel consumption. Emissions from waste are based on the annual tonnage of waste transported to landfill and an estimate of the approximate composition of the waste. For each category (natural gas, electricity, fuel oil, gasoline, diesel and waste decomposition), ICLEI provides a conversion factor with which to calculate greenhouse gas emissions, measured in CO₂ equivalents, from the quantity (therms, megawatts, gallons, tons of waste) of energy used.

The baseline inventory shows that greenhouse gas emissions created by energy use in Wellesley are divided almost equally among that caused by households for heat, lighting and appliances, that generated by businesses and institutions, and that caused by driving.

**Wellesley 2007
415,056 Tons GHG**



Greenhouse gas emissions derived from Town waste disposal and municipal buildings account for only three percent of the total. Thus, it is clear that, while initiatives to improve energy efficiency in municipal activities are important to demonstrate what is feasible and cost-effective and as a statement of Wellesley’s commitment to responsible stewardship, a focus on municipal projects alone would have little impact on overall greenhouse gas emissions. Focusing on household and commercial (business and institutional) energy use, natural gas accounts for about 40% of the total within each sector, with electricity and fuel oil each comprising about 30%.

The Committee has completed a preliminary trend analysis for the years 2003 – 2007 which shows that overall greenhouse gas emissions have been roughly flat over that period and that natural gas has been replacing fuel oil, which has a favorable impact on emissions. We are exploring how this analysis might be refined to take account of the impact of weather variation and the resultant fluctuations in demand for heating and air conditioning.

Using data provided by the Municipal Light Plant we see that electricity use is growing, but at a decelerating rate over the last decade.

Annual Average Growth Rate (kWh sold)

	Total	Municipal	Residential	Commercial
1997 - 2007	2.6%	5.0%	3.2%	2.0%
2003 - 2007	1.0%	4.5%	2.4%	(0.5)%

This table suggest that all sectors have begun to take some steps to control electricity use. Responses to a September 2008 MLP survey provide some corroborating evidence. Forty percent of the 597 residential responses to the random sample survey reported that they were using compact fluorescent lights in half or more of their fixtures; the 77 commercial responses reported the same conversion rate. Nonetheless, Wellesley’s consumption of electricity is quite high in comparison with the state average. Based on kilowatt-hour (“kWh”) consumption for fiscal years 2006 through 2008, the average Wellesley resident consumed 970 kWh per month. This is almost twice as much as the Massachusetts average of 526 kWh for residential customers who do not heat with electricity, according to the Department of Public Utilities.

The Committee has completed a preliminary trend analysis for the years 2003 – 2007 which shows that overall greenhouse gas emissions have been roughly flat over that period and that natural gas has been replacing fuel oil, which has a favorable impact on emissions. We are exploring how this analysis might be refined to take account of the impact of weather variation and the resultant fluctuations in demand for heating and air conditioning.

Proposed Emissions Reduction Target

The Committee proposes that Town Meeting adopt a target to reduce Townwide greenhouse gas emissions 10% below 2007 levels by 2013, which requires an average reduction of 2% per year during the five-year period 2009 – 2013. This target aligns with the Environmental Protection Agency challenge to municipalities to reduce 10% and puts Wellesley ahead of the schedule established in the Green Communities Act to reduce total energy consumption in the Commonwealth 10% by 2017. The Committee believes that this target is appropriate and achievable.

Of the ten towns identified by the Advisory Committee as Wellesley peers for purposes of benchmarking, half (Belmont, Brookline, Concord, Natick and Weston) have official town committees working on sustainable energy. Volunteer groups are working in four additional peer towns (Lexington, Needham, Sudbury, Winchester.) We did not find any organized activity in Wayland. Of these peer towns, only Brookline has published an energy action plan, so in the table below we have shown the targets from two non-peer communities’ sustainable energy plans as well.

Town	Year Adopted	Target Reduction	Target Year
Brookline	2002	20% below 1995	2010
Newton	2005	7% below 1998	2010
Arlington	2006	6% below 1997	2010

Our proposed target is less ambitious than those in the table above. But we have noticed a trend toward lower, more achievable targets as towns gain experience with putting sustainable energy plans into

practice.² The Committee views the proposed target as phase one in a long-term effort and notes that a reduction of 2% per year, if continued, would be sufficient to achieve the long-term goal in the Global Warming Solutions Act to reduce greenhouse gas emissions in the Commonwealth 80% by 2050.

Adoption of this target would express the Town's environmental stewardship values, already demonstrated in its commitment to recycling, open space protection, and building a green high school. The MLP survey shows a significant commitment among citizens and businesses to sustainable energy, with 53% of household respondents and 38% of business respondents saying they are willing to pay a higher electric bill to support energy conservation and renewable energy initiatives.

Adoption of the target would establish energy sustainability as a criterion in municipal decisions regarding both policies and purchases. For example, adoption of the target could provide support for a policy that improves walkability in Town, a decision to adopt a life-cycle cost analysis that includes the ongoing operating costs, rather than just an analysis of initial cost, as the basis for purchase and construction decisions, or the inclusion of miles-per-gallon as a criterion when purchasing Town vehicles.

In 2009, while the Committee is completing development of the plan and engaging with Town Boards and departments on possible recommendations, we will focus on fostering voluntary action. Specific efforts will include helping the MLP to promote its voluntary renewable energy purchase program, sponsoring educational seminars, and circulating home power meters through the Library so that residents can use them to easily identify the drivers of their electricity consumption. We also will begin building an e-mail network and a website to provide easy access to helpful information.

The key to success will be widespread participation. The Committee believes that individual households and businesses can achieve a 10% reduction with "low hanging fruit." But the lower the participation rate, the harder it becomes to achieve a 10% reduction in total Townwide energy use. The Committee will use the experience it gains with voluntary action in 2009 as one method of identifying the barriers that must be addressed and the techniques that are most effective in motivating people to take action. The Sustainable Energy Plan will include "social marketing" initiatives using multiple channels of communication to reach different groups in Town.

Both Babson College and Wellesley College have expressed their commitment to reducing their own energy use and their willingness to work with the Committee. During 2009 the Committee will work to broaden its partnerships with institutional and business groups.

Postponing the adoption of a target would slow down efforts to move toward sustainable energy, could create higher costs, and would forgo benefits we could be enjoying. For example, continued growth in electricity demand, particularly at peak times in the summer, is projected to require a multimillion-dollar expansion of the MLP's transmission capacity. Meanwhile, businesses and residents would be missing out on the cleaner air, more comfortable buildings and lower utility and gasoline costs that they could enjoy. Furthermore, the move to sustainable energy policies and practices that may be required ultimately, for example to meet state targets, would be more wrenching if the Town has less time to make the shift. Moreover, the Committee notes that failure to achieve the target does not, per se, have any additional adverse consequences beyond those of not taking action and forgoes the at-least partial accomplishment that will surely accompany the establishment of a target.

²The actual reduction required by these targets is more than the stated percent because energy use and emission have grown between the base year and the year the target was adopted. For example, Newton's target actually requires about a 14 % reduction from 2005 levels.

Next Steps/Other Recommendations

The Committee requests a one-year extension of its charter to complete its work and bring its recommendations to Town Meeting. This work includes the completion of the Sustainable Energy Plan that will identify initiatives and communication channels that are specific to various user groups. The Committee has developed a list of measures to reduce energy use in the municipal, residential and commercial/institutional sectors. But we still have work to do to evaluate these measures with Town departments and Boards, citizens and businesses before these measures can be incorporated into a Sustainable Energy Plan. This evaluation will include development of a rough timetable for the sequence in which initiatives can be ready to go. We also have work to do to develop a communication plan that can effectively motivate households and businesses to participate in the initiatives and take action.

Equally important, the Committee needs to formulate a recommendation for a permanent structure to implement the Sustainable Energy Plan and a proposal for the ongoing reporting of actions and their impact on energy use. Plans that we have seen thus far most commonly include the establishment of an appointed committee, including both Town employees and officials and citizen volunteers, often reporting to the Board of Selectmen, to implement the action plan, report on projects, document changes in energy use, and plan for the next phase.

Under Article 8, within the Board of Selectmen's budget, the Committee has requested a FY 2010 budget of \$6,000, to fund the printing and distribution of the Sustainable Energy Plan to Town Meeting members and Town Boards and managers, hosting services for an e-mail network and website, membership dues in ICLEI, and small miscellaneous expenses. The Committee will seek additional funds from the MLP and other sources to fund the seminar series, the purchase of power meters for circulation at the Library, and other initiatives it may undertake.

Conclusion

Growing, or even flat, demand in the United States for fossil fuel energy is not sustainable over the long run in light of growing worldwide demand for finite supplies. Given the critical importance of energy to our comfort, our productivity, our way of life, developing sustainable energy options is in our self-interest. A shift to sustainable energy has short-term benefits as well, in terms of cleaner air, more comfortable buildings, lower utility bills, and the satisfaction of living a lifestyle that expresses one's personal commitment to environmental stewardship. Approval of the recommendations in this report, under Article 31 in the Warrant, is a critical step toward a Sustainable Energy Plan that can achieve these benefits for the Town.

Green Ribbon Study Committee

Scott Bender
Chris Chan
Mary Ann Cluggish
Molly Fairchild
Katy Gibson
Rob Rooks
Ellen Watts

February 26, 2009

**Report of the Advisory Committee on Gift Acceptance Policy
to the Board of Selectmen
February 27, 2009**

The **Advisory Committee on Gift Acceptance Policy** 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), Heidi Gross (Natural Resources Commission), Ann Howley (Development Consultant), Suzi Newman (School Committee), Marla Robinson (Library Board of Trustees), Barbara Searle (Board of Selectmen),

Introduction

The Advisory Committee on Gift Acceptance Policy, an ad hoc committee created by the Board of Selectmen (BOS) in June 2008, was asked to propose a town-wide policy on acceptance of gifts by the Town of Wellesley through its representative boards and committees. The BOS established this committee in response to a recommendation made by the Committee on Naming of Public Assets in its report in February 2008. With the passage of the naming policy (Bylaw 6.21) at the 2008 Annual Town Meeting, the BOS felt it was important to move ahead with a gift acceptance policy to support the naming policy in an effort to bring clarity and process to a Town issue and provide a point of reference as individual boards and committees consider potential gifts.

Wellesley has received gifts throughout its history. H.H. Hunnewell, perhaps the Town's greatest benefactor, built and donated Town Hall and the Free Library. Since then, generous benefactors have supported the Town and its boards through gifts large and small. The Trustees of the Library established a fundraising committee to supplement the furnishings for the new library building; private gifts funded the fitness center at the high school, School Committee also accepts gifts from PTO's and other support groups and individuals; the NRC regularly accepts gifts for trees & benches. The Board of Selectmen is currently engaged in considering a significant bequest from the Tolles estate. Other departments report very few if any gift situations.

Process

The Advisory Committee on Gift Acceptance Policy met throughout December and January. The committee conducted a survey to determine the extent of gift acceptance by department. The group reviewed and discussed gift acceptance policies currently in use by Town boards and committees. Some boards and committees have statutory power to accept gifts on their own including the WFL Trustees, the School Committee and the NRC acting as Conservation Commissioners. Research was done on policies adopted by local and national municipalities and organizations. The group consulted with the Town Finance Director as to current accounting and reporting protocols and any suggested changes in these areas.

Proposed Bylaw

The Committee agreed that a gift acceptance policy providing 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 accepting (or declining) gifts to the Town while respecting the ability of individual boards to maintain flexibility over gift decisions.

The proposed bylaw respects prior practices and draws on current policies of some boards. The Wellesley Free Library, the School Committee and the Natural Resources Commission have quite mature polices on gift acceptance and this Committee drew on the experiences of each. The proposed policy does not limit the current practices of those boards, though all existing policies must be reviewed in light of the new bylaw.

Under the proposed bylaw, all boards will be required to have their own gift acceptance policies. While boards and committees that do not have statutory authority to accept gifts must seek final authority to accept a gift from the BOS, all boards have the discretion to approve or decline any proposed gift. The decision of the original donee board to decline a gift is final.

The proposed bylaw sets out the basic factors that a donee board must consider in contemplating acceptance of a gift. These include appropriateness to the mission and needs of the Town; any undue burden to the Town financially or otherwise; long term impact of the donation such as maintenance, cost, etc. and ability to use the gift for related purposes should the original intent become no longer practicable.

The current processes of depositing cash gifts to the Town with the Financial Services Department and tracking the use of restricted gifts by that Department will continue. Individual boards remain responsible for acknowledging the gift and providing receipts as required by the IRS. Reporting of gifts will be done on an annual basis and will include totals received and specified purpose of restricted gifts. This information will be included in the Town's Annual Report.

The Committee concurred that these areas were both adequate and general enough to provide the basic outline of a policy to provide guidance for accepting gifts in the future. It was thought that this bylaw could serve as a template for individual boards as they write or review existing acceptance policies. Each board would add specific details to meet its own requirements. It is anticipated that each board would review or write its policy as soon as possible after the bylaw is approved and no later than December 2009.

Summary

The draft language for the bylaw as approved by the Advisory Committee on Gift Acceptance Policy is appended to the end of this report.

Although gifts to the Town may be generous and well intentioned, it is incumbent upon the Town's representatives to ensure that all gifts are in the best interest of the Town and its citizens. As Town representatives work with potential donors, it is critical that they have some consistent guidelines to follow in making their decision as to whether or not to accept a gift.

The policy guidelines in this bylaw are an effort to outline a broad process to:

- maintain discipline in gift acceptance and administration in an effort to prevent accepting gifts that will cost the Town time, money and reputation;
- educate Town boards, committees and employees about the questions to be asked in considering a gift along with the potential issues triggered by its acceptance;
- allow the policy to be defined without the distraction of a pending gift, which could impact collective judgment.
- formalize processes already in place and require that it be formalized throughout Town boards and committees.

The Town of Wellesley welcomes public/private initiatives. While it is important to note that this bylaw in no way advocates for solicitation of private funds, it is an effort to establish a commonly accepted practice for use should a situation of this nature arise and is an effort to provide consistency and equity in the acceptance or declination of a gift. This bylaw is an attempt to provide process and substance to make these partnerships beneficial to all parties.

