

# TOWN OF WELLESLEY



## REPORTS TO THE ANNUAL TOWN MEETING

**MONDAY, MARCH 28, 2011  
7:30 PM @ WELLESLEY MIDDLE SCHOOL AUDITORIUM**

by the

### ADVISORY COMMITTEE

**BOARD OF SELECTMEN  
BOARD OF PUBLIC WORKS  
COMMUNITY PRESERVATION COMMITTEE  
PLANNING BOARD  
PUBLIC TRANSPORTATION WORKING GROUP  
SUSTAINABLE ENERGY COMMITTEE**

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**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 the 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](http://www.WellesleyMA.gov).**

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## TOWN OF WELLESLEY



### REPORT OF THE ADVISORY COMMITTEE TO THE 2011 ANNUAL TOWN MEETING

#### ***TERM ENDS 2011***

Rick Hill  
Barbara McMahon  
Caren Parker, Vice Chair  
Steve Simons  
Jason Whittet

#### ***TERM ENDS 2012***

Virginia Ferko, Secretary  
Jack Haley, Chair  
Maura Murphy  
Rich Page  
Derek Redgate

#### ***TERM ENDS 2013***

Laura Hockett  
Catherine Johnson  
Philip Licari  
David Murphy  
Polly Smith

**To the Citizens of the Town of Wellesley:**

**March 7, 2011**

Annual Town Meeting convenes at the Wellesley Middle School on Monday, March 28, 2011, at 7:30 P.M., to consider the budget for fiscal year 2012 (FY12) as well as several other appropriations and proposals. All residents are welcome to attend Town Meeting in person or follow the proceedings on WCAC-TV (Comcast Channel 9, Verizon Channel 39). This letter presents the Advisory Committee's overall perspective on the key features of the budget and the Town Wide Financial Plan (TWFP) highlighting significant items on the Warrant for Town Meeting. *The Reports to the Annual Town Meeting* ("the Report") may be found on the Town's website at [www.WellesleyMA.gov](http://www.WellesleyMA.gov). Copies will also be available at the Town Clerk's office at Town Hall and at the Main Library. The Selectmen's Office will mail a copy of the Report to any resident upon request. In addition, certain recommendations will be made by Advisory between publication of the Report and the opening of Town Meeting. When available, these recommendations will be sent by email to Town Meeting Members and posted to the Town's website or presented at Town Meeting. This will include Advisory's recommendation on the FY12 Budget.

The Advisory Committee would like to thank the many members of Town Boards and Committees, Town employees and concerned citizens who helped us during this annual process. Countless hours have been spent meeting with Advisory and responding to our numerous questions. We would also like to recognize the efforts of Town employees for all that they do to make Wellesley a very special place. Thank you.

There are many important issues to be considered at Town Meeting. Among them are the following:

1. As of March 7, 2011, the FY12 Budget (Article 8) reports a deficit of over \$2 million and the current draft of the TWFP projects deficits in the \$5-8 million range for FY13-FY16.
2. The majority of the Town's labor contracts expire at the end of FY11 and are in negotiation.
3. A new approach to the Town Wide Financial Plan has been adopted and will be presented at Town Meeting. (Article 3).
4. Appropriation requests for capital projects include \$3.6M for the long delayed DPW Operations Building contingent on voter approval of a debt exclusion (Article 19) and other proposed infrastructure repairs and improvements.
5. Amendments to Bylaws, to adopt the Stretch Energy Code (Article 38) and to enact a Tree Protection and Preservation Bylaw to regulate removal or damage to mature trees during significant construction. (Article 34).

## Historical Tax Rates

Over the last ten years Wellesley's real estate taxes on the average single family residence (\$987,000 in FY11) have increased an average of \$590 or 6.9% per year vs. \$418 or 5.3% per year in certain surrounding communities. In FY12 and FY13, the estimated tax increase on the average single family residence is estimated to be approximately \$610 or 5.3% in FY12 and \$660 or 5.4% in FY13 if tax increases are used to fund the deficits projected in the TWFP. (Surrounding communities: Weston, Wayland, Lexington, Belmont, Needham, Natick, Westwood, Winchester, Concord, Hingham.)

## The FY12 Budget and Other Financial Matters

Within a still-challenging economic environment, and like many other communities across the Commonwealth achieving a balanced budget in Wellesley is not without its challenges. As we prepare this report, the FY12 Budget is not balanced. The following items are being discussed to potentially deal with the projected deficit of over \$2.0 million prior to Annual Town Meeting; 1) significant spending cuts including cuts to the current forecasted wage increases, 2) reduction in services and programs, 3) a tax override or significant draw on reserves (Free Cash), and 4) increasing revenues. Advisory is not currently prepared to make its recommendation on the FY12 Budget, We will continue gathering information, explore options and alternatives with the Town's Boards and hopefully attempt to obtain better estimates of certain unknowns, such as State Aid.

### FY12 Budget

We respectively submit the following comments on the FY12 Budget and other financial matters. This should be read in conjunction with the Board of Selectmen's *Town Wide Financial Plan for 2011 Annual Town Meeting*, which provides a more detailed commentary on the FY12 Budget and projections for FY13-16. This report can be found on the Town's website at [www.WellesleyMA.gov](http://www.WellesleyMA.gov). The significant drivers of the proposed increases to the Town's proposed budget are highlighted below:

(\$000)	FY11 Budget	FY12 Request	\$ Inc/(Dec)	% Inc/(Dec)
<i>Sources of Funds</i>				
Taxes	\$ 89,390	\$92,925	\$3,535	4.0%
State Aid	8,641	8,222	(419)	-4.8%
Local Revenue	9,947	10,150	203	2.0%
Other Sources	3,675	2,583	(1,092)	-29.7%
Debt Exclusions and Exemptions	11,488	13,061	1,573	13.7%
<b>Total Sources</b>	<b>123,141</b>	<b>126,941</b>	<b>3,800</b>	<b>3.1%</b>
<i>Uses of Funds</i>				
School	57,382	60,474	3,092	5.4%
Other Town Departments	25,979	26,393	413	1.6%
Employee Benefits	17,011	18,932	1,921	11.3%
Cash Capital	2,757	3,073	317	11.5%
Debt (inside Levy)	3,591	3,406	(185)	-5.2%
Other Uses	4,932	3,667	(1,265)	-25.6%
Debt Exclusions and Exemptions	11,488	13,061	1,573	13.7%
<b>Total Uses</b>	<b>123,141</b>	<b>129,006</b>	<b>\$5,865</b>	<b>4.8%</b>
<b>Projected Deficit</b>	<b>\$ -</b>	<b>(\$2,065)</b>		

The significant drivers of the proposed increases to the Town's proposed budget are highlighted below:

Total Sources - Taxes have increased in line with Prop 2½ and prior years' tax increases with State Aid forecasted to decline. Other sources will increase if reserves (Free Cash) are utilized to balance this year's budget. Other sources in FY11 included over \$850,000 of Free Cash used to fund FY11's operating budget. The increase in Debt Exclusions and Exemptions is primarily driven by new debt issued for the High School.

Salaries and Wages - The FY12 budget includes approximately \$1.7 million of personnel cost increases. As previously noted, the majority of the Town's labor contracts will be renegotiated for FY12. Favorable contract settlements for FY12 and beyond will be the single most important factor in reducing the FY12 projected deficit and the deficits projected in the TWFP. All Boards and Town officials understand the need to settle all of these contracts as economically as possible.

(\$000)	FY10 Actual	FY11 Budget	FY12 Request	\$ Inc/(Dec) FY10-11	\$ Inc/(Dec) FY11-12	% Inc/(Dec) FY10-11	% Inc/(Dec) FY11-12
Schools	\$ 46,203	\$ 48,740	\$ 50,229	\$ 2,537	\$ 1,489	5.5%	3.1%
All Other Town Departments	18,845	18,917	19,165	72	248	0.4%	1.3%
	\$ 65,048	\$ 67,657	\$ 69,394	\$ 2,609	\$ 1,737	4.0%	2.6%

Employee Benefits and Mandated Costs - The Town is obligated under its employment agreements, benefits plans and by State statute to provide employee insurance and benefits, pension, OPEB (health insurance for retirees) and Special Tuition Transportation and Inclusion (STTI - Schools). These commitments have continued to increase in excess of the Town's ability to increase revenue.

(\$000)	FY10 Actual	FY11 Budget	FY12 Request	\$ Inc/(Dec) FY10-11	\$ Inc/(Dec) FY11-12	% Inc/(Dec) FY10-11	% Inc/(Dec) FY11-12
Benefits & Insurance	\$ 13,892	\$ 14,049	\$ 15,071	\$ 157	\$ 1,022	1.1%	7.3%
OPEB Liability Funding	3,000	3,000	3,000	-	-	-	-
Retirement Contribution	901	1,762	2,661	861	899	95.6%	51.0%
STTI Costs	9,124	9,985	11,984	861	1,999	9.4%	20.0%
	\$ 26,917	\$ 28,796	\$ 32,716	\$ 1,879	\$ 3,920	7.0%	13.6%

Wellesley continues to fund both the retirement plan and its OPEB liability. At the end of FY10, the retirement plan is approximately 75% funded while the OPEB liability is approximately 12% funded. The Town's contribution to the retirement plan will continue to increase for the foreseeable future. The Town began funding its OPEB obligation in FY07. The current funding level will continue at least through FY17.

STTI costs almost doubled over the past five years with increases averaging almost \$1.1 million per year. A large portion of these costs are not within the School Committee's control. A significant amount of these costs represent tuition and transportation for students who attend schools outside of Wellesley. In FY12, the tuition and transportation portion of these cost were the major driver of the increases shown above.

Cash Capital - Cash capital includes items such as equipment replacement (vehicles and computers), street improvements, facilities maintenance and building repairs. The current increase relates to normal replacement expenditures and an additional \$200,000 related a physical assessment of all elementary schools and the middle school. In addition to this spending, additional infrastructure projects are being financed with borrowing within the tax levy

in FY12. These projects currently aggregate \$1,570,000 and include road reconstruction and facility replacement and maintenance.

Debt Service - The Town's inside the tax levy debt continues to decline as the scheduled debt is retired. Additional inside the levy borrowings are proposed to fund various facilities maintenance projects which had been deferred for a number of years. The Town's outside the tax levy debt service is increasing from prior periods as the borrowings related to the New High School become outstanding.

(\$000)	FY11 Budget	FY12 Request	\$ Inc/(Dec) FY11-12
Inside Levy	\$ 3,591	\$ 3,405	\$ (186)
Outside Levy	9,688	11,261	1,573
	<u>\$ 13,279</u>	<u>\$ 14,666</u>	<u>\$ 1,387</u>

Other uses - Other uses includes items such as State and County assessments, special appropriations including snow and ice removal costs and Community Preservation spending which are funded in sources noted above. The decrease relates primarily to the \$1.75 million for the Middle School Classrooms project which is included in FY11.

### **Other Financial Matters**

Utilities - Based on the FY12 operating and capital budgets for the Water and Sewer Division of the DPW and the Municipal Electric Plant, water and sewer rates are expected to increase by 5% and 16%, respectively, over FY11 rates while electric rates are not expected to increase over FY11 levels. The primary driver of the increase in water and sewer rates result from the increases in both the water and sewer charges from the Massachusetts Water Resource Authority (MWRA). The rates charged by the MWRA are beyond control of the DPW. These projected increases will be included in your water and sewer bills next year.

Reserves (Free Cash and Stabilization Fund) - Reserves include both the Stabilization Fund and Free Cash, which is certified annually by the Massachusetts Department of Revenue. Over the past few years Wellesley has built up its reserves to approximately 10% of expenditures, but the needs of the current fiscal year and potential uses in FY12 will draw down these reserves. The Town had available Free Cash reserves aggregating approximately \$10 million at the end of FY08. If Free Cash is utilized to balance the FY12 budget, Free Cash is expected to be approximately \$4.7 million at the end of FY12. Draw downs on Free Cash have included funding of prior years' budget shortfalls, the \$1.75 million Middle School Classroom project and additional snow and ice removal costs, among other things. Advisory believes that an acceptable level of reserves is at least 5% of annual expenditures or approximately \$6.5 million including the Stabilization Fund which has a balance of approximately \$3.0 million at July 1, 2010. Factors that determine an acceptable reserve level include the Town's strong wealth and income levels, its stable property tax base, its sound management practices and its record of approving overrides when necessary. The Committee also noted that Wellesley has already put into place a plan to fund its unfunded pension liability, as well as its other post-employment benefits (OPEB), which is a prudent financial management practice.

Needed Investment in Facilities Maintenance and Infrastructure - Because of other budget priorities the Town has underinvested in facilities maintenance and infrastructure over the past decade. Municipal benchmarks on annual facilities maintenance spending indicate that the Town should consider spending over \$2.0 million on facilities maintenance alone. The FY12

budget recurring appropriation for facilities is approximately \$500,000. Advisory supports a creative strategy put forth by the Board of Selectmen to address long-term facilities maintenance to provide for improved upkeep of the Town's key capital assets, namely all Town buildings (including schools) and the DPW-maintained infrastructure. The strategy includes preserving the "run off" of inside-the-levy debt service spending, as the outstanding principal declines and interest expense falls, using the available capital to fund such important projects.

### **A Look Forward – Town Wide Financial Plan**

At the request of the Selectmen, a small group of former Advisory Committee Chairs undertook a project to review the Town's current approach to the TWFP. The group presented a formal recommendation to the Board of Selectmen which has been extensively shared and reviewed with all Boards and Departments. They recommended a year-round process that includes a longer planning horizon, participation by all Town Boards, increased transparency and more public discussion. In addition, the group recommended that the Board of Selectmen should be responsible for establishing budget guidelines starting in FY13. Advisory endorses this recommendation as it is a logical extension of their role and responsibilities in preparing the TWFP.

Based on these recommendations a five year financial plan has been developed. The results and implications of this plan will be discussed at Town Meeting. The TWFP will continue to evolve but it has already added meaningful insight into the Town's decision making processes. The current TWFP, prepared based on the assumptions from each of the Town's Boards, shows an estimated deficit ranging from \$5-8 million in each year from FY13-FY16. The TWFP provides a tool to better understand the alternatives and possible options available to the Town in dealing with these deficits. This will include increasing analysis and discussion of allocating resources among varying priorities over a longer time horizon.