Recommended Follow Up

Should this bylaw be adopted, it is recommended that each board review and/or adopt a gift acceptance policy, which is tailored to its particular circumstances.

Individual board gift acceptance policies may be more detailed. They could provide 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 a gift acceptance policy, the following should be considered:

- 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
- Types of gifts (cash, appreciated securities, real property etc.) to be accepted
- Naming opportunities for major gifts
- 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.

Respectfully submitted,

Advisory Committee on Gift Acceptance Policy

Proposed Bylaw Language Article 5.6:

ACCEPTANCE OF GIFTS TO THE TOWN OF WELLESLEY

5.6 a. Purpose

The purpose of this section is to authorize the acceptance of Gifts for any public purpose, and to specify policies and procedures for doing so.

5.6 b. Acceptance of Gifts

The Board of Selectmen shall have the authority to accept gifts on behalf of the Town of Wellesley. The School Committee, Library Trustees and Natural Resources Commission shall also have authority, as granted by Massachusetts General Laws, to accept certain gifts. Any board approving, declining or accepting a gift, shall adopt a written policy consistent with 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. Boards that do not have statutory authority to accept gifts must submit all gifts approved by such board to the Board of Selectmen for final acceptance.

All gifts of real property, whether restricted or unrestricted, must first be approved by the Board of Selectmen and accepted by Town Meeting.

The donee board shall have the discretion to approve or decline any proposed gift, whether restricted or not, subject to the provisions of this section. In the event a board declines a gift that decision shall be dispositive of the matter.

In considering a gift, boards should make the following determinations:

1. Whether the gift is appropriate to the mission and needs of the Town and the particular board;
2. Whether the gift is unrestricted or, if restricted, given in reasonably broad and flexible terms to maximize usefulness;
3. Whether the gift is irrevocable;
4. Whether the gift imposes undue financial burden on the Town;
5. Whether the long-term impacts of the gift, particularly where there could be significant future or ongoing operations and maintenance or capital costs associated with the gift have been accounted for;
6. Whether the terms of the gift permit the Town to apply the gift to related purposes in the event the designated purpose is fully funded or is no longer practical, necessary or able to be performed.

In the event a board has reason to believe a gift could cause or result in an appearance of impropriety, the board shall consult with the Town Counsel prior to accepting the gift.

Restricted gifts shall be assigned to a project or existing account consistent with the donor's desired use, as long as such restriction(s) do not conflict with Town by-laws or state or federal law, in which case the Town shall ask that the restriction(s) be removed or decline the gift.

5.6 c Accounting

All funds received by any board shall be deposited with the Treasurer.

The Town of Wellesley Financial Services Department is responsible for providing for the financial administration of any gift to the town. If necessary, Financial Services shall track the proposed use of any such gift and shall maintain separate records of accounts showing receipts and disbursements.

Interest, if any, generated by a gift shall accrue to the Town's general fund unless expressly provided otherwise by the terms of the gift.

The donee board shall be responsible for acknowledgement of gifts and shall provide receipts as needed for IRS purposes.

5.6 d Reporting

All donee boards shall prepare an annual report of such gifts including amounts, purposes and such other details as required by the Finance Director. These reports shall include both restricted and unrestricted funds. Reports on gifts shall be filed with the Finance Director, and included in the Town's Annual Report.

**REPORT OF THE DENTON ROAD
NEIGHBORHOOD CONSERVATION DISTRICT COMMISSION**

In accordance with the provisions of Article 46A. of the Town Bylaws, the Planning Board and Historical Commission conducted a duly advertised joint public hearing on Monday, February 23, 2009, on a proposed amendment to Article 46B. Denton Road Neighborhood Conservation District as contained in the Warrant for the March 30, 2009 Annual Town Meeting. Four members of the Planning Board and six members of the Historical Commission were present and voted unanimously to approve the proposed amendment and send it to Town Meeting for a vote.

Article 40

Recommendation - Adoption

The purpose of this article is to amend the Town Bylaw by altering the Denton Road Neighborhood Conservation District (NCD) Article 46B. to insert three additional properties: 56, 60 and 72 Denton Road. The effect will be to raise the number of properties in the District from 20 to 23, of which 19 are bound by the NCD regulations, and four chose not to participate at this time. The proposal is in accordance with Article 46A of the Town Bylaws, adopted at the 2007 Annual Town Meeting, which established the authority to adopt or amend NCD's. Article 46B. established the Denton Road NCD at the 2008 Annual Town Meeting.

In November of 2008 a petition was submitted to the Denton Road Neighborhood Conservation District Commission by several Denton Road property owners requesting their properties be included in the Denton Road Neighborhood Conservation District. On December 2, 2008 the Historical Commission accepted the petition and voted to waive the establishment of a Study Committee. A joint hearing between the Historical Commission and the Planning Board was held February 23, 2009. A unanimous affirmative vote by the six Historical Commission and four Planning Board members present sent the amendment to Article 46B. to Annual Town Meeting for a vote.



JOINT INTERIM REPORT ON THE HIGH SCHOOL PROJECT

SUBMITTED BY

**THE SCHOOL COMMITTEE
THE SCHOOL BUILDING COMMITTEE
THE PERMANENT BUILDING COMMITTEE**

This is a Joint Interim Report on the High School Project by the School Committee (SC), School Building Committee (SBC), and Permanent Building Committee (PBC). Much progress has been made since the October 2008 Special Town Meeting when the \$130.6 Million appropriation was approved, followed shortly thereafter by a successful Townwide debt exclusion vote, for a new 280,000 square foot High School to be built in a single phase on the existing high school site.

CAPACITY IMPROVEMENTS

At the October Special Town Meeting, an appropriation of \$985,000 for modifications to the current WHS building was approved to meet capacity needs during the construction period of the new school. The enrollment will rise from the current 1257 students to an estimated 1384 students prior to the occupancy of the new building. Five new classrooms are to be created out of a portion of the lecture hall located in the science wing currently being used for drama class instruction. The renovation plan allows for this use to continue. In addition, modifications will be made to the current cafeteria to increase seating capacity by removing the snack bar and to provide another emergency egress. Work is anticipated to begin during the April school vacation. When school resumes after vacation, construction work will occur after 3 pm. Work is scheduled to be completed to allow for occupancy at the beginning of the new school year.

DESIGN WORK

The Design Development stage of the Project will be completed in April at which time work on the Construction Documents will commence.

Working Groups: Several working groups have been established to work closely with the architects and the PBC on the internal lay-out, the design of the exteriors and the site design. The plans have been extensively developed since the October Special Town Meeting.

Foundation Issue: The PBC obtained a second opinion on the type of foundation for the building. As a result of further test borings, the PBC has determined that a pile foundation under the gymnasium portion of the building, or under approximately twenty percent of the floor area of the building, is prudent. The additional estimated cost of \$800,000 will be taken out of the \$7,000,000 contingency budget approved by Town Meeting.

Tower: There is much sentiment for the preservation of the tower, particularly the cupola and weathervane. We understand that the request for funds to study the feasibility of the preservation of the tower (and lobby, too) in its existing location under Article 42 will not be moved. However, plans for the use of the cupola and weather vane on the current building site are being reviewed by PBC and the architects. The potential location is at the entrance to the school, not on top of the new school.

Green: The detailed design efforts include incorporation of elements to strive for a rating of 34 points under the MA-CHPS Program (Massachusetts Collaborative for High Performance Schools). Further work has been undertaken on the two geothermal wells to heat/cool the administrative areas and possibly the fitness center; a 9,500 square foot green roof; a rain

harvesting system to provide non-potable water for toilet flushing; two bioswales in the parking lot for storm water runoff and filtering; low water consumption toilets; solar photovoltaic array; daylighting; and other high performance elements.

Construction Management: The PBC has hired Turner Construction Company (subject to successful contract negotiations) as the construction manager (“CM”) under the “construction management at risk” (“CM@Risk”) delivery method. Under a new statutory authority, municipalities may employ the CM@Risk delivery method previously only available in the private sector where it is commonly used by major institutional clients and developers.

One of the benefits to CM@Risk, borne out by the Town’s current experience, is that top-notch construction companies have bid to be the CM for the project. We anticipate that Turner will, in turn, attract excellent subcontractors to bid on various aspects of the construction. The CM will work with the Town during the pre-construction process assisting and advising on overall budgeting and value design, logistics, scheduling and phasing, and recommendations on subcontractors. The negotiated fee for the CM is fixed, so there is no incentive to take shortcuts. Every action the CM takes is to obtain for the Town the best project for the best value.

Construction Site Issues: The PBC will be working with Turner on construction site issues (e.g., timetable, construction, traffic, fire and emergency exit plans, etc.) and reviewing plans with the neighbors. All such plans will be submitted for review by various departments and boards as part of the Site Plan Review process. Public hearings will be held by the Zoning Board of Appeals (“ZBA”) before it issues a special permit that allows construction work to commence.

PARKING AND BUSING

The “No Parking” ban at the High School site imposed for the four academic years of construction will create opportunities to increase bus ridership. With the loss of the student parking lot during construction, coupled with increasing enrollments and the need to mitigate traffic under the Project of Significant Impact (“PSI”) process, the School Committee has developed a new busing policy for WHS students. This policy, crafted after months of hard work by the Transportation subcommittee, chaired by SC member Marlene Allen, will increase the number of bus runs to the high school as well as lower the high school bus pass fee. Four buses will run routes to deliver students for both the 7:30 and 8:30 start of school as opposed to the current delivery of students by bus for just the 7:30 am start. In the afternoon these four buses will offer a 2:30 and a 3:45 departure time to better meet the needs of student afternoon activities. The cost of the bus passes next year will be reduced from the current self sustaining level of \$473 to \$250. In order to subsidize this initiative, the School Committee is requesting an appropriation of \$111,050 in the FY10 budget under Article 8 with \$50,000 to come from free cash and the remainder accounted for within the school FY10 operating budget.

To accommodate 200 spaces for faculty and staff parking needed during construction, five sites have been identified: tandem parking at the basketball courts across from the High School parking lot; the tennis courts parking lot; the State Street gravel lot at the west end of the stadium field; the aqueduct parking area behind Needham Bank; and the Star Market parking lot.

HISTORICAL WORKING GROUP

This working group was established in January with two objectives. The first is to identify which items, interior and exterior, of the current school are worth saving and should be preserved in

the new school. The second is to develop ideas and design elements that will help the new school reflect the identity of the town.

The members include representatives of the Wellesley Historical Society, the Wellesley Historical Commission, the Community Preservation Committee, the SC, SBC, PBC, and former WHS students or teachers Beth Hinchliffe, Bob Sechrest and Brooks Goddard. An inventory of items to bring over from the existing school has been generated with input from WHS faculty, staff and students, as well as the public. These items, along with a few of the Kepes panels preserved from the former Main Library and some of the flooring from the Original Town Hall (former Wellesley Country Club), may be integrated in the new building to provide an important link to the past.

The working group is considering several ideas involving oral histories, written histories, classroom projects, and essay contests as ways to document the history of the existing building.

MSBA: The Town is entering into the Project Funding Agreement with the MSBA, which sets forth the obligations of the MSBA to fund the project up to \$44 Million and the obligations of the Town for reporting, documentation and compliance with the requirements of the Project Scope and Budget Agreement executed last fall.

PERMITTING OF THE PROJECT

The High School project is going through the permitting process like any other large development in the Town. While the PBC and SBC are not “developers”, they have applied for various permits customarily required of developers. It has been a rigorous, costly and time-intensive process, intended to protect the Town from the impact of large scale development.

At the time of this report (March 1), the project was being reviewed by the Planning Board for municipal systems impacts on water, sewer, storm drainage, electric service, fire protection and life safety, refuse disposal and recycling and traffic and pedestrian safety in the PSI proceeding; the Design Review Board for review of the exterior design; and the Wetlands Protection Committee for the wetlands and other natural resource impacts pertaining to the three off-site parking lots and the High School site itself. Yet to come are reviews by the Natural Resources Commission for the off-site parking and the extensive Site Plan Review process permitted by the ZBA, involving the Boards of Health and Planning, Fire and Police Departments, Municipal Light Plant, Town Engineer, among others.

TIMELINE

Depending on the timely completion of the permitting processes, the following is the timeline for construction:

- Lecture Hall Conversion: April – August, 2009
- Offsite Parking Lots: June – August, 2009
- Site Preparation and Foundations: August, 2009 – March 2010
- High School Construction: March 2010 – June 2012
- Demolition of Existing School: June – September 2012
- High School Parking Lot: September 2012 – March 2013

NEIGHBORS

We have undertaken concerted efforts to review plans with, and seek comments from, the neighbors of the High School site. As we enter the construction planning phase, we will

continue to meet with the neighbors. It is our intention to keep open all channels of communication with the neighbors and other members of the public.

VOLUNTEERS

As we begin planning for other phases of the project, we are looking forward to ideas to celebrate the memories of the old school and the future in the new. Some suggestions which would need volunteer support are: an ongoing "1938 Scholarship" to be awarded to a WHS senior; a time capsule; oral histories of alumni; fund-raising (e.g., selling bricks or gym parquet from the old building); using the green aspects of the project as teaching tools; chronicles of the old building (photographs, essays, published history, website); and dedication week activities.

Please pass on your ideas, and if you wish to volunteer, please contact us at sbc@wellesleyma.gov.

Respectfully submitted,

Suzanne Littlefield, Chair,
School Committee

Katherine Babson, Chair,
School Building Committee

Michael Eby; Chair,
Permanent Building Committee

February 27, 2009



TOWN-WIDE FINANCIAL PLAN FOR 2009 ANNUAL TOWN MEETING Submitted by the Board of Selectmen

February 26, 2009

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 (FY09), the proposed budget for FY10, and projected financial information for FY11. The Board of Selectmen will present a balanced budget for FY10 at the upcoming Annual Town Meeting. Last spring we projected a deficit for FY10, before the outlook worsened as a result of the downturn in the overall economy. This decline required us to reduce the Town's projections for State aid and local revenues. In addition, the decreased value of the Town's pension assets has necessitated a resumption of pension funding. Despite this worsened outlook, we have been able to balance the proposed FY10 budget through a combination of departmental budget reductions, lower health insurance costs, and a modest reserve drawdown. Our FY11 budget projection also shows a balanced budget as our initial planning target. The Selectmen have convened a budget workgroup with representation from the major Town boards, to consider strategies to achieve the required restraint in FY11 departmental spending.

Key Issues

The key issues impacting the Town's financial planning include:

- Reduction in State aid
- Decline in local revenues
- Growth in departmental budgets
- Facilities maintenance needs
- Funding of new High School
- Health insurance changes
- Resumption of pension funding

A short discussion of each of these items follows.

Reduction in State aid

State aid (\$8.1 million) comprises approximately 7% of the Town's total sources of funds. The largest components are Chapter 70 Aid for Education and Lottery Aid. While the proposed FY10 State budget recently submitted by Governor Patrick level-funds Aid for Education, a reduction in Lottery Aid is anticipated. Thus, a reduction in total State aid is projected for FY10, and we are not projecting any increase in FY11 or beyond. Governor Patrick is also proposing to partially offset the reduction in Lottery Aid with an increase in the state meals tax, and he is also proposing to give communities the option to levy a local meals tax. We are continuing to monitor the status of these proposals. The proposed FY10 budget does not include any new meals tax revenues, whereas the projected sources and uses for FY11 includes a preliminary estimate (\$500,000), based on historical Department of Revenue data.

State aid comprises a smaller percentage of the Town of Wellesley's budget than for most other communities in the Commonwealth. Thus, we are relatively more dependent on property taxes but less impacted by the State's financial difficulties. A number of communities that are more dependent on State aid are currently considering layoffs and wage freezes in order to balance their FY09 and proposed FY10 budgets.

Decline in local revenues

Local revenues (\$10.1 million) comprise approximately 9% of the Town's sources of funds. The principal components are motor vehicle excise taxes, interest earnings, and permits and fees. Given the current low interest rates, reduced sales of new vehicles, and slowdown in construction activity, we are projecting a 7% decline in local revenues for FY10. We are not projecting any increase in such revenue in FY11 or beyond.

Growth in departmental budgets

The School budget is the largest single component of the Town budget. The rate of growth of this budget is a key factor each year in determining whether a Proposition 2½ override is required. Whereas the annual growth in the School budget over the past 10 years has averaged approximately 7%, the proposed FY10 budget reflects a 3.1% year-to-year increase, largely due to lower growth in Special Tuition and Transportation costs. For financial planning purposes, our projections for FY11 reflect a lower rate of growth (2%), as necessary to achieve a balanced budget.

Excluding the facilities maintenance department and electrical costs related to the streetlights, the proposed FY10 budget for other Town departments reflects a 1% growth. Our projections for FY11 reflect level funding (i.e., no increase) for these departments.

While the projected rates of growth in all of the departmental budgets in FY11 is less than historical averages, the Selectmen believe this level of constraint is mandated by the current economic conditions.

Facilities maintenance needs

The Town's long-term facilities maintenance needs have not been adequately funded in the Town's operating budget. We have partially addressed this issue through the appropriation of \$11.2 million of school infrastructure capital at the 2007 Annual Town Meeting. The maintenance work funded by this appropriation will be completed during the summers of 2009 and 2010. Effective July 1, 2008, the custodial and maintenance costs for all Town buildings (excluding the DPW and MLP facilities) are budgeted in a standalone department under the joint control of the Board of Selectmen and School Committee. During the past year, a new Facilities Maintenance Director was hired and the proposed FY10 budget includes provisions for 2.5 additional maintenance personnel (2.5 FTE). At the upcoming Annual Town Meeting, we expect to present more information regarding the Town's historic level of facilities maintenance spending versus external benchmark data. As with other non-School Departments, our projections for FY11 reflect no increase. Beyond FY11, we are projecting to increase facilities maintenance spending to a more adequate long-term level. Further work on the Town's elementary school master plan is an integral part of this initiative.

Funding of new High School

Following Town Meeting's approval of the High School project last October and the favorable debt exclusion vote in December, the Permanent Building Committee and School Building

Committee are actively working on the detailed design and permitting of the new school. Limited site work is expected to begin in 2009 and full-scale work is scheduled to commence in 2010. The funds for the project will be borrowed in phases, according to the projected cash flow for the project. Thus, the projected debt service cost of the project will increase gradually over the next few years. At its peak, the projected annual debt service will approximate \$6 million, and represent approximately 5% of the Town's total budget. The proposed FY10 and projected FY11 debt service cost related to the High School project are \$1.0 million and \$2.8 million, respectively.

Health insurance changes

Health insurance costs represent 18% of the Town's Proposition 2½ tax levy and have been growing at a faster rate than other items in the Town's budget. Effective January 1, 2009, 767 employees (83% of the active employees who participate in the Town's health insurance plans) transitioned to the new "Rate Saver" plans offered by the West Suburban Health Group. These new plans require additional and higher dollar value co-payments, resulting in 15% lower premiums. This transition to the Rate Saver plans is a key milestone in the Town's multiyear initiative to control the growth in health insurance costs, and reflects the successful outcome of collective bargaining with 8 of the Town's 13 unions. Negotiations with the remaining 5 unions are ongoing, and in the meantime, we have been able to avoid any increase in total health insurance cost for FY10 versus the prior fiscal year. This represents a savings of approximately \$1.2 million. Looking forward, we are projecting total health insurance costs to increase at a rate of 8% for FY11. This compares to an average annual growth rate of 13.7% over the past 7 years.

Resumption of pension funding

As a result of the Town's early funding of the pension plan liability, favorable investment performance and significant ongoing employee contributions, the Town has not been required to make any pension contribution since 1997. A 33% decline in the value of the pension assets during calendar 2008 (\$143.7 million at 12/31/07 vs. \$96.3 million at 12/31/08) prompted a decision to phase-in a resumption of funding, beginning with \$1 million in FY10, and increasing by \$1 million in each of the three following years. This funding plan is dependent on future investment performance, and further adjustments in the funding level may be required. Employee contributions to the pension plan approximated \$2.7 million in calendar 2008 and continue to grow commensurate with the growth in wages. (*Note: this amount excludes contributions by Teachers and School Administrators who belong to a separate retirement system.*)

FY10 Budget

Early last fall, we reviewed preliminary revenue projections with the Advisory Committee and discussed the impact of general economic conditions and the pending High School project. This led to the Advisory Committee's issuance of tighter budget guidelines designed to avoid the need for a Proposition 2½ override for FY10. These guidelines capped the total budget increase for the School Department at 3% and all other Town departments at 1%.

Capital requests were submitted in October and departmental operating budgets were submitted in early January. Following various adjustments to the original submissions, the proposed FY10 budget has been balanced with a modest drawdown of reserves and without the need for an override. The FY10 budget request is summarized in the following table:

	FY09 Budget	FY10 Request	\$ Inc/(Dec)	% Inc/(Dec)
Sources of Funds				
Taxes	\$ 82,382,731	\$ 85,742,299	\$ 3,359,568	4.1%
State Aid	8,556,840	8,061,281	(495,559)	-5.8%
Local Revenue	10,880,506	10,085,241	(795,265)	-7.3%
Other Sources	5,820,030	2,733,382	(3,086,648)	-53.0%
Exclusions and Exemptions	7,455,144	8,820,749	1,365,605	18.3%
Total Sources	\$ 115,095,251	\$ 115,442,952	\$ 347,701	0.3%
Uses of Funds				
School	\$ 51,683,013	\$ 53,283,503	\$ 1,600,490	3.1%
Other Town Departments	26,858,145	27,491,119	632,974	2.4%
Employee Benefits	15,738,082	16,059,178	321,096	2.0%
Cash Capital	2,826,283	2,787,410	(38,873)	-1.4%
Debt (inside Levy)	4,119,821	3,719,821	(400,000)	-9.7%
Other Uses	6,430,985	3,281,172	(3,149,813)	-49.0%
Exclusions and Exemptions	7,438,922	8,820,749	1,381,827	18.6%
Total Uses	\$ 115,095,251	\$ 115,442,952	\$ 347,701	0.3%

The 4.1% increase in taxes reflects the allowed growth in the levy limit and \$1.3 million of new levy growth. The 5.8% decrease in State Aid is attributable to a projected decrease in Lottery Aid, and assumes level funding of Chapter 70 Aid for Education. The 7.3% reduction in Local Revenues reflects the decline in interest rates, motor vehicle excise taxes, and permits and fees. The 18.3% increase in Exclusions and Exemptions primarily reflects the increased debt service associated with the permanent financing for the recently completed Middle School project and the initial financing for the High School project.

The 3.1% increase in the School budget is largely consistent with the Advisory guideline. The 2.4% budget increase for the other Town departments is over the 1% guideline due to increases in facilities maintenance and streetlight operation costs. The 2.0% increase in Employee Benefits reflects the resumption of pension funding, level year-over-year health insurance costs as a result of the migration of employees to the new Rate Saver plans, and a reduction in Workers Compensation reserve provisions. Cash capital is down slightly and debt service inside the levy is down as a result of the continuing pay-down of related debt, which is amortized on a level principal basis. The reductions in Other Sources and Other Uses for FY10 reflect significant year-over-year fluctuation in the utilization of Community Preservation Act (CPA) funds and other anomalous items. These two items largely offset each other.

Contracts with five of the Town's thirteen unions remain open at the time of this writing. With the exception of the School-related contracts, the proposed FY10 budget 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 these contracts are presented to Town Meeting for ratification.

The Town is also proposing to fund the following appropriations from Free Cash:

- \$985,000 for the creation of additional High School classrooms, as approved at the October 2008 Special Town Meeting.

- \$600,000 supplemental appropriation to the Department of Public Works for FY09 snow and ice removal costs (Article 7).
- \$200,000 to the Facilities Maintenance Reserve Account (Article 16).
- Yet to be determined amount to the Permanent Building Committee to fund the cost of designing a new Senior Center (Article 20).
- \$52,241 for the FY09-related cost of union contract settlements (Article 5)
- \$18,200 to the Library Trustees for branch library capital maintenance (Article 15).

Debt Capital

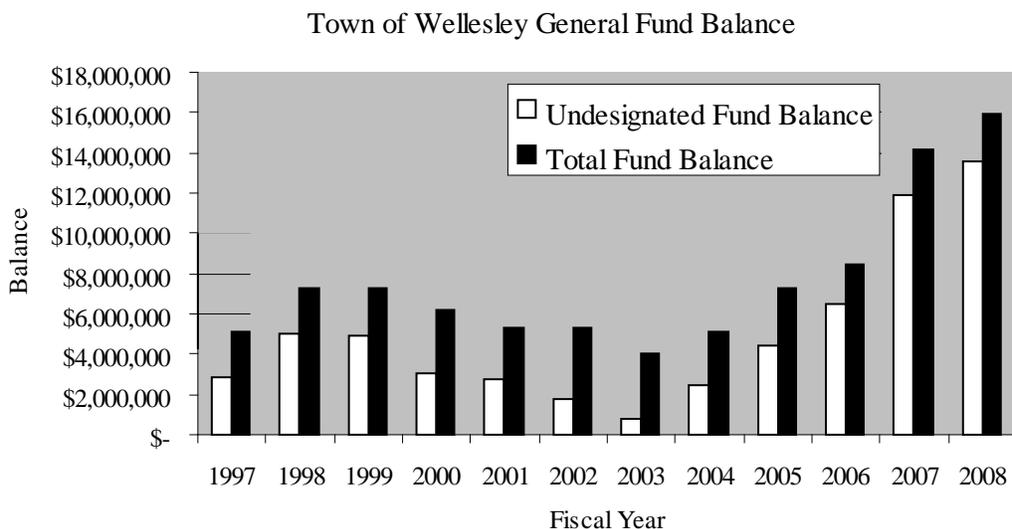
The Town’s Five-Year Capital Budget Program is presented elsewhere in this book. The FY10 budget request does not include any provision for new debt capital projects. Under Article 20, Town Meeting will consider an appropriation to fund the cost of designing a new Senior Center. An estimate of the potential debt service cost of the new Senior Center will be presented at Town Meeting.

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.

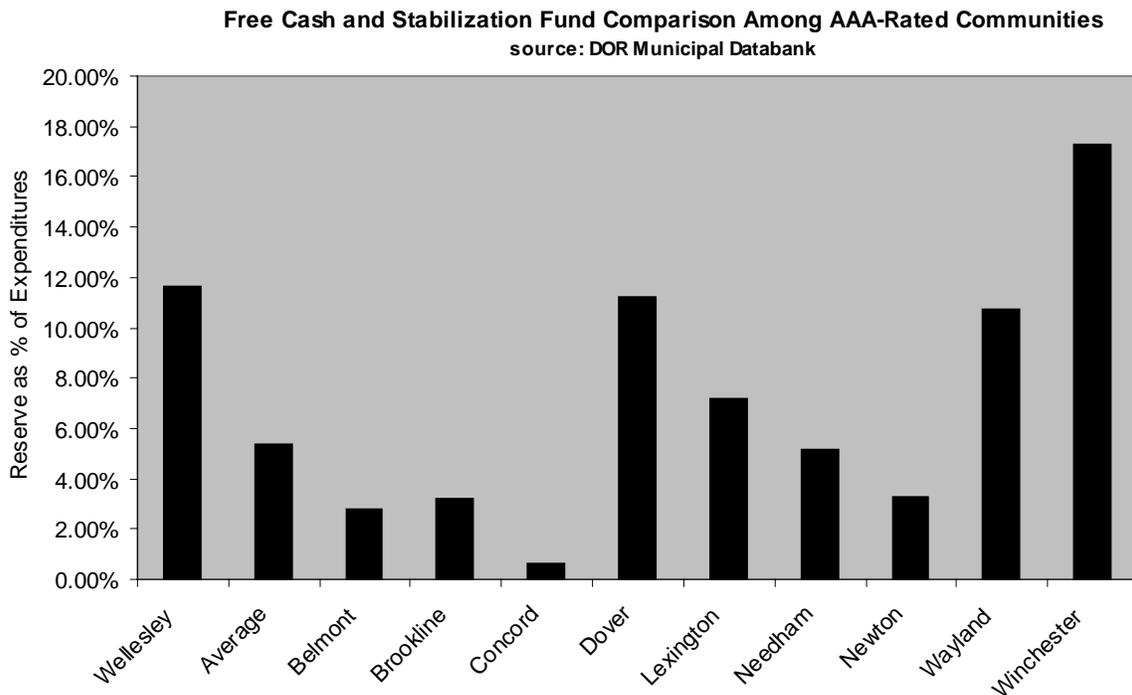
As of June 30, 2008 the Town’s Undesignated Fund Balance was \$13.6 million. This reflected a significant improvement in the Town’s financial reserves since a low point in 2003. The following graph shows the recent improvement in reserve levels, as expressed in terms of undesignated fund balance and total fund balance:



Undesignated fund balance and total fund balance are technical terms used in municipal accounting. Total fund balance is analogous to the terms “stockholders’ equity” as used in private sector financial statements. Undesignated fund balance is the portion of the total fund balance that has not been designated for any purpose. Thus, undesignated fund balance is a key component of a town’s financial reserves. Credit rating agencies focus on these balances when evaluating the creditworthiness of a town.