Based on these projected deficits, it has become clear that the Town may want to begin a discussion to reflect on the following:

- The structure and organization of Town government
- Explore regional collaborations and outsourcing opportunities
- Explore ways to improve productivity
- Challenge current service delivery models across all programs

Sincerely,



John K. Haley, Chair  
Advisory Committee

**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, boards and committees, including the Annual Town Report, the Report to this Town Meeting of the Advisory Committee, and the Report of the Community Preservation Committee, and discharge presently authorized special committees; or take any other action relative thereto.

**(Board of Selectmen)**

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

### REVENUE ARTICLES

**ARTICLE 3.** To receive the Reports of the Board of Selectmen on the Five Year Capital Budget Program and Town Wide Financial Plan pursuant to Town Bylaw Sections 19.5.2 and 19.16; or take any other action relative thereto.

**(Board of Selectmen)**

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

**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 out the job classifications by group for all Town employees, other than School Department employees. The Human Resources Board is empowered under Article 31 to establish new classifications, amend these job classifications to reflect changes in job content, and delete classifications that are not longer needed. Article 4 requests Town Meeting to approve the changes made during the past year by amending Schedule A. Any change to a classification that is not covered by a collective bargaining agreement requires the approval by the Human Resources Board. These changes are presented in two sections: *New Classifications* and *Reclassifications*

**New Classifications** are new positions that have been developed since the 2010 Annual Town Meeting to meet the Town's needs. They were proposed by the respective Town Boards, evaluated and approved by the Human Resources Board and classified according to the Hay System of Job Evaluation. This year, three non-union positions have been added to the job classifications:

<u>Classification</u>	<u>Department</u>	<u>Job Group</u>
Applications and Database Manager	DPW	56
Deputy Chief of Fire Prevention*	FIRE	58
Projects Assistant	PBC	48

**Reclassifications** are existing positions for which the duties, functions, or requirements have changed since the 2010 Annual Town Meeting. The Human Resources Board re-evaluated these positions based on revised position descriptions provided by the respective Town Board

and the Hay System of Job Evaluation. This year, there was one reclassification which resulted in an increase in Job Group, but no change to Job Title:

<u>Classification</u>	<u>Department</u>	<u>Prior Job Group</u>	<u>New Job Group</u>
Deputy Chief of Fire Prevention*	FIRE	58	60

*\*The new position of Deputy Chief of Fire Prevention was developed in FY11 and subsequently reclassified based on re-evaluation of position duties, functions and requirements.*

This article does not require an appropriation. Any incremental costs incurred in FY11 due to these changes are being covered by funds in the respective departmental budgets and have been included in the FY12 budget request in Article 8.

The changes listed above are incorporated in Part 1 of Schedule A. Changes in classifications that are covered by collective bargaining agreements are subject to negotiation between the Town and the respective union. These changes are incorporated in Part 2 of Schedule A.

This motion seeks Town Meeting Approval for actions taken during FY11 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 at any time in a given year within budgetary constraints.

**Advisory recommends favorable action, 11 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 therefore; or take any other action relative thereto.

**(Human Resources Board)**

**MOTION 1**

The Human Resources Board seeks Town Meeting approval to amend Schedule B: Salary Plan - Pay Schedules for the Series 40 employees. Schedule B sets the rates of pay for all Town employees except School Department personnel.

The proposed Schedule B adjusts the Series 40 salary schedule to grant a 1.5% pay rate increase for the entire group. These positions are non-union, non-management staff and are eligible for overtime.

Benchmarking conducted by the Human Resources Board has indicated that compensation for this group of employees is approaching a level more comparable to the wages provided for similar jobs in comparable Towns. For many years previous, compensation for this group has been below the comparables and therefore efforts have been made to bring the Series 40 pay schedule closer to market rate. For FY12, the Human Resources Board has determined that a 1.5% increase is appropriate and equitable. The 1.5% increase, translating to a net increase of approximately \$30,000, has been included in the FY12 budgets presented in Article 8.

**SCHEDULE B**  
**SALARY PLAN – PAY SCHEDULES**  
**Rates effective as indicated as of July 1, 2011**  
*Hourly rates – reflects 1.5% increase over FY11*

Job Group	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
49	21.18	22.13	23.13	24.18	25.26	26.39
48	20.34	21.25	22.21	23.20	24.25	25.33
47	19.51	20.38	21.30	22.27	23.26	24.30
46	18.70	19.54	20.41	21.34	22.30	23.30
45	17.82	18.63	19.47	20.34	21.25	22.21
44	16.99	17.76	18.56	19.40	20.26	21.18
43	16.15	16.88	17.64	18.43	19.25	20.13
42	15.31	16.00	16.72	17.48	18.26	19.09
41	14.62	15.29	15.98	16.69	17.44	18.21

*Hourly rates – reflects 1.5% over FY 11*

Trade positions – non-union						
Job Group	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
T19	24.29	25.50	26.78	28.12	29.53	31.00

Most 40-series employees are currently at Step 6 and will not receive a step increase.

**Advisory recommends favorable action, 12 to 0.**

**MOTION 2**

The Human Resources Board seeks Town Meeting approval to amend Schedule B: Salary Plan - Pay Schedules for the Series 50 employees by adjusting the salary ranges as follows:

**SCHEDULE B**  
**SALARY PLAN – PAY SCHEDULES**  
**Salary rates effective as indicated as of July 1, 2011**  
*Reflects 2.5% increase at midpoint over FY 11 ranges*

Job Group	Minimum	Midpoint	Maximum
69	117,280	149,400	181,520
68	108,720	138,500	168,280
67	100,720	128,300	155,880
66	93,260	118,800	144,340
65	86,430	110,100	133,770
64	80,620	102,700	124,780
63	75,600	96,000	116,400
62	70,800	89,900	109,000
61	66,230	84,100	101,970
60	62,090	78,600	95,110
59	57,830	73,200	88,570
58	54,270	68,700	83,130
57	50,960	64,100	77,240

56	47,700	60,000	72,300
55	44,520	56,000	67,480
54	42,590	53,400	64,210
53	40,590	50,900	61,210
52	38,520	48,300	58,080
51	36,800	46,000	55,200
50	35,120	43,900	52,680

**Network and Information Systems (NIS)**

Job Group	Minimum	Midpoint	Maximum
61	74,730	94,900	115,070
60	70,230	88,900	107,570
59	65,650	83,100	100,550
58	61,150	77,400	93,650
57	57,560	72,400	87,240
56	53,900	67,800	81,700
55	51,200	64,400	77,600
54	48,970	61,400	73,830
53	46,650	58,500	70,350
52	44,340	55,600	66,860
51	42,480	53,100	63,720

It is important to have a salary structure that is reflective of comparable market rates and is able to accommodate appropriate salary increases. The prescribed salary range for a given position should be consistent with the market rate for that position. Two years ago (FY10), a decision was made to keep *salary ranges* level (0% increase) while actual salaries for group were increased by 2.5%. This yielded a salary range structure that has proven to be restrictive at the maximum end.

The above schedules reflect an increase of 2.5% at midpoint. In addition, the Board proposes to widen the span of the ranges in a graduated manner from the lowest to the highest job groups rather than keep the current consistent 50% spread. The ranges proposed for FY12 start at a 50% spread and reach a 55% spread at Job Groups 64 and above.

The proposed change provides increased flexibility for the Town as it adequately and equitably proposes annual salary increases to Series 50 employees. The proposed increase does not result in any employee automatically receiving a salary increase, but rather enables that decision to be made as warranted.

**Advisory recommends favorable action, 12 to 0.**

**MOTION 3**

The Human Resources Board seeks approval for an appropriation of \$12,000 for Salary adjustments, the Length of Service Payment (Longevity) increase as discussed in Article 6, and a Reserve for promotional increases for employees in Job Groups 50 and above which might occur in FY12.

The **Salary adjustments** are for those Series 50 employees at the lower end of the salary range so that as the salary range increases, they do not fall back in the range. The salary adjustments are as follows (SIR = Standing in Range):

SIR below the 90% level will receive an additional 1.5%

SIR between the 90% and 95% level will receive an additional 1.0%

The net cost impact of the salary adjustments is \$5,483 in FY12 and would be funded by this appropriation. Subsequent salary and salary increases for these employees would be carried in the respective department budgets.

The **Length of Service Payment** (Longevity) increase is discussed in Article 6 and requires an appropriation of \$3,000.

The **Reserve** for promotional increase and other special situations is a pool designed to enable mid-year promotions or other unanticipated situations that are not able to be funded in the respective Town Department. The appropriation request for this reserve is \$3,517.

Therefore, the Human Resources Board is requesting an appropriation as follows:

Salary adjustments	\$5,483
Length of Service Payment increase	\$3,000
Reserve	\$3,517
<b>Total request</b>	<b>\$12,000</b>

**Advisory recommends favorable action, 12 to 0.**

**Other motions:** The Town is currently conducting collective bargaining negotiations with seven of its nine unions (DPW Production, MLP Production, Supervisory, Clerical, Library, Dispatchers and Fire). If settlements are reached before the end of Town Meeting, a motion or motions will be made under Article 5 to approve any change in the pay schedules associated with such settlements.

**ARTICLE 6.** To see if the Town will vote to amend ARTICLE 31 of the Town Bylaws by making changes in to the appendix to the Classification and Salary Plans established under Sections 31.1 and 31.6 respectively, which constitutes part of said Bylaws, relating to length of service payment (longevity) for non-union employees; or take any other action relative thereto.

**(Human Resources Board)**

The Human Resources Board seeks Town Meeting approval to amend Section IIK(1) of the Salary Plan which outlines the "Length of Service Payment" (Longevity Payment) for Series 40 Town employees. The Longevity payment is made annually to an employee based on number of years of continuous full-time service. The amended plan makes the payment to Series 40 employees more consistent with comparable positions within bargaining units in Town.

<u>Years of Continuous Service</u>	<u>Amount of Payment</u>	<u>Variance from FY11</u>
30+ years	\$800	+\$100
25 - 29 years	\$700	+\$100
20 - 24 years	\$600	+\$100
15 - 19 years	\$500	+\$100
10 - 14 years*	\$300	+\$300

*\*This is a new level added to the plan for FY12.*

Further, the Salary Plan is to be amended such that the longevity payment shall be made in a lump sum in the first payroll in July of each fiscal year to employees completing the requirements by June 30 of the preceding fiscal year. Currently, longevity payments for various groups of Town employees are paid at different times of the year resulting in several points of determination and calculation each year. This alignment of payments is simply to decrease the complexity of calculation and provide consistency and clarity to the distribution.

Of the 51 Series 40 employees, eight are expected to be eligible for the new "10-14 years" longevity payment in FY12 and six are expected to be eligible for longer service payments. The FY12 net cost impact of this amendment is approximately \$3,000. The corresponding appropriation request is provided in Article 5. In future years, the cost will be included in departments' operating budget requests.

**Advisory recommends favorable action, 12 to 0.**

**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 or reduce appropriations previously approved by the 2010 Annual Town Meeting; or take any other action relative thereto

**(Board of Selectmen)**

**Boulder Brook Reservation Mitigation/Fuller Brook Park Tree Stabilization and Removal**

The Town received proceeds from a legal settlement in the amount of \$140,000 for the unauthorized removal of trees on Town property at the Boulder Brook Reservation by an abutting property owner. The Board of Selectmen requests that the funds from this settlement in the amount of \$140,000 be appropriated to the Natural Resources Commission.

This appropriation will direct the proceeds received to be used as follows: \$21,600 will be used for restoration and mitigation work related to the unauthorized tree removals at the Boulder Brook Reservation site; \$5,400 for an independent arborist assessment of Boulder Brook Reservation tree removals and restoration work; \$4,400 for Department of Public Works assessment work related to the tree removals; and \$108,600 for priority tree stabilization and removal work in Fuller Brook Park as identified in the *Fuller Brook Park Vegetation Assessment and Treatment Recommendations Report*, January 2011, prepared by Tree Specialists, Inc. for the Natural Resources Commission. The trees at Fuller Brook Park identified as priority are those with serious defects that pose a safety risk because of their proximity to high risk targets such as pathways, roadways or homes, or are damaging important park infrastructure such as bridges or drainage (55 trees will be removed and 135 trees will be stabilized through risk reduction pruning or bracing).

Advisory believes this is an appropriate use of the settlement funds.

**Advisory recommends favorable action, 11 to 1, with one abstention.**

### **Winter Maintenance**

The Board of Public Works (BPW) requests a supplemental FY11 appropriation for winter maintenance. The winter maintenance budget includes the cost of equipment maintenance, sand and salt, personal services, and, potentially, some use of private contractors. When plowing occurs during regular working hours, the personnel cost is included in the regular DPW budget. However, when the work occurs outside of regular working hours, requiring the payment of overtime to DPW staff, or when outside personnel are required because of the size and scope of the effort, the cost is applied against the winter maintenance budget. The number of storms, the timing of these storms, and total snowfall all influence the costs of winter maintenance in a given year.

The Town's usual practice has been to set the annual budget appropriation for winter maintenance well below the average actual cost over the previous several years. Under Massachusetts General Law, provided the appropriation for the current fiscal year equals or exceeds that of the prior year, a Town may spend for winter maintenance in excess of the available appropriation - provided that such spending is approved by the Board of Selectmen and the Advisory Committee. The Town may fund this higher spending through a supplemental appropriation from free cash in the current year, or roll the excess into the following year's tax rate. Wellesley typically selects the former route. Wellesley's FY11 Winter Maintenance appropriation was \$348,703, the same as in FY10. The BPW has secured the necessary approvals to spend in excess of this amount on snow and ice removal, necessitated by the severity and timing of this winter's snow storms.

This request is for a Supplemental FY11 appropriation from Free Cash to cover the additional spending. The amount of the supplemental appropriation request was not finalized before this report went to print, but is expected to be \$750,000.

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

**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;

and among other resources to meet said appropriations, 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 2012 Tax Rate;

or take any other action relative thereto.

**(Board of Selectmen)**

Three motions are expected under Article 8:

**Motion 1** seeks appropriation of the funds detailed in the exhibit shown on the following four pages to the respective boards and departments. This appropriation represents the material portion of spending in the FY12 budget, including operating budgets for all departments, cash capital spending, and debt service.

**Motion 2** seeks an additional appropriation to the School Committee, estimated at \$370,080, to fund the operating expenses related to opening the new Wellesley High School building during FY12, rather than in FY13, as planned originally. (The School spending shown in the Motion 1 exhibit on the next few pages excludes the cost of Motion 2.)

**Motion 3** authorizes the Town to accept a \$1 million payment from the Municipal Light Plant (MLP) in FY12, as approved by the MLP Board. The Board of Assessors must receive annual authorization to incorporate these funds from the MLP into the tax rate.

# ARTICLE 8, MOTION 1

That the following sums of money be appropriated to the Town boards and officials and for the purposes as hereinafter set forth:

Funding Item		Personal Services 01	Expenses 02	Total Operations
<b>GENERAL GOVERNMENT</b>				
To the Board of Selectmen for General Government; \$1,792,250 for 01- Personal Services and \$1,672,174 for 02-Expenses. And it is recommended that the sums be allocated as follows:				
<b>Board of Selectmen - Administration</b>				
122	Executive Director's Office	369,238	30,250	399,488
126	Sustainable Energy	19,033	6,000	25,033
199	Central Administrative Services	0	95,974	95,974
133	Finance Department	348,255	9,125	357,380
155	Network & Information Systems	449,993	214,127	664,120
145	Treasurer & Collector	251,964	122,150	374,114
197	Parking Fines Processing	46,165	55,400	101,565
195	Town Report	0	4,000	4,000
<b>Board of Selectmen - Human Services</b>				
541	Council on Aging	161,015	129,325	290,340
183	Fair Housing Committee	0	200	200
543	Veterans' Services	27,793	57,487	85,280
542	Youth Commission	71,392	17,190	88,582
<b>Board of Selectmen - Other Services</b>				
180	Housing Development Corporation	0	3,500	3,500
691	Historical Commission	0	750	750
690	Historical District Commission	0	250	250
692	Celebrations Committee	0	4,700	4,700
176	Zoning Board of Appeals	47,402	7,115	54,517
<b>Board of Selectmen - Shared Services</b>				
151	Law	0	272,360	272,360
945	Risk Management	0	322,000	322,000
458	Street Lighting	0	320,271	320,271
<b>Subtotal - Board of Selectmen - General Government</b>		<b>1,792,250</b>	<b>1,672,174</b>	<b>3,464,424</b>
<b>Other General Government</b>				
To the following Town boards and officials:				
192	Facilities Maintenance and Grounds - Town	689,126	226,132	915,258
300	Facilities Maintenance and Grounds - School	0	0	0
161	Town Clerk/Election & Registration	238,008	44,250	282,258
141	Board of Assessors	241,711	81,450	323,161
175	Planning Board	210,968	42,100	253,068
135	Audit Committee	0	56,250	56,250
185	Permanent Building Committee	9,641	5,900	15,541
152	Human Resources Board	265,449	20,150	285,599
131	Advisory Committee	8,782	14,000	22,782
132	Advisory Committee - Reserve Fund	0	175,000	175,000
<b>Subtotal - Other General Government</b>		<b>1,663,685</b>	<b>665,232</b>	<b>2,328,917</b>
<b>GENERAL GOVERNMENT TOTAL</b>		<b>3,455,935</b>	<b>2,337,406</b>	<b>5,793,341</b>

<b>Funding Item</b>		<b>Personal Services 01</b>	<b>Expenses 02</b>	<b>Total Operations</b>
<b>PUBLIC SAFETY - BOARD OF SELECTMEN</b>				
To the Board of Selectmen for Public Safety, \$9,310,113 for 01-Personal Services and \$1,155,239 for 02-Expenses. And it is recommended that the sums be allocated as follows:				
210	Police Department	4,587,591	702,853	5,290,444
299	Special School Police	98,006	2,897	100,903
220	Fire Department	4,228,587	340,339	4,568,926
241	Building Department	380,269	26,350	406,619
230	Emergency Medical Services	0	80,000	80,000
244	Sealer of Weights & Measures	15,660	2,800	18,460
<b>PUBLIC SAFETY TOTAL - BOARD OF SELECTMEN</b>		<b>9,310,113</b>	<b>1,155,239</b>	<b>10,465,352</b>
<b>PUBLIC WORKS</b>				
To the Board of Public Works, \$3,799,594 for 01-Personal Services and \$2,470,483 for 02-Expenses. And it is recommended that the sums be allocated as follows:				
410	Engineering	462,441	79,788	542,229
420	Highway	959,619	446,202	1,405,821
454	Fleet Maintenance	129,007	56,462	185,469
430	Park	1,012,776	271,477	1,284,253
440	Recycling & Disposal	878,462	1,214,938	2,093,400
450	Management	357,289	52,913	410,202
456	Winter Maintenance	0	348,703	348,703
<b>PUBLIC WORKS TOTAL</b>		<b>3,799,594</b>	<b>2,470,483</b>	<b>6,270,077</b>
<p>Provided that the cash on hand in the RDF Baler and Compactors Major Repairs and Replacement Fund on June 30, 2011 be appropriated to the Board of Public Works for major repairs and replacement of the baler and the trash compactors and their attachments at the Recycling and Disposal Facility (major repair being defined as repairs or scheduled maintenance costing more than \$5,000); and that expenditures from this fund may be made by the Board of Public Works for major repairs, but expenditures for equipment replacement shall be subject to Town Meeting Appropriation.</p>				
<b>WELLESLEY FREE LIBRARY</b>				
To the Trustees of the Wellesley Free Library:				
610	Library Trustees	1,545,572	581,181	2,126,753
620	Regional Services (Non-Tax Impact)	156,888	113,112	270,000
<b>LIBRARY TOTAL</b>		<b>1,702,460</b>	<b>694,293</b>	<b>2,396,753</b>
<b>RECREATION</b>				
To the Recreation Commission:				
630	Recreation Commission	271,937	58,400	330,337
<b>RECREATION TOTAL</b>		<b>271,937</b>	<b>58,400</b>	<b>330,337</b>
<b>HEALTH</b>				
To the Board of Health:				
510	Board of Health	336,124	91,338	427,462
523	Mental Health Services	0	213,555	213,555
<b>HEALTH TOTAL</b>		<b>336,124</b>	<b>304,893</b>	<b>641,017</b>

Funding Item		Personal	Expenses	Total
		Services 01	02	Operations
<b>NATURAL RESOURCES</b>				
To the Natural Resources Commission:				
171	Natural Resources Commission	191,056	18,625	209,681
172	Morses Pond	0	160,370	160,370
<b>NATURAL RESOURCES TOTAL</b>		<b>191,056</b>	<b>178,995</b>	<b>370,051</b>
<b>RADIO MASTERBOX</b>				
To the Board of Selectmen:				
492	Radio Master Box	86,275	27,544	113,819
<b>TAX IMPACT TOTAL</b>		<b>86,275</b>	<b>27,544</b>	<b>113,819</b>
<b>NON-SCHOOL TOTAL</b>		<b>19,153,494</b>	<b>7,227,253</b>	<b>26,380,747</b>
<b>WELLESLEY PUBLIC SCHOOLS</b>				
To the School Committee, \$60,104,049 in the aggregate for 01-Personal Services and 02-Expenses. And it is recommended that the sum be allocated as follows:				
320	Instruction	40,864,371	1,450,987	42,315,358
330	Administration	876,313	155,100	1,031,413
340	Operations	2,702,032	2,165,881	4,867,913
	Subtotal	44,442,716	3,771,968	48,214,684
360	Special Tuition/Transportation/Inclusion	5,577,218	6,312,147	11,889,365
<b>SCHOOL TOTAL</b>		<b>50,019,934</b>	<b>10,084,115</b>	<b>60,104,049</b>
<b>EMPLOYEE BENEFITS</b>				
To the following Town boards and officials for the purposes indicated:				
914	Board of Selectmen - Group Insurance	0	14,588,300	14,588,300
919	Board of Selectmen - Other Post Empl. Benefits Liability Fund	0	3,000,000	3,000,000
910	Board of Selectmen - Retirement Contribution	0	2,630,273	2,630,273
912	Board of Selectmen - Workers' Compensation	0	242,627	242,627
913	Board of Selectmen - Unemployment Compensation	0	150,000	150,000
950	Board of Selectmen - Compensated Absences	0	90,000	90,000
911	Contributory Retirement Board - Non-Contributory Pensions	0	30,905	30,905
<b>EMPLOYEE BENEFITS TOTAL</b>		<b>0</b>	<b>20,732,105</b>	<b>20,732,105</b>
And further, that the balance on hand in the Workers' Compensation fund on June 30, 2011 and any interest earnings of the program, are appropriated for expenses related to the Workers' Compensation Program of the Town for Fiscal Year 2012.				
<b>ALL PERSONAL SERVICES &amp; EXPENSES</b>		<b>69,173,428</b>	<b>38,043,473</b>	<b>107,216,901</b>

Funding Item	Personal Services 01	Expenses 02	Total Operations
<b>CAPITAL &amp; DEBT</b>			
To the following Town boards and officials for the purposes indicated:			
<i>Departmental Cash Capital</i>			
400 Board of Public Works - Capital	0	1,397,700	1,397,700
300 School Committee - Capital	0	898,510	898,510
300 School Committee - Facilities Capital	0	127,108	127,108
122 Board of Selectmen - Capital	0	219,974	219,974
192 Facilities Maintenance	0	320,950	320,950
192 Facilities Maintenance - Replenish reserve	0	0	0
610 Library Trustees - Capital	0	34,000	34,000
171 Natural Resources Commission - Capital	0	75,000	75,000
<b>Subtotal - Cash Capital</b>	<b>0</b>	<b>3,073,242</b>	<b>3,073,242</b>
To the Town Treasurer and Collector for:			
700 Current Inside Levy Debt Service - Issued	0	3,186,025	3,186,025
700 New Debt Service - Inside Levy	0	219,800	219,800
700 Current Outside Levy Debt Service -Issued	0	8,836,184	8,836,184
700 New Outside Levy Debt Service - Unissued	0	2,424,510	2,424,510
<b>Subtotal - Maturing Debt &amp; Interest</b>	<b>0</b>	<b>14,666,519</b>	<b>14,666,519</b>
<b>CAPITAL &amp; DEBT TOTAL</b>	<b>0</b>	<b>17,739,761</b>	<b>17,739,761</b>
<b>RECEIPTS RESERVED FOR APPROPRIATION</b>			
To the Board of Selectmen, to be taken from the Parking Meter Receipts Account:			
293 Traffic & Parking Operations	158,791	408,570	567,361
<b>RECEIPTS RESERVED TOTAL</b>	<b>158,791</b>	<b>408,570</b>	<b>567,361</b>
<b>TOTAL APPROPRIATIONS - ARTICLE 8, MOTION 1</b>			<b>\$ 125,524,023</b>

## MOTIONS 1 AND 2

### OVERVIEW OF BUDGET

At the time this Advisory Report is being prepared, three weeks before the opening of Annual Town Meeting (ATM), the budget is under development to a greater degree than is typical. As it stands, the budget shows a deficit of \$2,064,974 between expected sources and budgeted uses of funds. The discussion below corresponds to that work-in-progress budget, inclusive of all motions under this article.

The total FY12 budget request for operations, cash capital, and debt service within the levy limit is \$112,278,048, which is \$5,557,516 or 5.2% over the equivalent FY11 request of \$106,720,532.. The components of the increase are as follows:

	<b><u>Change from FY11 to FY12</u></b>	
Departmental Budgets - Personal Services & Expenses	\$3,505,617	+4.2%
Employee Benefits (less excluded OPEB)	1,920,606	+11.3%
Cash Capital	316,741	+11.5%
Debt Service within Prop 2½ Levy Limit	<u>(185,448)</u>	<u>-5.2%</u>
	\$5,557,516	+5.2%

Within the departmental budgets, 88% of the dollar increase comes from the Schools. Employee benefits are the other major component of the budget increase, fueled by a 7% increase in group insurance and a planned 50% increase in contributions to the Wellesley Contributory Retirement System. (Exclusive of Motion 2, the budget increase is \$5,187,436, or 4.9%)

On the revenue side, shown on the *Sources and Uses* (Exhibit B in TWFP, starting on page 87), the Tax Levy is up 4%, aid from the Commonwealth is expected to decrease by 5%, and Local Revenue is expected to increase 2% through higher RDF revenue. Together, these revenue sources, the ones available to fund the budget under this Article, are up 3.1%, or \$3,319,668. The FY11 to FY12 increase in departmental budgets alone outstrips this revenue growth.

There is one change in the budget structure for FY12 vs. FY11: the way Facilities Maintenance is reported. In FY11, the Facilities Maintenance department was consolidated within Other General Government, with two sub-budgets, one for Schools and one for other Town departments. No Facilities Maintenance costs were included under the School budget. During FY11, the Facilities Maintenance department was again split between the Town and the Schools. The FY12 budget shows Schools Facilities Maintenance within the Operations line of the School Budget, while The Town Facilities Maintenance dollars remain in Other General Government. FY11 numbers have been restated accordingly.

### BUDGET GUIDELINES

The annual budget process started with the presentation of the Town Wide Financial Plan (TWFP) to the ATM in the spring of 2010. In September, before setting its budget guidelines, Advisory reviewed updated TWFP assumptions, such as State Aid and benefit cost increases, which showed little change from those in the spring. Therefore, Advisory decided to maintain the departmental budget guidelines set in the TWFP: 2.5% growth for Schools and 1.5% growth for all other areas, including the Schools portion of Facilities Maintenance, slightly higher than the guidelines for the prior budget cycle. Advisory reasoned that with most collective bargaining agreements open for FY12 and beyond, departments had more budgeting flexibility than in the preceding years. Advisory did raise the cash capital guideline to 1.5% growth, versus the flat assumption in the TWFP. Department budgets within guidelines, coupled with stability in the financial assumptions, would have yielded a balanced budget for FY12

In response to a request from the School Administration, Advisory broke out the Schools' guideline between Special Tuition, Transportation, and Inclusion (STTI) and the rest of the School budget, a step Advisory itself had initiated in the prior budget cycle. The guideline for the non-STTI budget was specified at 1.5%, the same as for other Town Departments, with the remaining dollars of guideline increase supporting a higher increase for STTI.

The table below compares the FY11 assumptions used in the March 2010 TWFP, the budget guidelines issued by the Advisory Committee in September 2010, and the proposed budget as of March 2011. The numbers shown are the percent increase over either the FY11 budget request (for TWFP) or FY11 appropriation (tax rate). Without the high school opening appropriation under Motion 2, the School budget increase would be 4.7%.