Of more practical concern are the balances in the Town’s Stabilization Fund (a separate reserve fund) and the balance of Free Cash, which is a restrictive subset of the undesignated fund balance. Under Massachusetts Department of Revenue (DOR) rules, these are the reserve balances specifically available for appropriation by Town Meeting to pay extraordinary or unforeseen expenditures, or cover revenue shortfalls. Appropriations from the Stabilization Fund require a two-thirds vote by Town Meeting, whereas appropriations from Free Cash require a majority vote. The Stabilization Fund balance as of June 30, 2008 was \$2.2 million. The level of Free Cash, as certified by the DOR, was \$10.7 million as of June 30, 2008. This was the highest level ever recorded by the Town.

The following chart compares Wellesley’s total level of Stabilization Fund and Free Cash reserves at June 30, 2008 to other AAA rated communities, expressed as a percent of annual expenditures:



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 proactive funding of the Town’s pension and Other Postemployment Benefits (OPEB) liabilities further evidence the Town’s commitment to prudent fiscal management. Following the recent decline in the value of the Town’s pension assets, the proposed FY10 budget includes \$1 million of funding toward the pension liability. Consistent with the prior year, the budget also

includes \$3 million of funding toward the Town's OPEB liability (\$1.2 million inside the levy, plus \$1.8 million exclusion as authorized by the May 2007 Special Election).

Looking Ahead

The key assumptions on which the projections for FY11 are based include:

- Growth in property tax revenues through \$1.3 million in new levy growth plus the allowed 2.5% increase under Proposition 2½
- Growth in State aid limited to new meals tax revenue of \$500,000 (contingent on enactment of proposed State legislation and future Town Meeting action)
- No growth in local revenues
- Departmental budget growth
- School Department - 2%
- Other Town Departments – 0%
- Growth in health insurance costs – 8%
- Pension funding – increased to \$2 million
- Cash capital – no increase
- New debt service capacity (inside the levy) - \$500,000
- No material use of Free Cash to supplement revenues.

The School and non-School departmental budget growth assumptions (2% and 0%, respectively) are each one percentage point lower than the revised FY10 budget guidelines, in order to achieve a balanced budget. Based on these assumptions, the projected FY11 Sources and Uses outlook is summarized in the following table:

	FY10 Request	FY11 Projection	\$ Variance	% Variance
Sources of Funds				
Taxes	\$ 85,742,299	\$ 89,185,856	\$ 3,443,557	4.0%
State Aid	8,061,281	8,561,281	500,000	6.2%
Local Revenue	10,085,241	10,085,241	-	0.0%
Other Sources	2,733,382	1,636,268	(1,097,114)	-40.1%
Exclusions and Exemptions	8,820,749	11,030,714	2,209,965	25.1%
Total Sources	\$ 115,442,952	\$ 120,499,360	\$ 5,056,408	4.4%
Uses of Funds				
School	\$ 53,283,503	\$ 54,349,173	\$ 1,065,670	2.0%
Other Town Departments	27,491,119	27,491,119	-	0.0%
Employee Benefits	16,059,178	18,275,482	2,216,304	13.8%
Cash Capital	2,787,410	2,787,410	-	0.0%
Debt (inside Levy)	3,719,821	4,066,325	346,504	9.3%
Other Uses	3,281,172	2,499,137	(782,035)	-23.8%
Exclusions and Exemptions	8,820,749	11,030,714	2,209,965	25.1%
Total Uses	\$ 115,442,952	\$ 120,499,360	\$ 5,056,408	4.4%

At this time, the Selectmen do not support a Proposition 2½ override for FY11. Therefore, absent additional State aid or local revenue, living within the tighter budget guidelines will require some combination of cost efficiencies, service reductions, wage freezes, furloughs or layoffs, increased class sizes, or other difficult tradeoffs. These actions will be complicated by the Town's collective bargaining agreements. Recognizing the depth of this challenge, the Selectmen have implemented a number of near-term cost saving initiatives and have initiated discussions with a budget workgroup comprised of representatives from the Town's other major Boards (Schools, Public Works, and Library) along with the Human Resources Board and the Advisory Committee, regarding a larger scale response plan. The Selectmen will provide an update on these initiatives at the Annual Town Meeting.

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,

Gregory B. Mills, Chair
Barbara D. Searle, Vice Chair
Owen H. Dugan, Secretary
Katherine L. Babson, Jr.
Harriet S. Warshaw

TOWN OF WELLESLEY-PRELIMINARY SOURCES AND USES OF FUNDS

	FY2009 Tax Rate	FY2010 Request	% Change
*** SOURCES OF FUNDS ***			
Tax & Other Current Revenues			
Within Levy Limits			
Real Estate & Per. Prop. Tax	82,382,731	85,742,299	4.08%
From the Commonwealth			
Local Aid	8,556,840	8,061,281	-5.79%
Local Revenue	10,880,506	10,085,241	-7.31%
Sub-Total (Tax & Cur. Rev.)	101,820,077	103,888,821	2.03%
Outside Levy Limits			
Real Estate & Pers.Prop.Tax	5,033,306	6,398,911	27.13%
OPEB	1,800,000	1,800,000	
Available Funds			
Parking Meter Receipts	634,198	546,733	-13.79%
Appropriated/Reserved CPA Surcharge	2,390,600	1,315,000	-44.99%
Appropriated Free Cash	1,589,889	681,649	
Free cash (Stabilization)	1,000,000	-	
Free Cash (Study Tolles Gift)	25,000	-	
School Construction Aid & Set-Asides	621,838	621,838	0.00%
Gift (Study Tolles Gift)	25,000	-	
Unencumbered/Transfers from other funds	155,343	190,000	22.31%
Sub-Total (Available Funds)	6,441,868	3,355,220	-47.92%
TOTAL SOURCES OF FUNDS	115,095,251	115,442,952	0.30%
*** USE OF FUNDS ***			
Personal Services (Non-School)			
Expenses (Non-School)	7,343,579	7,394,990	0.70%
Subtotal (Non-School)	26,858,145	27,491,119	2.36%
Personal Services (School)			
Expenses (School)	8,663,449	8,385,189	-3.21%
Subtotal (School)	51,683,013	53,283,503	3.10%
Sub-Total (Pers. Svcs.& Exp)	78,541,158	80,774,622	2.84%
Capital & Debt:			
Within Levy Limits			
Capital/Extraord./Spec.Items	2,826,283	2,787,410	-1.38%
Debt Service - Issued	3,676,059	3,563,418	-3.06%
Debt Service - New Auth/Unissued - In	443,762	156,403	-64.76%
Sub-Total (Within Levy Limits)	6,946,104	6,507,231	-6.32%
Outside Levy Limits			
Debt Service Issued			
Debt Service Temporary	5,529,838	5,381,489	-2.68%
Debt service unissued (interest rate est)		-	
Debt Service - New Auth/Unissued - Out	156,933	1,639,260	944.56%
SUB-TOTAL (CAPITAL & DEBT)	12,632,875	13,527,980	7.09%
Employee Benefits:			
Ins./Grp Ins., etc.	14,538,082	13,993,178	-3.75%
Pension Contribution	-	866,000	
OPEB Liability Fund	3,000,000	3,000,000	0.00%
Sub-Total (Shared Costs)	17,538,082	17,859,178	1.83%
SUB-TOTAL (OPERATIONS)	108,712,115	112,161,780	3.17%
Special Items:			
Traffic & Parking Management	506,391	488,233	-3.59%
Appropriated/Reserved CPA Surcharge	2,390,600	1,315,000	-44.99%
State & County Assessments	1,021,570	1,047,939	2.58%
Tolles Gift	50,000		
Property Tax Abatements	429,575	430,000	0.10%
Union Contracts	-		
Reconfigure High School	985,000	-	
Stabilization Fund	1,000,000	-	
Sub-Total (Special Items)	6,383,136	3,281,172	-48.60%
TOTAL USE OF FUNDS	115,095,251	115,442,952	0.30%

TOWN OF WELLESLEY - TOWN MEETING APPROVED ALLOCATION OF FUNDS

SOURCES OF FUNDS	FY 2009	FY 2010	\$ Change	% Change
Real Estate & Personal Property Tax				
Within the Levy Limit	82,382,731	85,742,299	3,359,568	4.08%
Outside the Levy Limit - OPEB	1,800,000	1,800,000		
Outside the Levy Limit	<u>5,033,306</u>	<u>6,398,911</u>	<u>1,365,605</u>	<u>27.13%</u>
Subtotal	89,216,037	93,941,210	4,725,173	5.30%
From the Commonwealth				
Chapter 70 Aid	6,518,222	6,518,222	0	0.00%
Lottery Aid	1,515,458	1,152,007	(363,451)	-23.98%
Regional Public Libraries	212,789	220,353	7,564	3.55%
Quinn Bill	150,049	115,699	(34,350)	-22.89%
Other Aid	160,322	55,000	(105,322)	-65.69%
School Construction	621,838	621,838	0	0.00%
Local Revenue				
Motor Vehicle Excise	4,100,000	3,900,000	(200,000)	-4.88%
Licenses and Permits	1,591,000	1,500,000	(91,000)	-5.72%
MLP Payment In Lieu of Taxes	1,000,000	1,000,000	0	0.00%
Interest Earnings	1,835,691	1,450,000	(385,691)	-21.01%
RDF Revenue	700,000	430,000	(270,000)	-38.57%
Fines& forfeits	600,000	550,000	(50,000)	-8.33%
Other Local Revenues	1,053,815	1,255,241	201,426	19.11%
Other Sources				
Parking Meter Receipts	634,198	546,733	(87,465)	-13.79%
Transfer Free Cash to Stabilization	1,000,000	-	(1,000,000)	
Free Cash to balance budget	1,589,889	681,649	(908,240)	
Free Cash - Tolles Gift	25,000	-		
Appropriated CPA Surcharge	2,390,600	1,315,000	(1,075,600)	-44.99%
Gift for Tolles study	25,000	-	(25,000)	
Previous encumbrances/other transfers	155,343	-	(155,343)	-100.00%
School lunch, Police detail	-	190,000		
	115,095,251	115,442,952	(347,701)	-0.30%

USES OF FUNDS

Funding Item	FY09 USE OF FUNDS (Tax Rate)			FY10 USE OF FUNDS (Request)			CHANGE - FY09 to FY10			
	FY09	FY09	FY09	FY10	FY10	FY10	Variance	Variance	Variance	Variance
	Pers Svcs	Expenses	Total Ops	Pers Svcs	Expenses	Total Ops	Pers Svcs	Expenses	Total - \$	Total - %
GENERAL GOVERNMENT										
<i>Board of Selectmen - Administration</i>										
Executive Director's Office	335,791	28,825	364,616	355,756	29,500	385,256	19,965	675	20,640	5.66%
Central Administrative Services	0	18,595	18,595	0	18,595	18,595	0	0	0	0.00%
Finance Department	332,522	9,900	342,422	336,946	8,900	345,846	4,424	(1,000)	3,424	1.00%
Network & Information Systems	437,209	201,223	638,432	427,842	201,223	629,065	(9,367)	0	(9,367)	-1.47%
Treasurer & Collector	236,061	125,550	361,611	238,583	125,375	363,958	2,522	(175)	2,347	0.65%
Parking Fines Processing	44,989	60,200	105,189	44,989	60,200	105,189	0	0	0	0.00%
Training & Development	0	1,500	1,500	0	0	0	0	(1,500)	(1,500)	-100.00%
Town Report	0	5,000	5,000	0	4,000	4,000	0	(1,000)	(1,000)	-20.00%
<i>Board of Selectmen - Human Services</i>										
Council on Aging	149,746	63,475	213,221	146,885	65,575	212,460	(2,861)	2,100	(761)	-0.36%
Fair Housing Committee	0	400	400	0	400	400	0	0	0	0.00%
Veterans' Services and Benefits	53,878	17,110	70,988	53,878	18,808	72,686	0	1,698	1,698	2.39%
Youth Commission	60,661	21,848	82,509	60,661	21,848	82,509	0	0	0	0.00%
<i>Board of Selectmen - Other Services</i>										
Housing Development Corporation	0	3,500	3,500	0	3,500	3,500	0	0	0	0.00%
MetroWest Planning	0	4,418	4,418	0	4,418	4,418	0	0	0	NA
Historical Commission	0	525	525	0	525	525	0	0	0	0.00%
Historical District Commission	0	250	250	0	250	250	0	0	0	0.00%
Human Relations Committee	0	200	200	0	200	200	0	0	0	0.00%
Memorial Day	0	2,500	2,500	0	2,500	2,500	0	0	0	0.00%
Celebrations Committee	0	4,700	4,700	0	4,700	4,700	0	0	0	0.00%
Zoning Board of Appeals	45,224	8,465	53,689	45,225	8,465	53,690	1	0	1	0.00%
<i>Board of Selectmen - Shared Services</i>										
Law	0	267,000	267,000	0	269,670	269,670	0	2,670	2,670	1.00%
Risk Management	0	339,000	339,000	0	292,000	292,000	0	(47,000)	(47,000)	-13.86%
Subtotal - Board of Selectmen - General Government	1,696,081	1,184,184	2,880,265	1,710,765	1,140,652	2,851,417	14,684	(43,532)	(28,848)	-1.00%