	<b>Town Wide Financial Plan March 2010</b>	<b>Projections at time of Advisory FY12 Guidelines September 2010</b>	<b>Proposed FY12 Budget March 2011</b>
<b>Budgeting Assumptions:</b>			
Tax increase (within levy limits)	4.0%	4.0%	4.0%
State Aid	0.0%	0.0%	-4.8%
Local Revenue (incl. LOMT)	0.0%	1.9%	2.0%
Employee Benefits increase	10.7%	10.8%	11.3%
Cash Capital expenditures	0.0%	1.5%	11.5%
School Department increase	2.5%	2.5%	5.4%
Other Town Departments increase	1.5%	1.5%	1.6%

Unfavorable changes in State Aid assumptions and Employee Benefits costs, coupled with above-guideline budgets, have moved the budget from the balanced budget anticipated in the fall to the deficit seen in the current budget.

More detailed information on the Departmental operating budget requests is shown below, and is discussed in the sections that follow. Budgets include any anticipated FY12 costs associated with the future settlement of new contracts with bargaining units and the pay increases for non-union employees as set forth in Article 5. At the time this report is being printed, Advisory is still receiving and analyzing information on the School budget, including information regarding Motion 2, funding for opening the new high school in FY12. Advisory's report on the School operating budget will appear in a supplement to this Report.

<b>Departmental Operating Budgets</b>	<b>FY2011 Tax Rate</b>	<b>FY 2012 Request</b>	<b>% Change</b>
Wellesley Public Schools	57,382,010	60,474,129	5.4%
BOS - Public Safety	10,309,480	10,465,352	1.5%
Department of Public Works	6,178,588	6,270,077	1.5%
Facilities Maintenance - Town	900,681	915,258	1.6%
General Government - Selectmen	3,414,611	3,464,424	1.5%
Wellesley Free Library	2,357,873	2,396,753	1.6%
Other General Government	1,388,549	1,425,659	2.7%
Recreation, Health, Natural Resources, other	1,429,467	1,455,224	1.8%
Sub Total – All Other Departments	25,979,249	26,392,747	1.6%
<b>Total Departmental Operating Budgets</b>	<b>83,361,259</b>	<b>86,866,876</b>	<b>4.21%</b>

Note: Certain Boards, including DPW and Library, have some expenses that are either non-tax impact or are directly offset by revenue. The School Committee applied State and Federal stimulus funds to offset some operating budget expenses in both fiscal 2011 and 2012.

## **CONCLUSION AND RECOMMENDATION ON MOTIONS 1 AND 2**

The FY12 budget for operations, cash capital, and debt service within the levy limit is up more than five percent, and that five percent mostly supports the cost of operating the Town as usual. With some exceptions, such as the increased costs of operating the new high school building, the budget provides the typical taxpayer with no significant increase or decrease in services. Departments have instituted some cost-saving innovations, such the library self-checkout, and the regionalization of Veterans' services, to keep budget increases in check while maintaining services, but on the whole Town services in FY12 will be delivered in much the same way as in recent years.

Although the overall budget is up by 5%, it includes only modest budget increases; well under two percent in most departments, and a total increase of 1.6% across non-school departments. Further, because budgets assume (or in the case of already-settled public safety bargaining units, incorporate) low or no union wage increases in the first contract year, and non-union increases, as recommended by Human Resources (1% to 1.5%), overall personal services expenses for the non-school departments are up only 1.3%, or less than \$250,000.

The budget pressure this year does not come from most departments, nor from inside the levy debt service, which is down. Cash capital spending is over guideline, particularly by those departments that account for most cash capital: Public Works and Schools. But the bulk of the budget increase comes two sources: employment related costs not contained in departmental budgets and the School Department. After benefitting from the switch to Rate Saver plans, group insurance costs are up almost \$1 million dollars this year. The Town is also taking the next planned and responsible step in increasing funding for the existing retirement liability by approximately \$900,000 from the tax-impact budget. While these expenses do not show up on departmental budgets, they are costs of employing people in those departments, now and in the past.

Although total School enrollment is not expected to increase meaningfully in FY12, the budget increase for the schools is well-above Advisory's guideline, and that of other departments. Certain costs associated with mandated Special Tuition Transportation and Inclusion Services (STTI) continue to grow. The \$1.9 million budgeted increase in STTI for FY12 places a heavy

burden on the School budget and that of the Town as a whole. In FY12, direct STTI costs, excluding employee benefits, account for more than 10% of the total Town operations, cash capital and debt service budget.

The non-STTI school budget growth is also over guideline, and the proposed WHS early opening contributes to that overage. In contrast to the low increases in personal services expenses in the non-School budget, the Schools show an increase of 2.6% percent in personal services before the cost of Motion 2, 3.1% inclusive of Motion 2.

In the weeks between preparation of this Report and the start of Town Meeting appropriations under Motion 1 will change. Town boards will examine ways to reduce the gap between revenues and expenses, and propose a means to fund the remaining gap. Updated estimates on State Aid, including circuit breaker reimbursement rates for STTI expenses, should be available in that window.

The appropriation under Motion 2 is also being fine-tuned, as the School Committee gains a better understanding of the incremental costs and benefits of opening the new building mid-year.

**Advisory will make its recommendation on Motions 1 and 2 before or at Town Meeting.**

## GENERAL GOVERNMENT

	FY10 Actual	FY11 Approp.	FY12 Request	FY11-12 Change
<b>Administration</b>				
Executive Director's Office	381,019	390,434	399,488	2.3%
Sustainable Energy	950	25,000	25,033	0.1%
Central Administrative Services, other	87,915	102,614	99,974	-2.6%
Finance Department	339,977	352,099	357,380	1.5%
Network & Information Systems	642,853	654,558	664,120	1.5%
Treasurer & Collector	363,737	370,799	374,114	0.9%
Parking Fines Processing	95,709	101,142	101,565	0.4%
<b>Human Services</b>				
Council on Aging	214,044	253,451	290,340	14.6%
Fair Housing Committee	0	200	200	0.0%
West Suburban Veterans District	52,465	103,186	85,280	-17.4%
Youth Commission	84,437	85,310	88,582	3.8%
<b>Other Services &amp; Committees</b>				
Zoning Board of Appeals	50,781	54,047	54,517	0.9%
<b>Shared Services</b>				
Law	226,293	272,360	272,360	0.00%
Risk Management (Includes Police & Fire)	250,825	312,000	322,000	3.21%
Street Lighting	328,000	328,211	320,271	-2.42%
<b>General Government – Board of Selectmen</b>	<b>3,119,005</b>	<b>3,414,611</b>	<b>3,464,424</b>	<b>1.46%</b>

### 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

### Sustainable Energy

A new position in FY11, the part-time Sustainability Coordinator assists the Sustainable Energy Committee with implementing Town Wide policies regarding energy conservation and efficiency.

### 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.

### 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).

### 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 19 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.

### **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.

### **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 Council on Aging budget increase reflects increased occupancy costs at Wellesley Community Center and additional part time hours to support COA programming..

### **West Suburban Veterans District**

Effective for FY11, Wellesley entered into an inter-municipal agreement with the towns of Needham and Weston to provide Veterans' services. The Veterans' agent and his part-time assistant are employees of the WSVD, although they are paid and receive benefits through the Town of Wellesley. Administrative costs are billed to the member Towns on a prorated basis, based on population. Each town is charged directly for benefits provided to its veterans and receives partial reimbursement from the Commonwealth. The member towns pay an assessment from the Town of Wellesley for accounting and treasury services, and these assessments are reflected in the Finance and Treasurer/Collector's department budgets beginning in 2011. Veterans' benefits have increased significantly because of the overall economy and the reduced budgets of other agencies that had been providing some Veterans' assistance.

### **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 Wellesley Housing Development Corporation, Historical Commission, Historical District Commission, and Celebrations Committee. The Memorial Day Service line has been transferred to Veterans Services. The Fair Housing Committee's expenses are shown separately under Human Services.

## 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. Injured-on-Duty Insurance coverage for Police and Fire Department officers is also included.

## Street Lighting

Beginning in FY11, street lighting expense has been moved from the Department of Public Works budget to the Shared Services within the General Government Services budget. The Selectmen and MLP continue to move forward with a program for retrofitting street lights to reduce energy consumption.

## 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.

	<b>FY10 Actual</b>	<b>FY11 Approp.</b>	<b>FY12 Request</b>	<b>FY11-12 Change</b>
Facilities Maintenance -Town	832,584	900,681	915,258	1.6%
Town Clerk/Election & Registration	252,592	295,078	282,258	-4.3%
Board of Assessors	289,034	311,777	323,161	3.7%
Planning Board	235,418	251,040	253,068	0.8%
Advisory Committee	17,087	22,481	22,782	1.3%
Advisory Reserve Fund	175,000	175,000	175,000	19.0%
Audit Committee	56,250	56,250	56,250	0.0%
Permanent Building Committee	11,192	15,446	15,541	0.6%
Human Resources Board	278,059	282,783	285,599	1.0%
HR Salary adjustments	12,000	12,000	12,000	79.3%
<b>Other General Government</b>	<b>1,975,969</b>	<b>2,289,230</b>	<b>2,340,917</b>	<b>2.3%</b>

The Town Clerk's and Board of Assessors' budgets reflect yearly fluctuations in those departments' expenses. The increase in the Advisory reserve will allow greater flexibility to deal with unforeseen needs, but the reserve is not tapped unless needed.

## Facilities Maintenance (FM) Department

The Facilities Maintenance Department is responsible for the maintenance and upkeep of all Town buildings, excluding buildings managed by the Department of Public Works, the Municipal Light Plant and the School Department. The buildings within the purview of the Facilities Maintenance Department include: Town Hall, the Police Station, the two Fire Stations, the main Library, and the Recreation/Health (Warren) Building. Additionally, the Department, in conjunction with the Permanent Building Committee, manages major capital projects at the two branch libraries. These Town facilities total approximately 300,000 square feet. During FY11 the Department underwent another organizational change as, the School's facilities

management responsibilities were separated from the centralized Town Wide FM department after just two years of the consolidated arrangement. A full discussion of the separate School's Facilities Maintenance budgets appears in the School Department section of Article 8.

Personal Services spending has been controlled tightly from the prior year appropriation by avoiding filling two new approved positions, as the separation of Schools FM precluded the Town Wide utilization and leverage that these new positions were planned to deliver. The operating budget includes the personal services of 2.7 FTE administrative personnel and the existing staff of approximately 8.8 FTE custodial and 1.0 FTE maintenance personnel. Of the custodial staff working in various Town buildings, 2 are union employees.

### *Observations*

The FY12 budget request for Facilities Maintenance continues the gradual ramping of spending on facilities maintenance operations within the Town, in an effort to achieve investment levels adequate to preserve facilities quality and to defer any major costly capital renovation programs over the long-term. Most agree that prior levels of investment have proven inadequate to properly maintain and protect these important Town assets.

Progress has been made to present a budget with carefully prioritized, flexible allocation of custodial and maintenance resources across the Town buildings within the department's scope. Stated objectives for the department in FY 2012 include:

- Flexible deployment of personnel and other resources across the various town buildings;
- Generation and implementation of standard operating procedures
- Rationalized budgeting and purchasing controls

### **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 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.

### **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 FY12 include continued work on the re-codification of the existing Zoning Bylaws, continued implementation and refinement of Large House Review, completion of a Cluster Development Zoning Bylaw study and a study of fees.

### **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.

### **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, building, substation, and service equipment projects of the Municipal Light Plant, and projects for 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 engaged by the PBC to execute projects, as well as costs of the Project Administrator, are included in the relevant project budgets.

### **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.

### **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

	<u>FY10 Actual</u>	<u>FY11 Approp.</u>	<u>FY12 Request</u>	<u>FY11-12 Change</u>
Police Department	5,029,336	5,211,956	5,290,444	1.5%
Special School Police	71,589	99,416	100,903	1.5%
Fire Department	4,386,090	4,501,279	4,568,926	1.5%
Building Department	389,494	400,979	406,619	1.4%
Emergency Medical Services	80,000	80,000	80,000	0.0%
Sealer of Weights and Measures	9,150	15,850	18,460	16.5%
<b>Public Safety</b>	<b><u>9,965,659</u></b>	<b><u>10,225,032</u></b>	<b><u>10,309,480</u></b>	<b>0.8%</b>

### Police Department

The FY11 budget for the Police Department funds positions for a total of 43 sworn personnel, including the Chief, Deputy Chief, three Lieutenants, six Sergeants and 32 Police Officers. The budget also funds 10 civilian dispatchers, an animal control officer, and three clerical employees.

Contracts with the Wellesley Police Superior Officers Association and the Wellesley Police Patrolmen's Association covering FY12 and FY13, with pay increases of 0% and 1% in those years, respectively, were approved at the 2010 ATM. The dispatchers' agreement expires at the end of FY11. Some elements of the new contracts took effect in FY11, including the withdrawal of the Police Department from Civil Service, which should allow The Town to experience greater success in hiring and retaining officers, paving the way for a significant decline in police overtime expenses in the future. Early hiring experience in FY11 was encouraging. A new fixed-dollar education incentive program for department members is now in place, following the end of "Quinn Bill" payments in FY11.

The Police Department anticipates generating approximately \$267,000 in revenue from fines and permit fees in FY12, but is no longer receiving State reimbursement (under the Quinn Bill) for education incentive costs.

### Special School Police

The school crossing guards provide safe passage for school children at busy intersections and thoroughfares. The FY12 provides funds for 17 school crossing guards and one substitute guard, all of which are part-time positions and can be difficult to fill. Currently several positions remain open; police officers are assigned to cover unfilled posts.

### Fire Department

The Fire Department staff of 57 includes 36 Firefighters, 12 Lieutenants, 4 Captains, and a Captain Fire Inspector (working days only). The Fire Chief, two Deputy Fire Chiefs, mechanic and secretary complete the staff. (The second Deputy Chief is only for the period necessary to convert the Town's wide hard wired fire alarm system to a radio based system.) 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.

### 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. Revenues from building permits, and related charges, are an important source of funds for the Town.