USES OF FUNDS

Funding Item	FY09 USE OF FUNDS (Tax Rate)			FY10 USE OF FUNDS (Request)			CHANGE - FY09 to FY10			
	FY09	FY09	FY09	FY10	FY10	FY10	Variance	Variance	Variance	Variance
	Pers Svcs	Expenses	Total Ops	Pers Svcs	Expenses	Total Ops	Pers Svcs	Expenses	Total - \$	Total - %
<u>Other General Government</u>										
Facilities Maintenance and Grounds	2,283,226	582,695	2,865,921	2,555,575	592,245	3,147,820	272,349	9,550	281,899	9.84%
Town Clerk/Election & Registration	247,450	52,570	300,020	217,860	40,400	258,260	(29,590)	(12,170)	(41,760)	-13.92%
Board of Assessors	230,773	85,700	316,473	232,427	79,300	311,727	1,654	(6,400)	(4,746)	-1.50%
Planning Board	211,634	36,649	248,283	209,052	36,649	245,701	(2,582)	0	(2,582)	-1.04%
Advisory Committee	10,940	39,262	50,202	8,400	28,300	36,700	(2,540)	(10,962)	(13,502)	-26.90%
Reserve Fund	0	165,000	165,000	0	175,000	175,000	0	10,000	10,000	6.06%
Audit Committee	0	56,250	56,250	0	56,250	56,250	0	0	0	0.00%
Permanent Building Committee	7,719	7,500	15,219	9,243	7,500	16,743	1,524	0	1,524	10.01%
Human Resources Board	253,511	21,220	274,731	254,808	21,220	276,028	1,297	0	1,297	0.47%
Merit Pay Plan	4,611	0	4,611	120,000	0	120,000	115,389	0	115,389	NA
Green Ribbon	0	1,500	1,500	0	6,000	6,000	0	4,500	4,500	300.00%
Subtotal - Other General Government	3,249,864	1,048,346	4,298,210	3,607,365	1,042,864	4,650,229	357,501	(5,482)	352,019	8.19%
GENERAL GOVERNMENT TOTAL	4,945,945	2,232,530	7,178,475	5,318,130	2,183,516	7,501,646	372,185	(49,014)	323,171	4.50%
<u>PUBLIC SAFETY - BOARD OF SELECTMEN</u>										
Police Department	4,353,627	701,241	5,054,868	4,392,874	708,282	5,101,156	39,247	7,041	46,288	0.92%
Injured on Duty	0	30,000	30,000	0	30,000	30,000	0	0	0	0.00%
Special School Police	94,768	2,718	97,486	95,724	2,745	98,469	956	27	983	1.01%
Fire Department	3,808,488	323,879	4,132,367	3,809,731	323,879	4,133,610	1,243	0	1,243	0.03%
Building Department	362,895	25,655	388,550	364,611	25,655	390,266	1,716	0	1,716	0.44%
Emergency Medical Services	0	122,600	122,600	0	126,890	126,890	0	4,290	4,290	3.50%
Sealer of Weights & Measures	14,741	3,500	18,241	14,741	3,500	18,241	0	0	0	0.00%
PUBLIC SAFETY TOTAL - BOARD OF SELECTMEN	8,634,519	1,209,593	9,844,112	8,677,681	1,220,951	9,898,632	43,162	11,358	54,520	0.55%
<u>DEPARTMENT OF PUBLIC WORKS</u>										
Engineering	467,093	77,088	544,181	465,673	76,875	542,548	(1,420)	(213)	(1,633)	-0.30%
Highway	916,030	435,100	1,351,130	919,849	440,772	1,360,621	3,819	5,672	9,491	0.70%
Fleet Maintenance	118,826	55,100	173,926	123,393	56,462	179,855	4,567	1,362	5,929	3.41%
Park	901,479	265,670	1,167,149	975,497	267,537	1,243,034	74,018	1,867	75,885	6.50%
Recycling & Disposal	778,932	1,279,825	2,058,757	827,321	1,228,468	2,055,789	48,389	(51,357)	(2,968)	-0.14%
Management	312,566	45,575	358,141	321,375	40,825	362,200	8,809	(4,750)	4,059	1.13%
Street Lighting	0	196,500	196,500	0	328,000	328,000	0	131,500	131,500	66.92%
Winter Maintenance	0	348,703	348,703	0	348,703	348,703	0	0	0	0.00%
PUBLIC WORKS TOTAL	3,494,926	2,703,561	6,198,487	3,633,108	2,787,642	6,420,750	138,182	84,081	222,263	3.59%
<u>WELLESLEY FREE LIBRARY</u>										
Library Trustees	1,478,852	560,133	2,038,985	1,496,629	562,746	2,059,375	17,777	2,613	20,390	1.00%
Regional Services (Non-Tax Impact)	141,255	71,534	212,789	144,786	75,567	220,353	3,531	4,033	7,564	3.55%
LIBRARY TOTAL	1,620,107	631,667	2,251,774	1,641,415	638,313	2,279,728	21,308	6,646	27,954	1.24%

USES OF FUNDS

Funding Item	FY09 USE OF FUNDS (Tax Rate)			FY10 USE OF FUNDS (Request)			CHANGE - FY09 to FY10			
	FY09	FY09	FY09	FY10	FY10	FY10	Variance	Variance	Variance	Variance
	Pers Svcs	Expenses	Total Ops	Pers Svcs	Expenses	Total Ops	Pers Svcs	Expenses	Total - \$	Total - %
<u>RECREATION</u>										
Recreation Commission	261,113	61,166	322,279	263,399	61,166	324,565	2,286	0	2,286	0.71%
RECREATION TOTAL	261,113	61,166	322,279	263,399	61,166	324,565	2,286	0	2,286	0.71%
<u>HEALTH</u>										
Board of Health	320,313	89,402	409,715	321,612	87,742	409,354	1,299	(1,660)	(361)	-0.09%
Mental Health Services	0	208,316	208,316	0	208,316	208,316	0	0	0	0.00%
HEALTH TOTAL	320,313	297,718	618,031	321,612	296,058	617,670	1,299	(1,660)	(361)	-0.06%
<u>NATURAL RESOURCES</u>										
Natural Resources Commission	169,686	20,140	189,826	172,827	20,140	192,967	3,141	0	3,141	1.65%
Morses Pond Project - (NRC, DPW, Rec)	0	160,370	160,370	0	160,370	160,370	0	0	0	0.00%
NATURAL RESOURCES TOTAL	169,686	180,510	350,196	172,827	180,510	353,337	3,141	0	3,141	0.90%
<u>MLP - TAX IMPACT</u>										
Fire & Traffic Signal Systems	67,957	26,834	94,791	67,957	26,834	94,791	0	0	0	0.00%
MLP - TAX IMPACT TOTAL	67,957	26,834	94,791	67,957	26,834	94,791	0	0	0	0.00%
NON-SCHOOL TOTAL	19,514,566	7,343,579	26,858,145	20,096,129	7,394,990	27,491,119	581,563	51,411	632,974	2.36%
<u>WELLESLEY PUBLIC SCHOOLS</u>										
Instruction	38,269,764	1,490,978	39,760,742	39,738,409	1,568,692	41,307,101	1,468,645	77,714	1,546,359	3.89%
Administration	833,191	177,750	1,010,941	854,303	178,800	1,033,103	21,112	1,050	22,162	2.19%
Operations	520,765	2,119,008	2,639,773	569,168	1,977,380	2,546,548	48,403	(141,628)	(93,225)	-3.53%
Community Service	0	0	0	0	0	0	0	0	0	0.00%
Special Tuition/Transportation/Inclusion	3,395,844	4,875,713	8,271,557	3,736,434	4,660,317	8,396,751	340,590	(215,396)	125,194	1.51%
SCHOOL TOTAL	43,019,564	8,663,449	51,683,013	44,898,314	8,385,189	53,283,503	1,878,750	(278,260)	1,600,490	3.10%
<u>EMPLOYEE BENEFITS</u>										
Group Insurance	0	13,595,000	13,595,000	0	13,543,200	13,543,200		(51,800)	(51,800)	-0.38%
OPEB Liability Fund	0	3,000,000	3,000,000	0	3,000,000	3,000,000		0	0	NA
Retirement Contribution	0	0	0	0	866,000	866,000		866,000	866,000	NA
Workers' Compensation	0	714,382	714,382	0	225,438	225,438		(488,944)	(488,944)	-68.44%
Unemployment Compensation	0	100,000	100,000	0	100,000	100,000		0	0	0.00%
Compensated Absences	0	90,000	90,000	0	90,000	90,000		0	0	0.00%
Non-Contributory Pensions	0	38,700	38,700	0	34,540	34,540		(4,160)	(4,160)	-10.75%
EMPLOYEE BENEFITS TOTAL	0	17,538,082	17,538,082	0	17,859,178	17,859,178	0	321,096	321,096	1.83%

USES OF FUNDS

Funding Item	FY09 USE OF FUNDS (Tax Rate)			FY10 USE OF FUNDS (Request)			CHANGE - FY09 to FY10			
	FY09	FY09	FY09	FY10	FY10	FY10	Variance	Variance	Variance	Variance
	Pers Srvs	Expenses	Total Ops	Pers Srvs	Expenses	Total Ops	Pers Srvs	Expenses	Total - \$	Total - %
ALL PERSONAL SERVICES & EXPENSES	62,534,130	33,545,110	96,079,240	64,994,443	33,639,357	98,633,800	2,460,313	94,247	2,554,560	2.66%
CAPITAL & DEBT										
<i>Departmental Cash Capital</i>										
Public Works Capital	0	1,303,500	1,303,500	0	1,358,500	1,358,500		55,000	55,000	4.22%
School Capital	0	619,507	619,507	0	687,876	687,876		68,369	68,369	11.04%
School Capital (reconfigure classrooms)	0	156,000	156,000	0	0	0				
Selectmen Capital	0	182,268	182,268		182,234	182,234		(34)	(34)	-0.02%
Facilities/Building Maintenance Projects (moved)	0	366,708	366,708	0	422,300	422,300		55,592	55,592	15.16%
Library Capital	0	36,300	36,300	0	36,500	36,500		200	200	NA
NRC Capital	0	35,000	35,000	0	50,000	50,000		15,000	15,000	42.86%
Planning Capital	0	25,000	25,000	0	0	0		(25,000)	(25,000)	-100.00%
Town Clerk	0	52,000	52,000	0	0	0		(52,000)	(52,000)	-100.00%
Recreation Capital	0	0	0	0	0	0		0	0	0.00%
Morses Pond Project	0	50,000	50,000	0	50,000	50,000		0	0	NA
Subtotal - Cash Capital	0	2,826,283	2,826,283	0	2,787,410	2,787,410	0	(38,873)	(38,873)	-1.38%
<i>Debt Service</i>										
Current Inside Levy Debt Service - Issued	0	3,676,059	3,676,059	0	3,563,418	3,563,418		(112,641)	(112,641)	-3.06%
New Debt Service - Inside Levy	0	443,762	443,762	0	156,403	156,403		(287,359)	(287,359)	-64.76%
Temporary Interest inside	0	0	0	0	0	0		0	0	
Current Outside Levy Debt Service - Issued	0	5,529,838	5,529,838	0	5,381,489	5,381,489		(148,349)	(148,349)	
New Debt Service - Outside Levy	0	156,933	156,933	0	1,639,260	1,639,260		1,482,327	1,482,327	
Subtotal - Debt Service	0	9,806,592	9,806,592	0	10,740,570	10,740,570	0	933,978	933,978	9.52%
CAPITAL & DEBT TOTAL	0	12,632,875	12,632,875		13,527,980	13,527,980	0	895,105	895,105	7.09%

USES OF FUNDS

Funding Item	FY09 USE OF FUNDS (Tax Rate)			FY10 USE OF FUNDS (Request)			CHANGE - FY09 to FY10				
	FY09	FY09	FY09	FY10	FY10	FY10	Variance	Variance	Variance	Variance	
	Pers Srvs	Expenses	Total Ops	Pers Srvs	Expenses	Total Ops	Pers Srvs	Expenses	Total - \$	Total - %	
SPECIAL ITEMS											
<i>Receipts Reserved for Appropriation</i>											
Traffic & Parking Operations	159,691	290,200	449,891	160,633	271,100	431,733	942	(19,100)	(18,158)	-4.04%	
Traffic & Parking Maintenance Capital	0	56,500	56,500	0	56,500	56,500	0	0	0	0.00%	
Community Preservation Appropriated	0	2,390,600	2,390,600	0	1,315,000	1,315,000	0	(1,075,600)	(1,075,600)	-44.99%	
Reconfigure High School for enrollment (free cash)	0	985,000	985,000	0	0	0	0	(985,000)	(985,000)	NA	
<i>Other Special Items</i>											
Tolles gift article	0	50,000	50,000	0	0	0					
Stabilization Fund	0	1,000,000	1,000,000	0	0	0	0	(1,000,000)	(1,000,000)	NA	
Property Tax Abatements	0	429,575	429,575	0	430,000	430,000	0	425	425	0.10%	
State & County Assessments	0	1,021,570	1,021,570	0	1,047,939	1,047,939	0	26,369	26,369	2.58%	
SPECIAL ITEMS TOTAL	159,691	6,223,445	6,383,136	160,633	3,120,539	3,281,172	942	(3,052,906)	(3,051,964)	-47.81%	
TOTAL USES OF FUNDS			115,095,251				115,442,952			347,701	0.30%
TOTAL SOURCES OF FUNDS			115,095,251				115,442,952			347,701	0.30%
SURPLUS (DEFICIT)			0				0				



Report of the Board Of Selectmen on the Capital Budgeting Schedule

February 26, 2009

Town of Wellesley FY10 Capital

As part of the annual budget process, boards and departments submit their five-year capital requests. The Board of Selectmen, through the Executive Director, gains an understanding of individual board needs and facilitates the discussions about funding the current budget, as well as the longer term Town-Wide Financial Plan (TWFP). Projects are subject to multi-year discussion and analysis, and may not, ultimately be funded. Projects are categorized by funding source: cash capital, debt financed inside the levy, exempt debt, and capital exclusions.

Cash Capital

Cash capital can include items like equipment replacement (vehicles, computers, boilers), software upgrades, facilities maintenance and repairs. Cash capital is not synonymous with fixed assets, because the Town does not capitalize items under \$25,000 (such as computers) and cash capital is sometimes used as a tool to remove anomalies from the operating budgets.

Facilities FY10

Although not the most significant in terms of dollars, the facilities maintenance cash capital budget represents the greatest change in philosophy for the Town. In recent years there has been gathering sentiment that the Town needs to spend more money maintaining its buildings. The Town has centralized town-wide building maintenance and the function reports to the Executive Director and the Assistant Superintendent of Schools, who in turn report to the Board of Selectmen and the School Committee, respectively. It is expected that this budget will receive more focus as inventories of facilities needs are performed.

Facilities FY11-FY14

Facilities needs will become clearer as the town-wide facilities maintenance function develops. Some known items include the following capital projects:

- Plumbing/Heating/Interior improvements at various schools– approx. \$750,000 in FY11 through FY14
- Lighting retrofits at elementary schools – approx. \$100,000 in FY11
- Roof replacement at the main Fire Station - \$95,000 in FY11

DPW FY10

Because of the current economic outlook, the Board of Public Works has recommended the FY10 capital budget include a one-time reduction in the Street Resurfacing program as well as

the deferral of some equipment replacements and facilities work. Highlights of the DPW FY10 capital requests are as follows:

- Replacement or major refurbishment of nine vehicles - \$413,000
- Resurfacing 4-6 miles of streets for street improvements- \$385,000. Note, that the DPW halted resurfacing work in FY09 due to the high price of asphalt. In the expectation that asphalt prices would not remain at current levels, the unexpended balance will be moved forward to FY10. This will provide a total of \$700,000 for street improvements in FY10.

DPW FY11 – FY14

DPW highly recommends returning the Street Resurfacing program to full funding in the FY11 capital budget. The estimated cost for Street Resurfacing for FY11 – FY14 is \$2.9 million.

The other major cash capital expense for DPW is the periodic replacement and regular maintenance of 129 vehicles and 250 pieces of equipment. Each year, the DPW staff analyzes vehicle fleet needs to update a multi-year replacement schedule with the intent of minimizing the impact on the Town's budget. The average annual cost is \$750,000 for each of the years FY11–FY14.

Schools FY10

School capital is a compilation of recommendations derived from architectural studies, and the School Department's analysis in consultation with the Town's Facilities Maintenance Director. The School capital request also includes an average of \$620,000 per year for Technology (\$495,000 in FY2010). This technology includes the purchase of computers through a regular replacement cycle that has migrated from six years to five years.

Schools FY11 – FY14

Included in the School five-year capital plan are certain major items not included in the recently completed Middle School renovation project. Because of increased Middle School enrollment, additional classrooms will be required at the middle school each year beginning in FY11 through FY14. An estimate to make these modifications has not been completed and therefore has not been included.

The FY11 and FY12 infrastructure projection has increased from FY10 due to the additional classrooms required at the High School - \$0.5 million and \$0.1million.

Capital Requests Requiring Borrowing

The Town borrows for larger (capitalized) assets having a longer useful life; typically ten years or more. The Town has employed a prudent fiscal practice of amortizing this debt as rapidly as practical within the levy limit.

Sometimes very large capital needs outstrip the Town's taxing authority. The Town has recently had a series of significant initiatives: a Middle School upgrade, Elementary Infrastructure improvements, Pond Dredging, Drainage Construction, and, most recently, a new High School. All of these projects were financed with exempt debt.

The Town also approved a capital exclusion to fund 10 years of contributions to funding its Other Post Employment Benefits (OPEB) liability.

FY10

The Town's facilities needs have been apparent in recent years – the largest issue being that of the High School facility. Other significant facilities needs have included the MLP/Water/Sewer garage (offices funded entirely by these Enterprise Funds and therefore not part of this schedule) and the Elementary School Infrastructure project. Because of recent capital acquisitions, there are no projects recommended for additional borrowing in the FY10 budget.

FY11 - FY14

The most significant borrowing request in the next several years is the proposed construction of DPW offices to be constructed adjacent to the existing Highway Building for a total estimated cost of \$5.3 million (with the majority of the spending in FY12).

Other DPW borrowing capital requests include the following:

- Reconstruction of the Wellesley portion of the Wales Street Bridge- \$350,000 in FY11
- Street Reconstruction of Kingsbury, Bacon, and Cliff - \$2M from FY11 - FY14
- Hunnewell Field Improvements - \$1.7 million (majority of spending in FY14).

The Natural Resources Commission (NRC) requests \$1.6 million in FY11 to implement the Fuller Brook Park Restoration Master Plan, which remedies erosion and disrepair of pathways, bridges, and brooks. Funding for this project has previously been delayed, and as a result of changes in State and Federal Park Standards and Codes and the costs of making portions of the park ADA accessible, implementation costs have increased. CPA Funding assistance will be requested.

At the request of the DPW, the NRC requests \$280,000 in FY12 to provide funding for parks, playgrounds, and playing fields improvements.

The Fire Department estimates that a new Ladder Truck (request of \$850,000) will be needed in 2013 to replace the present truck that is 17 years old (the lifecycle for this apparatus is between 15-20 years).

Last year's capital plan included borrowed funds to replace the single glazed windows at the Middle School. As projected Middle School enrollments will require space modifications in the near term, this request has been moved out beyond this five-year plan. Working with the Facilities Maintenance Director, the School Department will develop a plan that may allow this window replacement to be phased in over several years.

**Town of Wellesley
FY2010 - FY2014 Capital Improvement Plan
Summary Schedule**

Department	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY10-14 Total
CASH CAPITAL										\$
Executive Director	-	20,000	10,000	26,092						
NIS	-	-	-	41,000	67,000	117,000	20,000	-	-	\$ 204,000
Police	-	15,272	76,104	51,126	53,709	78,356	62,935	-	-	\$ 195,000
Fire	21,000		46,000	64,050	61,525	86,500	44,000	43,500	-	\$ 235,525
Facilities Maintenance	156,500	156,100	159,800	366,708	422,300	726,205	337,800	398,300	407,300	\$ 2,291,905
Natural Resources Commission	83,150	25,000	56,000	35,000	50,000	106,000	181,000	221,000	121,000	\$ 679,000
Morses Pond	-	-	-	50,000	50,000	81,020	109,202	109,261	30,261	\$ 379,744
Planning	50,000	20,000	50,000	25,000	-	10,000	10,000	10,000	10,000	\$ 40,000
Schools	935,699	1,165,319	982,811	775,507	687,876	1,566,851	1,154,662	927,614	991,340	\$ 5,328,343
Public Works	1,124,000	1,107,500	1,303,500	1,303,500	1,358,500	2,451,000	2,019,500	2,289,499	1,925,500	\$ 10,043,999
Library		23,700	42,504	36,300	36,500	53,000	33,000	33,000	33,000	\$ 188,500
Town Clerk	16,000	16,000	16,000	52,000	-	-	-	-	-	\$ -
Recreation	10,600	6,400	-	-	-	-	-	-	-	\$ -
PCB Remediation/COA Tolles	-	-	200,000	25,000	-	-	-	-	-	\$ -
Total Cash Capital	\$ 2,396,949	\$ 2,555,291	\$ 2,942,719	\$ 2,851,283	\$ 2,787,410	\$ 5,275,932	\$ 3,972,099	\$ 4,032,174	\$ 3,518,401	\$ 19,586,016
DEBT CAPITAL INSIDE LEVY										
Fire Equipment	-	-	-	475,000	-	-	-	850,000	-	\$ 850,000
BOS-Linden/Weston Rd Signals	-	-	-	90,000	-	-	-	-	-	\$ -
DPW-Sprague Field	-	-	-	700,000	-	-	-	-	-	\$ -
Schools	-	-	797,000	2,590,000	-	-	-	-	-	\$ -
Schools - Seaver Street	-	-	3,609,500	-	-	-	-	-	-	\$ -
Public Works	377,200	1,454,000	-	-	-	1,420,000	4,075,000	1,050,000	3,165,000	\$ 9,710,000
Natural Resources	-	-	-	-	-	1,600,000	280,000	-	-	\$ 1,880,000
Recreation	-	115,000	-	-	-	-	-	-	-	\$ -
Total Borrowed Inside Levy	\$ 377,200	\$ 1,569,000	\$ 4,406,500	\$ 3,855,000	\$ -	\$ 3,020,000	\$ 4,355,000	\$ 1,900,000	\$ 3,165,000	\$ 12,440,000
DEBT/CAPITAL EXCLUSION										
Morses Pond	-	-	650,000	-	-	-	-	-	-	\$ -
Schools Infrastructure	-	-	11,207,000	-	-	-	-	-	-	\$ -
Public Works Drainage	-	-	1,306,000	-	-	-	-	-	-	\$ -
New High School	-	-	-	123,583,000	-	-	-	-	-	\$ -
OPEB (Retiree healthcare)	-	-	18,000,000	-	-	-	-	-	-	\$ -
Total Capital Exclusion	\$ -	\$ -	\$ 31,163,000	\$ 123,583,000	\$ -					
Grand Total	\$ 2,774,149	\$ 4,124,291	\$ 38,512,219	\$ 130,289,283	\$ 2,787,410	\$ 8,295,932	\$ 8,327,099	\$ 5,932,174	\$ 6,683,401	\$ 32,026,016

**Town of Wellesley
 FY2010 - FY2014 Capital Improvement Plan
 Board of Selectmen Departments**

Capital Project	FY2010	FY2011	FY2012	FY2013	FY2014	FY10-14 Total
NIS						
- Storage Area Network (SAN)	-	42,000	-	-	-	
- Gigabit network switches	20,000	20,000	-	-	-	
- MS Office upgrade	-	20,000	20,000	-	-	
- Backup replacement - Tape Autoloader	14,000	-	-	-	-	
- Windows 2008 Server	-	20,000	-	-	-	
- Orthophotography services (GIS flyover)	33,000	15,000	-	-	-	
	67,000	117,000	20,000	-	-	\$ 204,000
Police						
- Mobile and portable radio replacement	44,377	41,662	40,000	-	-	
- New Server	9,332	-	-	-	-	
- New Firearms	-	-	22,935	-	-	
- Touchprint Booking Station	-	36,694	-	-	-	
	53,709	78,356	62,935	-	-	\$ 195,000
Fire						
- Portable radio replacement	13,525	14,000	14,000	-	-	
- Medtronic Defibrillators	18,000	-	-	-	-	
- Replace Protective Clothing	30,000	30,000	30,000	-	-	
- Replace 2001 Ford command vehicle	-	42,500	-	-	-	
- Replace 2002 Ford command vehicle	-	-	-	43,500	-	
	61,525	86,500	44,000	43,500	-	\$ 235,525
Total Cash	\$ 182,234	\$ 281,856	\$ 126,935	\$ 43,500	\$ -	\$ 634,525
Fire						
- Replace 1996 KME Aerial Ladder Truck	-	-	-	850,000	-	\$ 850,000
Total Borrowed	\$ -	\$ -	\$ -	\$ 850,000	\$ -	\$ 850,000
Grand Total Selectmen	\$ 182,234	\$ 281,856	\$ 126,935	\$ 893,500	\$ -	\$ 1,484,525

**Town of Wellesley
FY2010 - FY2014 Capital Improvement Plan
Facilities Maintenance Department**

Capital Project		FY2010	FY2011	FY2012	FY2013	FY2014	FY10-14 Total
Town Hall	Chiller	115,000	-	-	-	-	\$ 115,000
Library	Carpet Replacement	10,000	-	-	-	-	\$ 10,000
Police Station	Replace carpet with VCT in high traffic areas	5,000	-	-	-	-	\$ 5,000
	Additional Closet in admin offices	5,000	-	-	-	-	\$ 5,000
Fire Station #1	Ceiling and wall repairs	4,500	-	-	-	-	\$ 4,500
	Structural floor-construction - Upgrade	20,000	-	-	-	-	\$ 20,000
Fire Station #2	Boiler replacement	8,000	-	-	-	-	\$ 8,000
	Replace air dryer	2,000	-	-	-	-	\$ 2,000
	Emergency lighting controls upgrade	3,500	-	-	-	-	\$ 3,500
	Apparatus epoxy floor	6,500	-	-	-	-	\$ 6,500
	Kitchen cabinets and counters	12,000	-	-	-	-	\$ 12,000
	Replace front door	3,500	-	-	-	-	\$ 3,500
	Asphalt roof replacement	-	95,000	-	-	-	\$ 95,000
Morses Pond Bathhouse	Roof Replacement	20,000	-	-	-	-	\$ 20,000
Lighting Retrofits	Schofield	-	62,475	-	-	-	\$ 62,475
	Upham	-	37,652	-	-	-	\$ 37,652
	Other Facility Capital Projects:	-	159,800	159,800	159,800	159,800	\$ 639,200
	Total Town Facilities	215,000	354,927	159,800	159,800	159,800	1,049,327
School Facilities	Infrastructure without Space Reconfiguration	122,380	229,500	143,000	193,500	212,500	\$ 900,880
	Maintenance	22,290	62,500	25,000	35,000	25,000	\$ 169,790
	Safety	-	10,000	10,000	10,000	10,000	\$ 40,000
	Vehicles	-	34,278	-	-	-	\$ 34,278
	School Subtotal	144,670	336,278	178,000	238,500	247,500	1,144,948
Other Items	Vehicle	23,000	-	-	-	-	\$ 23,000
	Two-Way radios for MS and HS	3,500	-	-	-	-	\$ 3,500
	Emergency batteries at Sprague and Bates	12,000	-	-	-	-	\$ 12,000
	Utility Trailer	1,200	-	-	-	-	\$ 1,200
	High School Smoke Detectors	7,500	-	-	-	-	\$ 7,500
	Maintenance shed door	2,500	-	-	-	-	\$ 2,500
	Hardy shed door	2,500	-	-	-	-	\$ 2,500
	Middle School Shed	10,430	-	-	-	-	\$ 10,430
	Field house reconfiguration	-	35,000	-	-	-	\$ 35,000
	Additional School-Related Items	62,630	35,000	-	-	-	97,630
	Total School	207,300	371,278	178,000	238,500	247,500	1,242,578
Grand Total Facilities		\$ 422,300	\$ 726,205	\$ 337,800	\$ 398,300	\$ 407,300	\$ 2,291,905