### **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.

### **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

	<b>FY10 Actual</b>	<b>FY11 Approp.</b>	<b>FY12 Request</b>	<b>FY11-12 Change</b>
Engineering	464,346	559,113	542,229	-3.0%
Highway	1,455,465	1,388,798	1,405,821	1.2%
Fleet Maintenance	179,855	183,562	185,469	1.0%
Park & Tree	1,170,460	1,265,855	1,284,253	1.5%
Recycling & Disposal Management	1,985,305	2,046,799	2,093,400	2.3%
Management	361,295	385,758	410,202	6.3%
Winter Maintenance	629,703	348,703	348,703	0.0%
	6,246,430	6,178,588	6,270,077	1.5%

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 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 FY12 Budget projects a 1.3% increase in personal services. The increase reflects step increases in existing labor contracts, increases for non-union employees as described in Article 5, and the reclassification of several positions by Human Resources. These increases are offset by a reduction in administrative support staff, made possible by new systems. The budget projects a 2.1% increase in expenses, a result of higher trash disposal costs and slightly higher trash tonnage.

The winter maintenance budget is level funded for FY12. The FY12 budget of \$348,703 is below the four-year average of actual snow removal costs of \$687,183 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 FY11, 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 higher than or equal to funding in the prior year.) In light of this flexibility, which is not available for other expenditures, it has historically been the Town’s position, supported by Advisory, to budget snow removal costs at a level below the average cost of snow removal. However, in light of the fact that the historical

actual snow removal costs have been well in excess of the \$348,703 budgeted level, an increase to this base level for future years beyond FY 12 is currently under evaluation by the DPW and the Board of Selectman.

The DPW projects FY12 RDF revenues of approximately \$603,000, which are a component of Local Revenue. These revenues are returned to the Town and are not reflected in the DPW budget. The DPW budget also includes the projected cost of RDF business opportunities of \$94,378, level funded from the prior year. Revenue from these business opportunities is projected to at least equal the \$94,378 cost. Since FY07, when the program began, RDF business opportunities have generated net revenue each year, for a total of \$263,000 through FY10.

### **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 FY12, the budget assumes that approximately \$836,000 in DPW personal services costs will be funded through other Town 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 FY12 or subsequently.

### **FY12 DPW Program Budget**

Consistent with recent budget reporting practice, the DPW FY12 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 to approve, if necessary, a transfer of 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

	<u>FY10 Actual</u>	<u>FY11 Approp.</u>	<u>FY12 Request</u>	<u>FY11-12 Change</u>
Library Trustees	2,067,165	2,087,873	2,126,753	1.86%
Regional Services – (Non-Tax Impact)	213,059	270,000	270,000	0.0%
	<b><u>2,280,224</u></b>	<b><u>2,301,175</u></b>	<b><u>2,300,932</u></b>	<b>0.9%</b>

### Town Funds (tax-impact) Portion of the Budget

The FY11 Budget is 1.86% higher than the FY10 Budget, and exceeds the Advisory guideline of a 1.5% increase by \$7,500. The Library Trustees initially submitted a budget that met the guideline, but alerted Advisory that such budget failed to meet the Municipal Appropriation Requirement (MAR), which must be satisfied for the WFL to be certified by the Massachusetts Board of Library Commissioners and receive state aid.

The MAR requires that appropriations by the Town for public library services exceed the average of its appropriations for the three preceding fiscal years by at least 2.5%. (The MAR applies only to municipal spending and excludes gifts and grants.) The guideline budget originally submitted by the Library Trustees fell short of the amount required to satisfy the MAR by approximately \$7,500. While the State is authorized to grant waivers from the MAR based on financial hardship, there is no guarantee that a waiver would be granted. A loss of certification would disqualify the WFL for state aid (approximately \$40,000 in FY10), and also jeopardize WFL participation in the Interlibrary Loan Program. Advisory believes that it would be prudent for the Town to spend the \$7,500 rather than risk losing state aid. Accordingly, at the request of Advisory, the Library Trustees submitted a revised budget that included an additional \$7,500 in spending. The majority of the additional funds (\$4,750) will be spent on five hours per week of a website editor. There is currently no staff person charged with maintaining the website, and as website traffic has continued to increase the need for a website editor has become apparent.

With a few exceptions, the FY12 budget is a level service budget. The exceptions include (i) a 4% increase in spending on Sunday openings, which are very popular but require the payment of time and half under the current collective bargaining agreement, and (ii) a 5% increase in spending on technology, to provide for 5 hours per week of a Technology Assistant to address the growing demand for new and more sophisticated technology services. The budget also assumes an increase in reference librarian hours in the Children's Room. However, much of this increase is being provided through a reallocation of funds made available through the retirement in FY11 of the Children's Services Supervisor.

While circulation continues to increase, the Library Trustees hope to accommodate increased volume without an increase in staff by reallocating staff hours freed up through the FY11 introduction of the Radio Frequency ID (RFID) system. RFID allows self-checkout and more efficient checking in of materials; its introduction has been very successful with the number of self-check outs now exceeding traditional checkouts. The RFID system was purchased with the balance remaining in the WFL Building Fund, which has been extinguished.

### **Regional Funding for Interlibrary Loan Services (non-tax impact)**

The Interlibrary Loan (“ILL”) program allows library patrons throughout Massachusetts to request materials that are available only through out-of-network libraries. For more than forty years, the WFL has provided ILL services to patrons of the MetroWest region through a contract with the regional office of the Board of Library Commissioners. Under the ILL contract, the State is responsible for paying 100% of the direct costs incurred by the WFL in providing ILL services. These include the salary and benefit costs of the four WFL employees dedicated to providing ILL Services, as well as postage, telephone, equipment and other expenses. Therefore, the ILL Contract has no tax impact. The estimated expense of providing ILL services is set forth above. Because the State provides funds to the WFL in advance, no appropriation of Town funds will be necessary to fund the ILL contract.

### **Branches**

The WFL Trustees operate the Fells and Hills branches with private funding. The operating costs associated with the branches are not included in the budget numbers shown above, and do not have a tax impact. The WFL Trustees and the Board of Selectman have recently reached agreement regarding the funding of certain capital improvements at the branches. See the discussion under Article 26.

### **Other Funding**

While the Town budget covers core library services, the Library Trustees rely on a number of outside funding sources to enhance the resources available through the WFL. In FY10, approximately 86.3% of the \$2,395,325 spent to operate the Main Library was provided by the Town, down from the prior year’s 87.7%. State grants provided 1.6% of the funds and various sources of private funding provided the remaining 12.2%. In FY09, the Library Trustees established the Wellesley Free Library Foundation to serve as the main supporting organization of the WFL, which, along with The Friends of the Wellesley Free Libraries and The Centennial Fund, encourages private philanthropy to support the WFL. The WFL is also the beneficiary of several trusts, most directed toward specific uses, and other gifts. Together, these sources of private funding pay for library programs, enhancements to the collection, and other enriched library resources that are not covered in the Town budget.

In FY10, the WFL returned \$75,024.26 in overdue fines to the Town, similar to the levels of the preceding two years. In FY11, the WFL has increased the fines on some materials.

## OTHER COMMISSIONS AND BOARDS

<b>Other Commissions &amp; Boards</b>	<b>FY10 Actual</b>	<b>FY11 Approp.</b>	<b>FY12 Request</b>	<b>FY11-12 Change</b>
Recreation Commission	314,949	328,420	330,337	0.6%
Board of Health (BOH)	396,080	422,130	427,462	1.3%
BOH – Mental Health Services	207,316	210,399	213,555	1.5%
Natural Resources Commission (NRC)	193,159	196,011	209,681	7.0%
Morses Pond Project (NRC,DPW,Rec.)	160,370	160,370	160,370	0.0%
Radio Masterbox Project	94,791	112,137	113,819	1.5%

The NRC budget includes increased hours for a part-time position.

### Recreation Commission

The Recreation Commission's 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 the recently formed Fuller Brook Park Coordinating Committee.

### 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.

### Radio Masterbox Project

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 Town is in the process of switching to a new Master Fire Box, which eliminates the residential fire alarm call-boxes and transitions the master box system to a new radio-based technology. Institutional and commercial users of the fire alarm system pay a fee for the service; town buildings are connected to the alarm system without charge.

## WELLESLEY PUBLIC SCHOOLS

Advisory's report on the School operating budget will appear in a supplement to this Report. At the time this Report is being printed, Advisory has not received all of the information it has requested from the School Administration. Advisory began requesting this information after the presentation of the School budget on December 7, 2010.

### EMPLOYEE BENEFITS

	<b>FY10 Actual</b>	<b>FY11 Approp.</b>	<b>FY12 Request</b>	<b>FY11-12 Change</b>
Group Insurance	13,543,200	13,633,918	14,588,300	7.0%
OPEB Liability Funding	3,000,000	3,000,000	3,000,000	0.0%
Retirement Contribution	866,000	1,732,000	2,630,273	51.9%
Workers' Compensation	225,438	225,363	242,627	7.7%
Unemployment Compensation	138,443	100,000	150,000	50.0%
Compensated Absences	24,240	90,000	90,000	0.0%
Non-Contributory Pensions	34,350	30,218	30,905	2.3%
	<b>17,793,228</b>	<b>18,811,499</b>	<b>20,732,105</b>	<b>10.2%</b>

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, Wellesley, and many other 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 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 (whether benefited or not). The Executive Director and the Finance Department have, for the second time, developed a "fully allocated" budget view for the upcoming fiscal year, which presents a more comprehensive view of each department's total operating costs, including the costs of Employee Benefits for both past (withdrawn or retired) and present (active) employees. This data is presented in the Board of Selectmen's Town Wide Financial Plan.

#### Group Insurance

The Group Insurance budget covers the Town's share of FY12 health insurance premiums for active and retired employees. 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.

The Group Health Insurance cost, which constitutes the major portion of this budget category, is driven by insurance rates, as the Town's employee base is growing fairly slowly and there has not been a marked change in participation rates. The Town has made the shift to the more economical Rate Saver plans, but high rate increases continue; Group Dental insurance expenses have also increased significantly in recent years

### **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, like other municipalities, funded retiree health care costs entirely on a pay-as-you-go basis until FY06, the Town has a large unfunded liability for benefits earned during prior years. This \$3 million appropriation reduces that unfunded liability, which at the start of FY11 was approximately \$114 million. 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**

Until FY10, the Town had not made contributions to this account for more than a decade because the WCRS had been fully funded and annual investment earnings were more than sufficient to cover the annual "net normal cost" to the Town. Following the severe downturn in global financial markets that began during FY08 the Retirement Board made the prudent decision to resume contributions to the system during FY10. The Board requested \$1,000,000 in funding for FY10, and \$2,000,000 for FY11. Despite the recovery in global financial markets since the downturn, a large unfunded accrued pension liability exists, necessitating a \$3,000,000 contribution for FY12, and higher contributions in future years to amortize the liability in addition to paying the yearly normal cost. The MLP, Water, Sewer, and the Wellesley Housing Authority each contribute their individual percentage shares of the pension costs, resulting in the net request from the Town for FY12 of 2,630,273.

### **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. The increase in FY12 funding comes after two years of lower funding and is required because of lower interest rates earned on the fund balance.

### **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.

### **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 of 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 Town boards and departments. As the table below indicates, however, this percentage has declined recently, and in FY12 is projected to remain well below 7% for the third year in a row. This lower level of spending in part reflects the pressures on cash capital spending, in favor of funding operating budgets, that has existed during the economic downturn. But it also reflects, in part, the Town's relatively rapid pay-down of principal, which produces declining interest expense over time, and the limited new inside-the-levy capital borrowings undertaken in recent years, as more capital projects have been funded with excluded debt. Debt service on existing inside-the-levy debt is projected to decline by \$305,248 in FY12, with new inside the levy debt service of \$219,800, reflecting the three DPW capital projects to be funded with inside the levy debt and the Town Hall HVAC project that are the subject of Articles before this Town Meeting.

When the growing debt service outside the levy limit is included, however, total capital costs continue to rise rapidly, both in absolute dollars and relative to aggregate revenue sources (Taxes and Current Revenues). For FY12, outside-the-levy debt service will make up 10% of total taxes, up considerably from the level of five years ago. Much of this borrowing has been associated with school projects, especially the new High School project. Outside-the-levy debt service will require an additional appropriation of \$1,573,000 in FY12.

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

	FY07	FY08	FY09	FY10	FY11	FY12
Cash Capital	2,399	2,943	2,826	2,787	2,757	3,073
As % of Inside Levy Taxes plus Current Revenue*	2.6%	2.6%	2.8%	2.7%	2.6%	2.8%
Inside Levy Debt Service	4,033	4,010	4,120	3,639	3,591	3,406
as % of Inside Levy Taxes plus Current Revenue	4.4%	4.2%	4.0%	3.6%	3.3%	3.1%
Cash Capital + Inside Debt as % of Inside Levy Taxes plus Current Revenue	7.0%	6.8%	6.8%	6.3%	5.9%	5.8%
Outside Levy Debt Service	4,473	4,413	5,687	7,200	9,688	11,261
as % of Total Taxes plus Current Revenue	4.7%	4.4%	5.6%	6.3%	8.2%	9.1%
Total Debt Service	8,506	8,423	9,807	10,839	13,279	14,667
as % of Total Taxes plus Current Revenue	8.9%	8.4%	9.0%	9.6%	11.2%	11.9%
Total Capital Costs	10,905	11,366	12,633	13,626	16,036	17,740
as % of Total Taxes plus Current Revenue	11.4%	11.3%	11.6%	12.1%	13.5%	14.3%
Inside Levy Taxes plus Current Revenue	92,133	96,569	101,802	103,815	107,978	111,297
Total Taxes plus Current Revenue	95,927	100,312	108,653	112,119	118,732	123,736

## Departmental Cash Capital

	<b>FY10 Actual</b>	<b>FY11 Approp.</b>	<b>FY12 Request</b>	<b>FY11-12 Change</b>
Public Works Capital	1,358,500	1,300,000	1,397,700	7.5%
School Capital	687,876	569,714	898,510	57.7%
School Facilities Capital	207,300	243,747	127,108	-47.9%
Selectmen Capital	182,234	216,975	219,974	1.4%
Facilities reserve fund	200,000	0	0	0.0%
(Town) Facilities Capital	215,000	290,850	320,950	10.3%
Library Capital	36,500	34,215	34,000	-0.6%
NRC Capital	50,000	50,500	75,000	48.5%
Morses Pond Capital	0	50,500	0	-100.0%
<b>Departmental Cash Capital</b>	<b>2,937,410</b>	<b>2,756,501</b>	<b>3,073,242</b>	<b>11.5%</b>

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.