Town of Wellesley
FY2010 - FY2014 Capital Improvement Plan
Other Departments

	Capital Project	FY2010	FY2011	FY2012	FY2013	FY2014	FY10-14 Total	
Natural Resources	Tree Planting	30,000	30,000	30,000	30,000	30,000	\$ 150,000	
	Trails Improvements	-	6,000	6,000	6,000	6,000	\$ 24,000	
	Pest management turf plan	-	10,000	10,000	10,000	10,000	\$ 40,000	
	Comprehensive Pond Management	-		100,000	-	-	\$ 100,000	
	Morses Pond Shore Line Erosion Study	-	15,000	-	-	-	\$ 15,000	
	Abbott Pond Restoration Study	-	-	-	40,000	-	\$ 40,000	
	State Street Pond Restoration Study	-	-	-	-	40,000	\$ 40,000	
	Encroachment Boundary Markers	-	5,000	5,000	5,000	5,000	\$ 20,000	
	Park Path/Sidewalk Repairs	20,000	30,000	30,000	30,000	30,000	\$ 140,000	
	Ice Skating Rinks	-	10,000	-	-	-	\$ 10,000	
	Kelley Athletic Tennis Courts	-	-	-	100,000		\$ 100,000	
		Subtotal	50,000	106,000	181,000	221,000	121,000	\$ 679,000
								\$ -
	Fuller Brook Preservation		1,600,000				\$ 1,600,000	
	Park Path/Sidewalk Repairs			280,000			\$ 280,000	
	Total Borrowed	-	1,600,000	280,000	-	-	1,880,000	
	Total Natural Resources	50,000	1,706,000	461,000	221,000	121,000	2,559,000	
Morses Pond	Web Design/Education	20,000	10,000	4,162	4,200	4,200	\$ 42,562	
	Education Program Development	-	10,000	10,000	10,000	10,000	\$ 40,000	
	Bylaw review	-	25,000				\$ 25,000	
	Design, permitting, other support	20,000	20,000	10,000	10,000	10,000	\$ 70,000	
	Construction/Demo & Monitoring of LID	9,000	5,000	5,000	5,000	5,000	\$ 29,000	
	Manual Harvesting	1,000	1,020	1,040	1,061	1,061	\$ 5,182	
	Design, permitting, other support	-	10,000	-	-	-	\$ 10,000	
	Planting/Monitoring	-	-	79,000	79,000	-	\$ 158,000	
	Total Morses Pond	50,000	81,020	109,202	109,261	30,261	\$ 379,744	

Town of Wellesley
 FY2010 - FY2014 Capital Improvement Plan
Other Departments

	Capital Project	FY2010	FY2011	FY2012	FY2013	FY2014	FY10-14 Total
Planning	Office Park Development	-	10,000	-	-	-	\$ 10,000
	Bicycle Plan	-	-	10,000	-	-	\$ 10,000
	General Residence	-	-	-	10,000	-	\$ 10,000
	Mixed Use Zoning	-	-	-	-	10,000	\$ 10,000
	Total Planning	-	10,000	10,000	10,000	10,000	\$ 40,000
Library	Equipment Replacement	8,500	-	-	-	-	\$ 8,500
	Computer /Server Replacement	28,000	28,000	28,000	28,000	28,000	\$ 140,000
	Replacement of Furnishings	-	5,000	5,000	5,000	5,000	\$ 20,000
	New Library Van	-	20,000	-	-	-	\$ 20,000
	Total Library	36,500	53,000	33,000	33,000	33,000	\$ 188,500

**Town of Wellesley
FY2010 - FY2014 Capital Improvement Plan
School Department**

Division	FY2010	FY2011	FY2012	FY2013	FY2014	FY10-14 Total
Instructional	\$ 26,479	\$ 95,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 241,479
Equipment	66,360	92,000	163,000	66,000	83,000	\$ 470,360
Furnishing	52,990	150,000	150,000	150,000	150,000	\$ 652,990
Infrastructure	35,000	628,200	139,419	20,000	20,000	\$ 842,619
Safety	11,749	-	-	-	-	\$ 11,749
Technology	495,298	601,651	662,243	651,614	698,340	\$ 3,109,146
Total School Capital*	\$ 687,876	\$ 1,566,851	\$ 1,154,662	\$ 927,614	\$ 991,340	\$ 5,328,343

*School Facilities Maintenance Capital is budgeted in Facilities Maintenance Department (\$ 207,300 in FY2010)

Exhibit A

Town of Wellesley
FY2010 - FY2014 Capital Improvement Plan
Department of Public Works

Capital Project	FY2010	FY2011	FY2012	FY2013	FY2014	FY10-14 Total
Street Improvement	\$ 385,000	\$ 725,000	\$ 725,000	\$ 725,000	\$ 725,000	\$ 3,285,000
Street Rehabilitation	25,000	-	-	150,000	150,000	\$ 325,000
Sidewalk Restoration	160,000	160,000	160,000	160,000	160,000	\$ 800,000
Private Ways	20,000	20,000	20,000	15,000	15,000	\$ 90,000
Catch Basin Rehabilitation	12,000	12,000	12,000	12,000	12,000	\$ 60,000
DPW/RDF Facilities	173,500	360,000	222,500	122,500	22,500	\$ 901,000
Other Improvements	5,000	75,000	25,000	25,000	25,000	\$ 155,000
Vehicle Procurement	433,000	759,000	682,000	906,999	693,000	\$ 3,473,999
Athletic/Playground Improvements	145,000	340,000	173,000	173,000	123,000	\$ 954,000
Total Cash	\$ 1,358,500	\$ 2,451,000	\$ 2,019,500	\$ 2,289,499	\$ 1,925,500	\$ 10,043,999
Street Rehabilitation	-	470,000	375,000	-	1,250,000	\$ 2,095,000
		Kingsbury St	Bacon St		Cliff Road	
Wales Street Bridge Reconstruction		350,000				
DPW Facilities-Garage/Office	-	400,000	3,600,000	900,000	390,000	\$ 5,290,000
Athletic/Playground Improvements	-	200,000	100,000	150,000	1,525,000	\$ 1,975,000
Total Borrowed	\$ -	\$ 1,420,000	\$ 4,075,000	\$ 1,050,000	\$ 3,165,000	\$ 9,360,000
Grand Total DPW	\$ 1,358,500	\$ 3,871,000	\$ 6,094,500	\$ 3,339,499	\$ 5,090,500	\$ 19,403,999

- APPENDIX A -
INTRODUCTION TO HUMAN RESOURCES ARTICLES

This appendix presents an overview of the Town's human resources function and is an introduction to Articles 4-6. The Human Resources Department (HR) serves 425 permanent Town employees in 24 departments, 750 benefit-eligible School Department employees, and 770 retirees enrolled in health and/or life insurance. Articles 4, 5 and 6 address job classifications, the setting of wages or rates of pay, and benefits and human resources policies for all Town employees except School employees. The School Department is responsible for all School Department human resources matters except employee insurance benefits (health, dental, long-term disability and life). Town employees are grouped into two categories, union and non-union employees.

Union Personnel

The Town (excluding Schools) has nine unions, representing currently approximately 240 employees. The wages and terms of employment for union employees are the result of the collective bargaining process.

Bargaining Units

- Wellesley Police Patrolmen's Association
- Wellesley Superior Officers Association
- Wellesley Police Dispatchers Association
- International Association of Firefighters
- DPW Production Unit
- Municipal Light Plant Production Unit
- DPW/MLP Supervisory Unit
- DPW/MLP Clerical Unit
- Wellesley Free Library Association

Non-union Personnel

The Town's non-union employees are divided into Series 40 and Series 50 personnel. Series 40 employees (Job Groups 40 through 49) usually perform staff and support functions. Series 50 employees (Job Groups 50 through 69) are in managerial/professional positions. Currently, there are 47 permanent full and part-time employees in Series 40 positions and 71 full and part-time employees in the Series 50 positions.

Hay System

The Town uses the Hay Job Evaluation 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, evaluate each job and assign a numerical value to each job element. The sum of these values determines the job's classification and its inclusion in the corresponding job group. The purpose of the Hay system is to ensure that jobs requiring similar skills and involving similar degrees of challenge and responsibility are classified and paid equivalently. As job requirements change over time, Human Resources will evaluate positions and reclassify a position when warranted. 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 throughout the year. (Article 4, Motion 1)

Series 40

Series 40 employees, non-managerial and non-union, have a normal workweek of 35 or 40 hours. They receive overtime when they work more than 40 hours per week. Within each Series 40 job group, there are six steps that relate to job experience. A new employee whose performance is satisfactory will advance one step after six months and then one additional step each year until the

employee reaches the highest step within the job group. If the employee continues to have satisfactory performance reviews, he or she will achieve this maximum step in four and one-half years. Step increases apply only to employees who work more than 20 hours per week.

Each year Town Meeting is asked to approve a pay adjustment for the Series 40 employees based on wage and salary survey data. In FY06, the amount approved was 3% for steps 1 through 5 and 5% for step 6. In FY07, a 2.5% increase was approved for all steps. In FY08, further adjustments were made to the steps resulting in approximately a 4% increase for all Series 40 employees.

An employee in a Series 40 position will receive automatic adjustments in pay as a result of movement through the six job steps until the maximum step is reached. Regardless of the step, every Series 40 employee receives the approved percentage adjustment that is voted in Article 5, Motion 1.

Series 50

The Series 50 employees 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 surveys of similar positions in Town, in comparable 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, based on survey data, the Town adjusts the salary ranges of the Series 50 positions under Article 5, Motion 2. The midpoint salary for each group was increased by 2.5% for FY07, by 3% for FY08 and by 2.5% for FY09. 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. Instead, the Town allocates funds for a Merit Pay Plan, which provides for merit increases to the Series 50 employees based on performance.

Series 50 Merit Pay Plan

Series 50 employees receive merit pay increases instead of either step increases or across-the-board annual increases. Each year, the amount of the merit increase is based on performance as determined by the department head with guidance from the Human Resources Board, and with consideration given to the employee's standing in the range. A merit increase may not exceed 10% of the employee's salary. Town Meeting appropriates funds to the Merit Pay Plan, and the total merit increases may not exceed the amount appropriated. These amounts were: \$100,000 (an average increase of 2.5% of salaries) for FY07, \$150,000 (4.0% of salaries) for FY07, and \$150,000 (3.7% of salaries) for FY09. The appropriation for the Merit Pay Plan is voted in Article 5, Motion 3.

In addition to the 71 employees in the Merit Pay Plan, there are six positions whose increases are not funded from this appropriation. They are: the Executive Director of General Government, Finance Director, Police Chief, Fire Chief, Deputy Fire Chief, and Retirement Administrator. All except the Retirement Administrator have employment agreements with the Board of Selectmen. The compensation for the Retirement Administrator is set and paid for by the Retirement System. The salaries of the DPW Water and Sewer Superintendent and Assistant Superintendent are set by the management pay plan ranges but the funds for their compensation come from fees rather than tax revenues. In addition, the MLP has established its own classification plan and compensation program and no longer participates in the Merit Pay Plan.

APPENDIX B 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 ½ 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 ½ 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 ½% 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 ½% 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 ½% 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 ½% 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.

APPENDIX C
GUIDELINES FOR CONDUCT OF WELLESLEY
REPRESENTATIVE TOWN MEETING

I. INTRODUCTION

The purpose of Wellesley Town Meeting (the “Meeting”) is to reach decisions with respect to the matters brought before the Meeting by a democratic process. The process should not be partisan or adversarial. Rather it should demonstrate an effort by the elected representatives of the Town in open discussion, free from technicalities of parliamentary procedure, to establish constructive policies for the government of the Town. The Meeting depends for its effectiveness on familiarity of the Town Meeting Members with the matters before the Meeting and upon their ability to rely one upon the other and upon their elected or appointed boards and committees.

All who speak to the Meeting or prepare reports to it should seek to be worthy of this trust. Proponents of action should make full and fair disclosure of all facts and considerations bearing on a problem, not merely those favoring their proposal. On the other hand, those opposed to a proposal should make their opposition known to the sponsors as soon as possible, rather than seeking to succeed by surprise at the Meeting. Negotiations prior to Town Meeting are more likely than debate at Town Meeting to clarify the issues and to produce solutions that will receive the support of the Meeting as a whole.

The great diversity among the residents of the Town will often lead to differences with respect to the matter before the Meeting. The good faith of no one should be questioned; rather there should be a cooperative effort to find solutions that are reasonably responsive to the needs of all.

The Meeting shall abide by the laws of the Commonwealth including the prohibitions of smoking and carrying firearms on school property.

The following guidelines are intended to inform and guide those who participate in the Meeting and thus to assist in its orderly conduct. These guidelines, except to the extent that they embody statutes and Town Bylaws, are not intended as rules having legal effect.

II. PARTICIPANTS IN THE MEETING

A. Public Meeting

The Town Meeting is a public meeting and may be attended by all. Since only the Members may make motions and vote thereon, they are seated separately from non-members.