The Advisory guideline for FY12 cash capital, issued in September 2010, was for an increase in aggregate departmental cash capital requests no greater than 1.5% over FY11 levels. The cash capital requests exceed that guideline, with most of the increase coming from school capital.

A detailed breakout of Capital spending by department can be found in the Report of the Board of Selectmen on the Five Year Capital Budgeting Program, included as an attachment to this report. Another appendix provides more detail on School Department cash capital. A discussion of Town Wide Facilities Maintenance Capital Spending strategy follows

### Advisory Observations on Town Wide Facilities Maintenance Capital Spending

The Town continues to address Facilities Maintenance underinvestment from prior years, with plans to gradually increase funding in this critical area. To be successful in this effort the Town must define a potential source of funds, as well as a management process overseeing the increases in Facilities Maintenance. Three key departments drive Facilities Maintenance spending on key capital assets, the School Department, Facilities Maintenance Department and the Department of Public Works.

The Board of Selectmen is working to develop long-term target levels of maintenance spending for the Town (operating and capital) and has developed a strategy for the funding source. The BOS is confident that the strategy of preserving the "run off" of inside-the-levy debt service spending, as the outstanding principal declines and interest expense falls, is a viable approach to such funding. Further, Advisory supports this creative strategy to address long-term maintenance for the Town's key capital assets, namely school buildings, other Town buildings, and DPW-maintained infrastructure. It is the view of Advisory that the approach should include an allocation method for future incremental Cash Capital over the three responsible Town

departments, coordinated centrally under the supervision of the BOS. Yet Advisory also believes that the responsibility for execution of the specified (and approved) projects must reside within the departments themselves.

To that end, Advisory suggests consideration of a process to manage the additional Cash Capital funding. One such example follows here:

1. On an annual basis, as part of the TWFP, the BOS will quantify the “run-off” portion of the budget made available by retired debt principal for the full horizon of the TWFP. The Town’s Executive Director will hold discussions among the three departments to make initial long-term allocations of available FM funds to Schools, Town Buildings and the DPW, for use in the TWFP projections.
2. During each annual budgeting process, the additional funds would be more precisely quantified for the coming year and would be made available to the departments for use above any Advisory Guidelines issued for that budget year. These incremental funds would be dedicated to Facilities Maintenance projects only.
3. For the new budget year, the three departments would identify Cash Capital Facilities Maintenance projects which fit within the new incremental funding amount.
4. As part of the annual budget cycle, the BOS would administer a collaborative process to discuss the use of these incremental funds for specific projects proposed by the departments for the coming year. The BOS responsibilities through this process would include:
  - a. Comparison of the departments’ project plans to assure that the relative priority of the projects across the three departments was appropriate to meet the Town’s overall objectives.
  - b. Possible re-allocation of the incremental FM funding to better fit the Town’s relative priorities for the coming fiscal year.
5. To assure proper financial control over this new source of incremental funding for Facilities Maintenance, and that monies are used as intended (Facilities Maintenance or DPW projects only) the BOS, through the Town’s Executive Director will administer a quarterly project review process for the three departments. The reviews would be comprised of summary level updates on the current FM projects, including status of project implementation against estimated timelines, and status of actual spending levels relative to budgeted amounts. The reviews would also include discussion of any need for project re-prioritization that the departments encounter as new requirements emerge over the fiscal year.

We believe such a process will assure efficient and targeted use of the additional Facilities Maintenance investments and will allow for a balanced and informed priority setting process on a Town Wide basis.

**DEBT SERVICE**

This budget provides funds to pay the FY11 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.

**DEBT SERVICE  
Inside the Levy**

	<b>FY11 Tax Rate</b>	<b>FY12 Request</b>
Debt Service on Existing Debt	3,491,273	3,186,025
Projected New Debt Service	100,000	219,800
<b>Total Inside Levy Debt Service</b>	<b>3,591,273</b>	<b>3,405,825</b>

**Outside the Levy**

	<b>FY11 Tax Rate</b>	<b>FY12 Request</b>
Debt Service on Existing Debt	9,688,097	8,836,184
Projected New Debt Service	0	2,424,510
<b>Total Outside Levy Debt Service</b>	<b>9,688,097</b>	<b>11,260,694</b>

New inside the levy debt is associated with motions under Articles 20, 21,22, and 23 of this Town Meeting. New outside the levy debt represents continued borrowing to fund the High School project.

**RECEIPTS RESERVED FOR APPROPRIATIONS**

***Traffic and Parking***

	<b>FY10 Actual</b>	<b>FY11 Approp.</b>	<b>FY12 Request</b>	<b>FY11-12 Change</b>
Traffic & Parking Operations	430,136	520,386	567,361	9.0%
<b><i>Traffic and Parking</i></b>	<b>430,136</b>	<b>520,386</b>	<b>567,361</b>	<b>9.0%</b>

Funds for various Traffic and Parking expenditures are provided by parking meter receipts, which are deposited into the Town Traffic and Parking Fund. 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 in addition to one-half of an administrator.

### **MOTION 3**

This motion authorizes the Town to accept a \$1 million payment from the Municipal Light Plant (MLP) in FY12, as approved by the MLP Board. The Board of Assessors must receive annual authorization to incorporate these funds from the MLP into the tax rate; favorable action on this motion provides the required authorization for FY12.

In the past, this motion has appeared as a separate Article. Annual passage of this Article permits the Town's taxpayers to continue receiving the benefit of their ownership of the MLP. The \$1 million payment to the Town incorporated into the FY12 budget is at the same level it has been for the past nine years. This contribution is higher than that of other similarly-sized, municipally-owned light plants in Massachusetts (in both dollars and as a percent of revenues.)

**Advisory will make its recommendation at or before Town Meeting**

**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. Each year, the Board of Selectmen reviews the Town Clerk's salary and makes a recommendation to Town Meeting for an appropriate merit increase for the next fiscal year. They take into consideration any adjustments made to the Series 50 salary ranges under Article 5 as well as other factors. For FY12, the Human Resources Board has recommended a salary increase of 1% for employees in this classification. The Town Clerk's present salary is \$76,178. The Board of Selectmen recommends a 1% increase, to \$76,940, for FY12.

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

**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 ratepayers and other sources and cash on hand as of June 30, 2011, for payment of the MLP operating and capital expenditures in FY12.

### Overview

The 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 8,950 residential customers and 1,150 commercial customers in 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 portion of its income by providing services to other Towns, notably Devens, MA. The MLP's principal expense is the purchase of electricity which the MLP resells to customers. The MLP also owns and is responsible for the maintenance and improvement of the electric distribution system in the Town.

### Revenues

The MLP projects FY12 operating revenue to be \$32.5 million, an increase of \$.2 million (0.6%) over the FY11 budget. The projected increase in revenue is attributable to a projected growth in electricity usage. The MLP's electric rates however are expected to remain among the lowest in the area.

### Operating Expenses

The MLP projects FY12 operating expenses of \$29.8 million, a decrease of \$.8 million (2.6%) over the FY11 budget. Shown in the following table are the principal categories of MLP operating expenses for FY08 to FY12:

<b>Operating Expense</b>	<b>FY08 Actual</b>	<b>FY09 Actual</b>	<b>FY10 Actual</b>	<b>FY11 Approp</b>	<b>FY12 Projected</b>
Administrative & General	\$546,757	\$602,171	\$520,591	\$582,384	\$614,000
Purchased Power	22,721,182	25,081,019	23,039,127	22,639,235	21,144,300
Transmission	1,714,642	2,178,013	3,081,757	3,337,610	3,885,200
Distribution	913,457	951,816	1,032,052	1,003,354	1,005,000
Customer Service	378,574	417,398	457,647	546,335	551,000
Depreciation	2,247,610	2,182,301	2,419,946	2,497,600	2,634,300
<b>Total Operating Expense</b>	<b>\$28,522,222</b>	<b>\$31,412,718</b>	<b>\$30,551,120</b>	<b>\$30,606,518</b>	<b>\$29,833,800</b>

In addition to the operating expenses outlined above, the MLP's net income will continue to be used to fund the \$1.0 million payment made to the Town (see Article 8).

From FY08 through FY12 the MLP's operating expenses are projected to increase by \$1.3 million (reference table above). This averages to an annual increase of less than 1% for this five-year period. The MLP has been able to contain costs primarily as a result of establishing a

layered and staggered energy portfolio that is expected to reduce purchased power costs by \$1.6 million. This structured portfolio has allowed the MLP to replace existing tranches with lower cost blocks of energy by taking advantage of lower natural gas prices and the additional supply created by a downturn in the economy. Purchased power savings, however, have been more than offset by the \$2.2 million increase in transmission costs. The MLP has attempted to reduce transmission costs by unifying other public power systems in New England and opposing various projects/rates at ISO-New England and the Federal Energy Regulatory Commission. Despite the MLP's intervention, transmission costs will more than double from FY08 to FY12.

The MLP continues to successfully manage its "delivery expenses" within the distribution, customer service and general & administrative categories. Similar to FY11, the MLP's FY12 budget includes \$90,000 to promote energy conservation in support of the Town's goal of reducing energy consumption by 10% by 2013. The MLP has reduced its day-to-day delivery costs but has experienced cost increases beyond its control. These include increased costs for health insurance and pension-related funding requirements.

### Capital Expenditures

The FY12 MLP capital budget is \$3.5 million as follows:

<u>Capital Budget</u>	<u>FY11</u>	<u>FY12</u>
System Improvements	\$1,174,514	\$1,687,472
Replace G & W Switches	165,205	183,778
Replace Poles	125,765	140,885
Upgrade Transformers	228,809	273,490
Additional Overhead	118,250	123,750
Additional Underground	143,250	148,750
Building Facility	2,000,000	-0-
<b>Subtotal Distribution Upgrades</b>	<b>\$3,955,793</b>	<b>\$2,558,125</b>
Customer-Related Work	353,000	337,500
Provide 400/600 AMP Service	250,200	224,800
Replace Vehicles	250,000	233,000
Maintain General Plant	49,000	49,000
Improve Technology and GIS	40,000	40,000
Replace Street Lights	59,320	64,600
60 kW Portable Generator	-0-	30,000
<b>Subtotal Other Capital Projects</b>	<b>\$1,001,250</b>	<b>\$978,900</b>
<b>Total Capital Budget</b>	<b>\$4,957,313</b>	<b>\$3,537,025</b>

The MLP's FY12 capital budget is \$1.4 million below FY11 due to the completion of the administrative building addition. The MLP's FY12 capital plan includes \$2.6 million in proactive upgrades of the distribution infrastructure. These investments allow the MLP to provide Town residents and businesses with more reliable electric service. The remainder of the capital budget is allocated for: customer-related work (\$562,300); vehicle replacement (\$233,000); and miscellaneous expenditures (\$183,600) such as streetlights, general plant, technological improvements and a portable generator. All of these capital projects will be paid from the MLP's operating profits and existing cash reserves.

### Outlook

The MLP manages its financial position to maintain its Standard & Poor's "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.

The MLP has continued to aggressively upgrade its distribution system without any borrowing. Once the building addition is completed the MLP will have net plant assets of \$55.0 million with no debt. Equally important, based on the latest Five-Year Financial Forecast ("Forecast") the MLP does not anticipate any major capital projects until FY15. The overall good condition of the distribution infrastructure along with a power supply portfolio that is more than 80% hedged from FY11 - FY13 and more than 40% hedged for FY14 and FY15 should allow the MLP to operate without major rate increases. The MLP's Forecast is projecting that future transmission increases will be offset by a continued reduction in energy and capacity costs. Based on these projections, Wellesley electric rates should remain among the lowest in New England.

**Advisory recommends favorable action, 13 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 (Water Fund) FY12 receipts and cash on hand as of June 30, 2011, for payment of the Water Division operating and capital expenditures in FY12, provided that the total amount of expenditures in FY12 shall not exceed \$7,514,636.

### **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 Water 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 that 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 FY12 are projected to be \$1.4 million. Interest earned goes to the Town's General Fund.

### **FY12 Operating Budget**

The following table shows the Water Fund's anticipated sources and uses of funds for FY12. The Water Fund's receipts in FY12 from rate-payers are projected to be \$5.68 million. This revenue is based on an estimated annual usage of 1.117 million CCF (or 835 million gallons) of water. The BPW has not yet set water rates for 2012; the projected revenue assumes a 5% increase effective July 1, 2011.

Operating expenses in FY12 are projected to be \$4,459,000, which is an increase of \$299,000 compared to the FY11 budget. Personal service costs are projected to be \$1,572,000, an increase of \$32,000, or 2.1%. The cost for MWRA water is expected to increase by \$158,490 over actual FY11 charges, based on higher water usage from that source. Other expenses are

expected to decrease by approximately \$9,000. Other (non-operating) charges are projected to decrease by approximately \$14,300 from FY11 actual charges, or 1.4%, due to decreased interest expense associated with the water treatment plants, partially offset by increased depreciation expense now that the new building is on the depreciation schedule. Overall, total expenses are projected to be \$5,439,550, an increase of 3.2% relative to FY11.

<b>Water Enterprise Fund</b>	<b>FY11 Plan</b>	<b>FY12 Plan</b>	<b>Change</b>
<b>Sources</b>			
Water Fund Receipts			
Water Charges	5,466,211	5,683,262	217,051
Other Charges	-	-	-
Subtotal - Operating Revenues	5,466,211	5,683,262	217,051
Other Cash Sources			
Depreciation	855,100	946,000	90,900
Non-Operating Income	220,000	220,000	-
Changes in Accts Receivable, Accts Payable, etc.	-	-	-
Interest Received	5,000	5,000	-
Contribution in Aid of Construction	40,000	40,000	-
Loan Proceeds	-	200,000	200,000
Rate Stabilization	265,629	93,716	(171,913)
Contingency - From Available Cash	322,259	326,658	4,399
Subtotal - Other Cash Sources	1,707,988	1,831,374	123,386
<b>Total Sources</b>	<b>7,174,199</b>	<b>7,514,636</b>	<b>340,437</b>
<b>Uses</b>			
Operating Expenses	4,159,992	4,458,867	298,875
Non-Operating Expenses (Depreciation & Interest)	931,520	980,683	49,163
Other Non-Operating Expenses (House Service Connections)	220,000	220,000	-
Capital Expenses & Debt Obligations			
Capital Outlay	770,000	758,000	(12,000)
Expenditures of Contrib. in Aid of Construction	40,000	40,000	-
Debt (Principal)	730,428	730,428	-
Subtotal - Capital & Debt	1,540,428	1,528,428	(12,000)
Contingency	322,259	326,658	4,399
<b>Total Uses</b>	<b>7,174,199</b>	<b>7,514,636</b>	<b>340,437</b>

### **FY12 Projected Capital Budget**

The Board of Public Works projects capital expenditures of \$758,000 in FY12, a \$387,000, or 33.8% decrease relative to the FY11 budget. The FY12 capital program includes \$180,000 for water supply improvements; \$150,000 for distribution system improvements; \$50,000 for hydrants; \$20,000 for meter maintenance; \$148,000 for building and equipment maintenance and replacement; \$10,000 for the GIS system, and \$200,000 for contingency pending final negotiations on the Water/Sewer building project.

### **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 a number of 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, 13 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 (Sewer Fund) FY12 receipts and cash on hand as of June 30, 2011, for payment of the Sewer Division operating and capital expenditures in FY12, provided that the total amount of expenditures in FY12 shall not exceed \$8,864,076.

**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 Sewer 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.

**FY12 Budget**

The following table shows the Sewer Division's anticipated sources and uses of funds for FY12. As shown, the Sewer Fund's receipts in FY12 are projected to be \$7,345,008. This includes an assumed rate increase of 16% as of July 1, 2011 that has not yet been approved by the BPW. The anticipated increase is primarily driven by the increase in estimated in MWRA charges from FY11 to FY12.

<b>Sewer Enterprise Fund</b>	<b>FY11</b>	<b>FY12</b>	<b>Change</b>
<b>Sources</b>			
Sewer Fund Receipts			
Sewer Charges	6,207,332	6,835,008	627,676
Wellesley College	455,000	480,000	25,000
Other Charges	30,000	30,000	-
Subtotal - Operating Revenues	6,692,332	7,345,008	652,676
Other Cash Sources			
Depreciation	337,700	420,000	82,300
Non-Operating Income	50,000	50,000	-
Interest Received	10,000	10,000	-
Contribution in Aid of Construction	5,000	5,000	-
Grant Proceeds	110,455	110,455	-
Loan Proceeds	135,000	335,000	200,000
Rate Stabilization	163,813	95,242	(68,571)
Contingency - From Available Cash	333,852	493,371	159,519
Subtotal - Other Sources of Cash	1,145,820	1,519,068	373,248
<b>Total Sources</b>	<b>7,838,152</b>	<b>8,864,076</b>	<b>1,025,924</b>

<b>Sewer Enterprise Fund</b>	<b>FY11</b>	<b>FY12</b>	<b>Change</b>
<b>Uses</b>			
Operating Expenses - Non MWRA	1,238,834	1,287,071	48,237
Operating Expenses - MWRA Charges	4,799,784	5,405,000	605,216
	<u>6,038,618</u>	<u>6,692,071</u>	<u>653,453</u>
Non-Operating Expenses (Depreciation & Interest)	429,200	507,188	77,988
Other Non-Operating Expenses (House Service Connections)	50,000	50,000	-
Capital Expenses & Debt Obligations			
Capital Outlay	655,000	760,000	105,000
Expenditures of Contrib. in Aid of Construction	5,000	5,000	-
Debt (Principal)	326,482	356,446	(29,964)
Subtotal - Capital & Debt	<u>986,482</u>	<u>1,121,446</u>	<u>134,964</u>
Contingency	<u>333,852</u>	<u>493,371</u>	<u>159,519</u>
<b>Total Uses</b>	<b><u>7,838,152</u></b>	<b><u>8,864,076</u></b>	<b><u>1,025,924</u></b>

Operating expenses in FY12 are projected to be \$6,692,071, an increase of \$653,453 or 10.8% from FY11. This increase is driven primarily by an increase in MWRA charges of approximately \$605,216 or 12.6% increase from the prior year charge. Non-MWRA operating costs increased \$48,237 or 3.9%, due to increases in personal services, health insurance and pension costs.

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 \$507,188, an increase of 18%. The increase reflects the increase in depreciation for the new Water/Sewer building.

### **Capital Budget**

Capital outlays for FY12 are projected to be \$760,000, an increase of \$105,000 or 16% from FY11. The FY12 capital program includes \$450,000 for rehabilitation of sewer mains; \$25,000 for ejector station improvements, \$75,000 for building maintenance and equipment replacement, \$10,000 for the GIS system, and \$200,000 for contingency pending final negotiations on the Water/Sewer building project.

### **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, 13 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 including a new revolving fund for Wetlands Consultant fees; 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 without any expense to the Town.

**MOTION 1**

This motion reauthorizes existing revolving funds. Responsibility for directing expenditures from the Branch Maintenance fund would be transferred to the Board of Selectmen from the Library Trustees, and the annual authorized expenditure limit increased from \$25,000 to \$75,000 to fund work proposed under Article 26. The authorized expenditure limit for the Street Opening Maintenance fund has increased from \$150,000 to \$200,000 and the Recreation Summertime Revenues from \$30,000 to \$35,000, reflecting higher levels of activity in those funds. The names and amounts of funds requiring 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 \$200,000;

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 \$104,000;

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 \$35,000;

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

Library Room Rental, said funds to be expended under the direction of the Library Trustees, annual expenditures not to exceed \$20,000;

Branch Library Maintenance, said funds to be expended under the direction of the Board of Selectmen, annual expenditures not to exceed \$75,000; and

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

Expenditures are paid from cash receipts collected from outside sources specifically for the purposes designated and without any expense to the Town. Advisory continues to support the management of these programs through revolving funds, as approved in 2006 and subsequent Town Meetings.

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

## **MOTION 2**

This motion authorizes a new revolving fund, the Tree Bank, for the following purpose:

Tree Bank, said funds to be expended under the direction of the Department of Public Works, annual expenditures not to exceed \$75,000.

Receipts for the fund would come from fees associated with the Tree Protection and Preservation Bylaw if enacted under Article 34. Expenditures from the fund would be used for buying, planting and maintaining trees in Town.

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

## **MOTION 3**

This motion authorizes a new revolving fund, the Turf Field Fund, for the following purpose:

Turf Field Fund, said funds to be expended under the direction of the Department of Public Works, annual expenditures not to exceed \$25,000;

The Recreation Department levies a \$15 per participant Field Use Charge on organized sports groups that use the Town playing fields. These funds are placed in the DPW Field Use Revolving Fund and are used for field maintenance under the direction of the Board of Public Works.

Since July 1, 2008, \$5 of each \$15 Field Use Charge has been set aside within the DPW Field Use fund to build a Turf Field Fund to be used to replace the artificial turf carpet at the end of its lifespan in several years and to pay for extraordinary repairs that might occur.

Because there has been only a single DPW Field Use revolving fund, holding two theoretical balances, it has been challenging to keep the balances separate especially at the year-end close when Revolving Fund account balances are rolled forward. The Town's Finance Director suggested that a new, separate Turf Field revolving fund be established to simplify the accounting. Once the *Turf Field Fund* is approved by Town Meeting, the portion of the funds in the *DPW Field Use* revolving fund that are designated for the Turf Field will be transferred to the new Turf Field Fund.

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

**ARTICLE 15.** To see if the Town will vote pursuant to Chapter 40, Sections 5A and/or 5B to appropriate to the Town's reserve fund and/or to create a special purpose municipal stabilization fund for the purpose of reserving money to pay any unanticipated costs of the Wellesley Public Schools for Special Tuition and Transportation; to raise and appropriate, or otherwise provide, including transfer from available funds, a sum of money for the purpose; or take any other action relative thereto.

**(Board of Selectmen)**

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

## **APPROPRIATIONS – SPECIAL CAPITAL PROJECTS**

**ARTICLE 16.** To act on the report of the Community Preservation Committee on the fiscal year 2012 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; and further, to see if the Town will vote to authorize the Fuller Brook Park Coordinating Committee to implement the next phase of the Fuller Brook Restoration Project including the responsibility to receive and expend appropriations for the same; or take any other action relative thereto.

**(Community Preservation Committee)**

This Article seeks approval of the appropriations from the Community Preservation Fund recommended by the Community Preservation Committee (CPC) as described in the *Report of the Community Preservation Committee* on page 103. Please refer to the CPC Report for a more complete understanding of the Community Preservation Act and the proposals CPC recommends for approval.

The CPC requests that \$450,000 be appropriated for a grant to the Wellesley Housing Development Corporation. In addition, CPC requests \$60,000 in administrative funds, for total appropriations from the Community Preservation Fund of \$510,000.

Favorable action under this Article would have no tax impact but would reduce the balance in the Community Preservation Fund available for future projects. The available fund balance, prior to any appropriations recommended in this Article, is projected to be approximately 6,275,000 as of June 30, 2011.

### **MOTION 1 – Administrative Expenses and Appropriations to Reserves**

- 1. Administrative Expenses.** The CPA permits the appropriation of up to 5% of estimated annual revenues in the Community Preservation Fund for administrative purposes. The CPC has requested an appropriation of \$57,500 for this purpose. The CPC uses a portion of these funds for consultants and other support to better define, shape, and analyze potential projects. Any funds that are not expended in any fiscal year are returned to the Community Preservation Fund.
- 2. Appropriations to Designated Reserves.** The CPA requires the Town, in each fiscal year, to appropriate or reserve for future appropriations a minimum of 10% of the estimated annual revenues in the Community Preservation Fund for each of three designated

purposes: Historic Resources, Open Space (excluding Recreation) and Community Housing. Based on the estimated FY11 annual revenues, the CPC has requested that \$120,000 from the Community Preservation Fund be reserved for each of these three purposes.

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

### **MOTION 2 – Grant to Wellesley Housing Development Corporation**

The CPC recommends that \$450,000 be appropriated from the Community Preservation Fund as an equity grant to the Wellesley Housing Development Corporation (WHDC). This appropriation would bring the WHDC's reserve to approximately \$635,100, sufficient funds to repurchase existing affordability-restricted units and/or to buy, and if necessary renovate, additional affordable housing units.

The WHDC is a nonprofit housing corporation that was created by a special act of the Massachusetts legislature and is appointed by, and subject to the supervision of, the Board of Selectmen. The mission of the WHDC is to investigate and implement alternatives for the provision of affordable housing in the Town.

At the beginning of FY11, the WHDC had a reserve of \$850,000 built up through CPC appropriations approved by the 2006, 2009 and 2010 ATMs in the amounts of \$125,000, \$350,000, and \$375,000, respectively. During FY11, the WHDC spent a total of \$664,900 on the purchase and renovation of three units of affordable housing: a two family home at 12-14 Peck Avenue and a one family home at 6 Mellon Road. After these projects, the WHDC reserve stands at \$185,100, less than would likely be needed to purchase an affordable unit.

In particular, the WHDC wishes to have the funds to purchase existing affordability-restricted units if and when they are placed on the market. When an affordability-restricted unit is offered for sale, the owner is required to notify the WHDC and the WHDC has 90 days to identify a qualified purchaser or to purchase the unit itself and hold the unit until a qualified purchaser can be found. If the unit is not purchased during this time, the affordability restrictions lapse.. Given the shortage of affordable units in the Town, the WHDC wishes to ensure that restrictions do not lapse and that the WHDC has the capability to purchase affordability-restricted units if necessary. In addition, the WHDC continues to seek new opportunities to purchase additional affordable units such as those on Peck Avenue and Mellon Road.

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

**ARTICLE 17.** To see what sum of money the Town will raise and appropriate, or otherwise provide, to implement the next phase of the Fuller Brook Park Preservation Master Plan, the first phase of which was approved under Motion 1 of Article 21 of the Warrant for the 2010 Annual Town Meeting; to determine whether such sum shall be raised by taxation, through borrowing and/or by transfer from available funds; or take any other action relative thereto.

**(Natural Resources Commission)**

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

**ARTICLE 18.** To see what sum of money the Town will raise and appropriate, or otherwise provide, in addition to the amount appropriated under motion 1 of Article 16 of the Warrant for the 2010 Annual Town Meeting, for architectural, engineering and/or other services for plans and specifications for the reconstruction of the interior flooring of the Central Street Fire Station (Station Number 1), and for the construction, reconstruction, remodeling, rehabilitation and/or modernization of the same; and for other services in connection therewith; to determine whether such sum shall be raised by taxation, through borrowing and/or by transfer from available funds; or take any other action relative thereto.

**(Board of Selectmen)**

The motion expected under this article requests an additional appropriation from Free Cash for repairs to the Central Street Fire Station. An appropriation of \$375,000 by Annual Town Meeting in 2010 proved insufficient to allow the work to commence after bids in excess of the appropriation were received. New bids will be available prior to this Town Meeting and will determine the amount of this request.

In the Fall of 2009, an assessment of the Central Street Fire Station floor revealed that the floor coating system had prematurely failed, causing water to penetrate the floor structure and corrode the concrete slab and accompanying steel reinforcement. Temporary steel plating has been installed, but a permanent solution is needed to maintain the long-term structural integrity and functionality of the fire station.

The Permanent Building Committee (PBC) interviewed and hired the engineering firm Gale Associates to further assess the condition of the floor and related infrastructure, perform tests and evaluate the potential construction costs of a permanent repair. Gale's initial investigation revealed extensive floor damage. PBC directed Gale Associates to undertake further investigation, including the full replacement of an additional floor area and the replacement of mechanical and plumbing systems that would be impacted by the floor reconstruction. Gale then prepared detailed construction documents for the purpose of bidding the work to a qualified contractor.

The initial estimate for the design and construction work was \$375,000 forming the basis for the amount that ATM appropriated in April 2010 with the anticipation of the work occurring during the summer of 2010. Four bids were received by the bid date of August 16, 2010, with a low bid of \$395,554, or \$95,554 more than was appropriated. Thus, no work could be undertaken. The bid was rejected because there was only one HVAC bid for the replacement of the heating system with a high-efficiency hot water system and it was considerably higher than the estimate. The drawings and specifications were modified to more accurately reflect the intent and the project has been rebid with a base bid to replace the floor with an alternate bid requested for converting to a high-efficiency hot water system. The bids are due back by March 9, 2011, and will be presented at Town Meeting. If funds for this project are appropriated, the amount will be the incremental amount over the \$375,000 that has already been appropriated less the approximately \$20,000 that has been spent on design. Construction would take place during the summer of 2011 so that the fire truck may be parked outside and the Central Street Fire Station remain operational during the construction period.