B. Quorum

A majority of the Town Meeting Members shall constitute a quorum for doing business; but a lesser number may adjourn the Meeting to another time.

C. Moderator

The Moderator shall preside at the Meeting and shall regulate the proceedings and decide all questions of order.

No one shall distribute any material at Town Meeting except with permission of the Moderator.

The Moderator may appoint persons to assist in the conduct of the Meeting, including determination of the vote to the Meeting.

If the Moderator is absent or cannot act, a Moderator *Pro Tempore* may be elected by the Meeting, the Town Clerk to preside at such election.

The Moderator shall not be an elected Town Meeting Member and shall not vote with respect to any matters before the Meeting. A Town Meeting Member may be a Moderator *Pro Tempore*, but shall not vote while presiding at the Meeting.

D. Clerk

The Town Clerk shall determine the presence of a quorum and shall maintain the records of the Meeting, including the results of all votes and other action taken at the Meeting.

If there is no Town Clerk, or if the Town Clerk is absent from the Meeting, the Meeting shall elect another person (usually the Assistant Town Clerk) to act as Temporary Clerk of the Meeting.

The Town Clerk shall not be an elected Town Meeting Member and shall not vote with respect to any matters before the Meeting. A Town Meeting Member may be Temporary Clerk, but shall not vote while acting as Clerk of the Meeting.

E. Town Counsel

Town Counsel shall be present at all Meetings, and, upon request, shall advise the Moderator and any Member or other person present with respect to any pertinent question of law on which his or her opinion is requested. Such opinion is advisory only and not binding upon the Town, any person or the Meeting.

If Town Counsel is unable to attend, the Selectmen shall designate another attorney as Acting Town Counsel to perform those duties at the Meeting.

Town Counsel shall not be an elected Town Meeting Member and shall not vote with respect to any matter before the Meeting. A Town Meeting Member may be Acting Counsel, but shall not vote while so acting.

F. Tellers

The Moderator shall appoint Town Meeting Members as Tellers for the purpose of counting the votes of the Meeting. Such appointments may, in the Moderator's discretion, be effective for more than one session of any Meeting. The Tellers shall report the results of their count of the section of the Meeting assigned to them indicating the number in favor of the motion, the number opposed, and, if so instructed by the Moderator, the number abstaining, and such shall be announced to the Meeting and maintained with the records of the Meeting. Tellers may vote on any question on which they act as Tellers, but any Teller who decides to participate in the debate of a question should request the Moderator to appoint another Teller to count the vote on that question.

III. MOTIONS

A. Need for Motion

Action by the Meeting is taken solely by a vote of the Meeting on a motion duly made at the Meeting.

B. Subject of Motions

Except for such matters as resolutions recognizing individual achievements and the like, no motion shall be entertained by Town Meeting unless the subject thereof is contained within the Warrant. The Moderator shall determine whether a motion is "within the scope of the warrant," that is, whether the warrant gave adequate notice that the action proposed by the motion might be taken at the Meeting.

Motions may propose action at variance with that desired by the sponsor of the article. Such motions may, for example, propose the establishment of a guideline, referral to an existing board or committee or one to be established; but all such motions are proper only if "within the scope of the warrant" as determined by the Moderator.

C. Order of Consideration

All articles shall be considered in the order in which they appear in the warrant, unless the Moderator in his/her discretion or the Meeting by majority vote changes the order.

Where there are a number of motions relating to a project calling for the expenditure of funds, the motion calling for the expenditure of the largest sum shall be the first put to vote, unless the Moderator in his/her discretion decides to change the order.

D. Formal Requirements

Motions can be made only by a Member of the Meeting. All motions other than procedural motions must be in writing signed by the sponsoring Member. No seconds are needed for any motion.

Sponsors of motions are required to submit their motions to the Selectmen by a date specified by the Selectmen. The motions must also be submitted to the Moderator and the Chair of the Advisory Committee.

The exact form of any motion or amendment must be either distributed to Town Meeting Members or projected on a screen at Town Meeting before a vote thereon can be taken.

After the initial call to order of any Annual or Special Town Meeting, if a proponent informs the Moderator of an intention to present an amendment or substitute motion or resolution, notice of the action and the text must be made available to Town Meeting members before action is taken on the article to which it relates.

E. Notice to Moderator

Every person who prior to the Meeting has decided to make a motion with respect to an article should inform the Moderator and the Chairman of the Advisory Committee prior to the Meeting, or *if* the decision to make a motion is reached only during the Meeting, as early as convenient thereafter.

F. Reconsideration

Motions to reconsider any action shall be entertained only if in the view of the Moderator there is reason to suppose that Members may have changed their minds. The Moderator may rule that any motion is a motion for reconsideration if it is not substantially different from a motion previously voted upon.

No action taken at any session of a Town Meeting shall be reconsidered at any subsequent session, unless notice of intention to move for reconsideration shall have been given at the session at which such action was taken. If action taken at the final session is to be reconsidered, debate and a vote on a motion for reconsideration may occur at the same session only after all articles have been acted upon unless, in the Moderator's discretion, debate and a vote on the motion at an earlier point in the session would expedite the conduct of the session. Any vote which requires more than a simple majority for passage shall require a 3/5ths vote in order to be reconsidered by Town Meeting.

IV. DEBATE

A. Persons Authorized

All residents of Wellesley, whether or not Town Meeting Members or registered voters, may address the Meeting. Non-residents may address the Meeting with the approval of the Moderator or a majority of the Meeting.

B. Permission of the Moderator

Persons wishing to address the Meeting shall raise their hand or stand and wait until they are recognized by the Moderator and no one shall address the Meeting without first requesting and receiving the permission of the Moderator.

C. Identification of Speaker

Each person addressing the Meeting shall begin by stating his or her name and precinct, if a resident of Wellesley, or place of residence if a non-resident.

D. Conduct

All remarks should be limited to the subject then under discussion. It is improper to indulge in references to personalities and all expressions of approval or disapproval, such as applause or booing, are out of order.

The Moderator may request any person to keep silent. If, after warning from the Moderator, a person refuses to be silent or persists in other disorderly behavior, the Moderator may order such person to withdraw and if he or she fails to withdraw, may order a police officer to remove such person from the Meeting.

E. Personal or Financial Interest

Individuals who have a personal or financial interest with respect to a matter may speak or vote thereon but should frankly disclose their interest before speaking. However, no Town Meeting Member should accept compensation for speaking to or voting at the Meeting.

F. Time

There is no time limit to the debate of any question. Accordingly, motions to limit time for debate or to call the question are not in order. However, each individual who speaks to the Meeting should make an effort to be as brief as possible, out of consideration for the others attending the Meeting and the need to give adequate time to all matters coming before it. The Moderator may request that all persons who intend to speak for more than five minutes give him/her notice before the start of the session.

G. Repeated Speaking

In order to give all a fair opportunity to speak, no one who has addressed the Meeting on any particular motion shall speak again, except to answer questions, until all others wishing to speak to the motion have done so.

H. Maps

The Planning Board has slides of Town maps available for use at all Meetings and may be requested on reasonable notice to make available a slide of any map appropriate to the subject under discussion.

V. VOTING

A. Method

Except as specifically otherwise provided by law or these rules, voting shall be by voice vote or show of hands as the Moderator may determine and the Moderator shall declare the results of such vote. If a vote so declared is immediately questioned by seven or more Members, the result shall be determined by counting the votes of the Meeting by means of a standing vote.

VI. DEFINITIONS

A. Roll Call

Upon motion supported by not less than sixty members and made prior to the taking of a standing vote, the vote shall be by a roll call of all Members, the Clerk to indicate on the record with respect to each Member, "Aye," "Nay," "Abstain," or "Not Present" as the case may be.

B. Secret Votes

There shall be no secret ballots or other secret votes at Town Meeting.

C. Majorities

Except as otherwise provided by law or the Town's Bylaw, all actions of the Meeting shall be taken upon vote of a simple majority of those present and voting.

D. Ballot Vote

(a) Upon a motion supported by not less than 20 Members made prior to a vote on any question (whether required by law to be a counted vote or not), the vote shall be taken by ballot in such form as will in the opinion of the Moderator indicate how individual Town Meeting Members have voted on a question. The results of such vote shall be announced in terms of the numbers of aye, nay, or abstain votes cast. The Town Clerk shall, within a reasonable time after the session has been adjourned, compile a list of Members voting on the question, which list shall disclose how each Member voted. Said list, together with the original ballots, shall be open to public inspection so that the public shall be able to determine the way in which each Town Meeting Member voted on the question, and shall be preserved for at least 3 years.

(b) If a law or a by-law requires a two-thirds vote for action by the Meeting, the Moderator is authorized to declare the vote without taking a count, subject to the roll call and ballot vote provisions noted above. If more than a two-thirds vote is required, the Moderator may first determine whether the vote is unanimous, and if it is not, the vote shall be counted either by means of a standing vote or by roll call, or by ballot as provided in the Town's Bylaw.

VII. ADJOURNMENT AND DISSOLUTION

A. Adjournment

Sessions of the Town Meeting shall normally adjourn about 11 o'clock in the evening but may adjourn at such earlier or later time as the Town Meeting upon vote of a majority of its Members may determine.

B. Dissolution

The Meeting shall not dissolve until all articles in the warrant with respect to which any Member wishes to make a motion have been considered.

VIII. RECORD OF MEETING

The Town Clerk in consultation with the Moderator shall prepare and maintain a complete record of the Meeting at the office of the Town Clerk where, upon request, it may be inspected by any interested person and also shall deposit a copy of such record at the Main Library. Such record may, but need not be, verbatim. However, it shall as a minimum contain the text of all articles and motions, whether main motions or subsidiary motions, the name of the moving party, the action of the Meeting with respect thereto and such summary of statements made at the Meeting as will in the opinion of the Town Clerk contribute to a better understanding of the action of the Meeting.

IX. REFERENCE TO TOWN MEETING RULES

Wellesley Representative Town Meeting was established by Chapter 202 of the Acts of 1932 which has been amended several times since then. Certain customs have developed in the conduct of the Town Meeting. Wellesley custom does not differ substantially from the custom of other representative town meetings, as generally described in *Town Meeting Time* (Little, Brown, and Company 1962), a book which also contains references to applicable court decisions and statutes. All custom may be changed by law, or the Bylaws of Wellesley, as from time to time amended.

It is the combination of the foregoing which produces the “rules” of Wellesley Town Meeting in conformity with which the Moderator regulates the conduct of the meeting.

TOWN OF WELLESLEY-PRELIMINARY SOURCES AND USES OF FUNDS

	FY2009 Tax Rate	FY2010 Request	% Change
*** SOURCES OF FUNDS ***			
Tax & Other Current Revenues			
Within Levy Limits			
Real Estate & Per. Prop. Tax	82,382,731	85,742,299	4.08%
From the Commonwealth			
Local Aid	8,556,840	8,061,281	-5.79%
Local Revenue	10,880,506	10,085,241	-7.31%
Sub-Total (Tax & Cur. Rev.)	101,820,077	103,888,821	2.03%
Outside Levy Limits			
Real Estate & Pers.Prop.Tax	5,033,306	6,398,911	27.13%
OPEB	1,800,000	1,800,000	
Available Funds			
Parking Meter Receipts	634,198	546,733	-13.79%
Appropriated/Reserved CPA Surcharge	2,390,600	1,315,000	-44.99%
Appropriated Free Cash	1,589,889	681,649	
Free cash (Stabilization)	1,000,000	-	
Free Cash (Study Tolles Gift)	25,000	-	
School Construction Aid & Set-Asides	621,838	621,838	0.00%
Gift (Study Tolles Gift)	25,000	-	
Unencumbered/Transfers from other funds	155,343	190,000	22.31%
Sub-Total (Available Funds)	6,441,868	3,355,220	-47.92%
TOTAL SOURCES OF FUNDS	115,095,251	115,442,952	0.30%
*** USE OF FUNDS ***			
Personal Services (Non-School)			
Expenses (Non-School)	7,343,579	7,394,990	0.70%
Subtotal (Non-School)	26,858,145	27,491,119	2.36%
Personal Services (School)			
Expenses (School)	8,663,449	8,385,189	-3.21%
Subtotal (School)	51,683,013	53,283,503	3.10%
Sub-Total (Pers. Svcs.& Exp)	78,541,158	80,774,622	2.84%
Capital & Debt:			
Within Levy Limits			
Capital/Extraord./Spec.Items	2,826,283	2,787,410	-1.38%
Debt Service - Issued	3,676,059	3,563,418	-3.06%
Debt Service - New Auth/Unissued - In	443,762	156,403	-64.76%
Sub-Total (Within Levy Limits)	6,946,104	6,507,231	-6.32%
Outside Levy Limits			
Debt Service Issued			
Debt Service Temporary	5,529,838	5,381,489	-2.68%
Debt service unissued (interest rate est)		-	
Debt Service - New Auth/Unissued - Out	156,933	1,639,260	944.56%
SUB-TOTAL (CAPITAL & DEBT)	12,632,875	13,527,980	7.09%
Employee Benefits:			
Ins./Grp Ins., etc.	14,538,082	13,993,178	-3.75%
Pension Contribution	-	866,000	
OPEB Liability Fund	3,000,000	3,000,000	0.00%
Sub-Total (Shared Costs)	17,538,082	17,859,178	1.83%
SUB-TOTAL (OPERATIONS)	108,712,115	112,161,780	3.17%
Special Items:			
Traffic & Parking Management	506,391	488,233	-3.59%
Appropriated/Reserved CPA Surcharge	2,390,600	1,315,000	-44.99%
State & County Assessments	1,021,570	1,047,939	2.58%
Tolles Gift	50,000		
Property Tax Abatements	429,575	430,000	0.10%
Union Contracts	-		
Reconfigure High School	985,000	-	
Stabilization Fund	1,000,000	-	
Sub-Total (Special Items)	6,383,136	3,281,172	-48.60%
TOTAL USE OF FUNDS	115,095,251	115,442,952	0.30%