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

**ARTICLE 19.** To see what sum of money the Town will raise and appropriate, or otherwise provide, for engineering services, for plans and specifications, for construction, reconstruction, remodeling, rehabilitation and/or modernization of a new DPW office facility; to determine whether such sum shall be raised by taxation, through borrowing and/or by transfer from available funds; or take any other action relative thereto.

**(Board of Public Works)**

The Board of Public Works (BPW) requests an appropriation and authorization for the Town to borrow funds, contingent on voter approval of a debt exclusion referendum question, for the construction and build out of a two story Operations building. This building will allow the Department of Public Works (DPW) to vacate the outdated and inefficient building it has occupied for the past 68 years. The goal is to consolidate the DPW Management team and Engineering Division contiguous to the pre-existing Water and Sewer building and the DPW garage. Further information on the project is provided in the Report of the BPW on page 99. As of this writing, the cost of the project is tentatively expected to be \$3.6M. Annual debt service cost to the Town is estimated at \$384,000 in 2012; the estimated tax increase for the median taxpayer would be approximately \$35 beginning in 2012 and lasting the duration of the 15 year repayment period.

### **Background**

Planning to replace the outmoded DPW and Municipal Light Plant (MLP) buildings started in 2003. Town Meeting authorized funds to design a new garage for the Municipal Light Plant (MLP) and a new garage plus office/work space for the DPW & Water and Sewer division. In 2004, the boards of the DPW and MLP determined there were no cost savings or efficiencies from building one versus two buildings to serve their respective departments. The Water & Sewer garage and office building was built and completed in 2009.

Last year's Town Meeting authorized funds for the design of a DPW Operations building, the last phase of this multi-year project. This phase includes construction of a new building contiguous to the Water & Sewer building, plus build out of the second floor in the existing Water and Sewer building. All Wellesley boards in the permitting process - - Planning, Zoning, Design Review and Permanent Building Committee - - have approved the plans.

In January, the BPW and the Permanent Building Committee (PBC) solicited bids for the construction of the building. As of this writing, bids have been reviewed and estimated costs adjusted; the PBC is confirming qualifications of the lowest bidder and will vote to accept one bid before Town Meeting.

Construction is being pursued in 2011 for three reasons:

- 1) The current building is too crowded for effective working conditions, not ADA compliant nor compliant with state or local building codes, and inefficient to operate;
- 2) Constructing a new building now will avoid the estimated higher cost option of temporary relocation and renovation of the existing building if current systems fail;
- 3) The economic climate is likely to result in competitive bids and lower cost to the Town.

### **Program Drives Size and Cost**

The primary driver of the new building size is the BPW's objective of maximizing efficient program delivery for the next 50 years. To that end, the Engineering and Water & Sewer divisions are to be collocated with their active plans and documents on the first floor for easy access by the public. Daily these two divisions work together to assist Town residents with plans for new house construction, utility sitings, plot plan reviews, street opening permits, as

well as water and sewer connection permits. Locating these divisions near each other and accessible to the public ensures maximum productivity and effective customer service.

The proposed facility will provide the DPW with 12,815 sq ft of space, composed of 8,426 sq ft of new construction and 4,389 sq ft of interior finished, pre-existing space on the second floor of the Water and Sewer Building.

The Engineering (9 people plus 2 seasonal interns and primary documents) Division’s work space, customer service area, associated file space, and public bathrooms define the first floor space of the new building. This space is designed to provide sufficient work space for the group in close proximity to the Water & Sewer Division, easily accessible to the public, and contiguous to critical documents and meeting spaces in which to review documents with the public. The 50% growth in space from the current 1,874 sq ft to the proposed 2,944 sq ft reflects overcrowding in the existing building and planned improvements to make the space an efficient work area.

The second floor of the new building will house the DPW Management team, conference room space and additional file space. The DPW Managers supervise 120 employees and need private space for confidential conversations throughout the day. The office spaces of the DPW Managers are smaller than others in Town, comparable to DPW offices in nearby Towns, and within the office standards published by other public jurisdictions:

	<b>Proposed DPW Space</b>	<b>Other Wellesley Town offices</b>	<b>DPW offices in nearby Towns (Lexington, Needham)</b>	<b>Comparable Oregon State</b>	<b>Comparable Northwest Territory, Canada</b>
<b>All in SQ FT</b>					
DPW Director	226	Police Chief = 400 Fire Chief = 288 Library director = 297	275 and 225	280	240
DPW Asst Director	167	Municipal Light = 185	185 and 200	210	150
Town Engineer	206	Municipal Light = 175	185 and 200	210	150
Asst. Town Engineer	134	Municipal Light = 175	155 and 150	NA	NA

The second floor of the pre-existing Water and Sewer building will house the training room, lunch room and additional document storage. The training room (1049 sq ft) is sized to allow half of the DPW staff to be trained at one time, providing efficiencies over today’s practice of providing multiple trainings to cover all department members. The room will also be used for departmental meetings and convening during snow emergencies. The room will be accessible to the public and other departments for other uses as needed by the Town.

**Cost and Alternatives**

PBC has received bids which support a tentative project cost of \$3.6M. Annual operating cost is estimated to be \$57,700 based on a \$4.50 per square foot rate experienced by other Town Buildings. This represents a 1% increment over current operating costs (\$56,916) for DPW’s existing space.

Rehabilitation of the existing building was considered but discarded as more expensive at over \$4M for reconstruction plus \$200,000-\$300,000 for temporary relocation. Other locations in Town, including the DPW Recycling and Disposal Facility or sharing space with School Administration were considered but discarded as either more expensive or resulting in insufficient space to meet the Department’s needs.

## **Advisory's Review**

Advisory agrees that the current DPW offices have outlasted their purposeful life and do not adequately meet the needs of the staff serving the Town. Furthermore, renovation of the existing space is a more costly alternative. As this book goes to print Advisory continues to review the appropriation request for this building project and will provide its report and recommendation at or before Town Meeting.

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

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

**ARTICLE 20.** To see what sum of money the Town will raise and appropriate, or otherwise provide, for engineering services, for plans and specifications, for construction, reconstruction, remodeling, rehabilitation and/or modernization of a new DPW recycled materials loading structure; to determine whether such sum shall be raised by taxation, through borrowing and/or by transfer from available funds; or take any other action relative thereto.

**(Board of Public Works)**

### **Summary**

Under this Article, the Board of Public Works (BPW) requests an appropriation and authorization for the Town to borrow \$400,000 to replace the existing recycled materials loading structure with a new fabric structure. Operating costs are minimal and not expected to increase. The estimated average annual debt service of \$50,000 is expected to be offset by a \$50,000 increase in net revenues annually from increased recycling. The structure is also expected to shelter recycled wood and reduce disposal costs.

### **The Need**

The current transfer building at the Recycling and Disposal Facility (RDF), constructed in 1972, is used to store loose recyclable materials, as well as safeguard the RDF's vehicles and equipment when the facility is closed. The building is in poor condition and needs extensive repairs to fix the leaking roof, rotted metal side panels, and structural support beams. The cost of these repairs is estimated to be well over \$100,000.

The proposed \$400,000 project includes demolition of the existing building, construction of the new structure, and contingencies. If approved, the project will be bid this summer and completed during the fall of 2011.

The current structure's layout and conditions limit the amount of recyclables that can be processed and constrain revenues generated for the Town. The RDF's Business Initiatives program, which has generated an average of \$25,000 per year in net revenues from loose materials since FY08, seeks to increase the volume of loose recyclable materials it processes.

This new structure with a larger, more efficient work area, would allow the DPW to load almost twice the number of trailers during the year at three-quarters of the cost. The layout would reduce handling costs by more than 50% as the RDF could directly load loose recycled materials into the larger 100 cubic yard trailers. Thus the net revenue would increase both from greater quantities of materials processed and sold as well as lower handling costs, as shown:

	Current Structure			New Structure		
	2009 - Actual	2011 - Projected	Maximum Operational Capacity			
Loose Material Tonnage per year	772	584	800	800	1,500	2,000
Revenue Per Year	44,775	47,927	\$ 65,600	\$ 65,600	\$ 123,000	164,000
Average Revenue per Ton	58	82	82	82	82	82
<b>Costs</b>						
Trailers per year	64 *	23 **	32	32	60	80
Labor Hours per Trailer	5.04	10.25	10.25	4.17	4.17	4.17
Total Hours per Year	324	240	328	133	250	333
Overtime Cost Per Labor Hour	\$ 33.35	\$ 35.81	\$ 35.81	\$ 35.81	\$ 35.81	\$ 35.81
Labor (\$ per Year)	\$ 10,810	\$ 8,580	\$ 11,744	\$ 4,774	\$ 8,951	11,935
Total Material Cost Per Year	\$ 6,784	\$ 5,845	\$ 8,000	\$ 8,000	\$ 15,000	\$ 20,000
Equipment Cost Per Year	\$ 2,162	\$ 2,104	\$ 2,349	\$ 955	\$ 1,790	\$ 2,387
Total Costs Per Year	\$ 19,756	\$ 16,529	\$ 22,093	\$ 13,729	\$ 25,742	\$ 34,322
<b>Net Revenue</b>	<b>\$ 25,019</b>	<b>\$ 31,398</b>	<b>\$ 43,507</b>	<b>\$ 51,871</b>	<b>\$ 97,259</b>	<b>\$ 129,678</b>
* FY09 using 50yd Compactors						
** FY11 using 100yd Trailers						

The new fabric structure will also reduce costs by sheltering the adjacent wood recycling operation. Massachusetts DEP regulations require that all commercial wood waste be separated from other commercial trash and recycled. In FY10, 780 tons of wood were recycled at a net savings of \$12,000. Currently the wood recycling area is outside, making the handling of the material difficult in the winter season and other inclement weather. A covered area will ensure more efficient and uninterrupted wood recycling. More importantly, covering the wood waste will reduce disposal cost because the weight will not include the absorbed rain or snow; estimated annual savings are expected to be \$10,000.

### Advisory Considerations

Advisory recognized the significantly higher value of this proposal versus the value/cost (\$100,000) trade-off of repairing the existing building. The repair option would not allow for any revenue growth, increased efficiencies, or reduced costs in the disposal fees.

Advisory also reviewed the value, cost, and risks of constructing the loading structure. RDF's ability to generate projected revenue depends on the availability of cardboard, price of cardboard on the international market, and RDF's ability to package and ship the cardboard efficiently.

The annual cost of the project over ten years is estimated to be, on average, \$50,000 assuming a 4% interest rate. New net revenue generated is expected to be \$50,000 in addition to current annual net revenue of \$25,000. No additional labor resources are needed to generate this additional income because of the efficiencies offered by the new building.

Despite variability in cardboard availability or price, based on past experience, the DPW believes the estimate of \$50,000 in net new revenues to be conservative. DPW turns down requests to take additional recyclable cardboard now and knows commercial locations from which additional cardboard could be generated. While the cost of cardboard is market driven and has varied from \$58 to \$120 per ton in the past 5 years, the DPW considers \$82/ton to be a conservative estimate

The DPW projects that it will generate revenue from this structure for at least 10 years after the debt is retired. Additional revenue generated in subsequent years could offset periods when the amount or value of the recycled goods do not offset borrowing costs..

As this book goes to print, Advisory continues its review of the appropriation request for the proposed new loading structure.

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

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

**ARTICLE 21.** To see what sum of money the Town will raise and appropriate, or otherwise provide, for engineering services, for plans and specifications, for construction, reconstruction, remodeling, rehabilitation and/or modernization of a new maintenance and restroom facility at Hunnewell Field; to determine whether such sum shall be raised by taxation, through borrowing and/or by transfer from available funds; or take any other action relative thereto.

**(Board of Public Works)**

This Article seeks an appropriation and authorization for the Town to borrow \$250,000 to replace the outdated restroom facility and maintenance storage structure at Hunnewell Field with a new restroom facility and maintenance storage structure. Annual debt service for the borrowing anticipated under this article is estimated at \$35,000 annually.

### **Problem**

The current restroom facility is on a septic system (not connected to Town sewer) and is in very poor condition. The bathrooms do not meet ADA or current building code requirements. The bathrooms have shower curtains for stall doors and the men's room needs a new sink. In September 2008, emergency work repaired several holes in the roof and the wall around the women's room door.

This bathroom is used particularly by WHS sports teams from April 1 thru November 1 and opened during football games and other nearby events. Except for these events, access to the facility is via a combination code with limited distribution.

### **Proposed Solution**

The new restroom facilities, initially recommended by the Playing Fields Taskforce, will be ADA accessible, meet all applicable building code requirements, and be connected to the municipal sanitary sewer system. The facility will also include on-site storage of certain field maintenance equipment and supplies if this can be accomplished within the project budget.

Requested funding for the project includes demolition, restoring those areas of Hunnewell field that will be disturbed during construction, removal of the existing septic system, and providing portable toilets for public use during construction.

### **Advisory's Considerations**

Advisory is most concerned that Wellesley tax dollars are spent on projects for which the costs are justified by Town benefit and needs cannot be met by less costly options.

Advisory questions the need for this facility given the current lack of public access and perceived lack of public support. If the Playing Fields Taskforce or other users of the Hunnewell fields determine their constituents would value a new restroom and storage area, private funds could be considered to meet this need.

If an intermittent need is identified, there are less costly alternatives. Temporary portable toilets could be rented (estimated cost is \$125/mo/unit or \$1500/toilet annually) by the event

coordinators for key events like graduation and football games. To address more dispersed needs, toilets could be accessed at nearby commercial establishments or the High school.

If this appropriation is not made, the DPW Operating budget includes funds to continue maintenance for another year during which private funding could be explored and the Town could further consider whether to support a new structure or remove the existing one.

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

**Advisory recommends unfavorable action, 0 to 12.**

**ARTICLE 22.** To see what sum of money the Town will raise and appropriate, or otherwise provide, for street, sidewalk and/or drainage construction, rehabilitation and/or reconstruction on Kingsbury Street; to determine whether such sum shall be raised by taxation, through borrowing and/or by transfer from available funds; or take any other action relative thereto.

**(Board of Public Works)**

This Article seeks an appropriation and authorization for the Town to borrow \$620,000 for the design and reconstruction of Kingsbury Street. This project will reconstruct the roadway, provide new sidewalks and ADA ramps, and install granite curbing to re-establish the curb reveal for a safer environment for the many students who walk to the middle and high schools. Annual debt service is expected to be \$87,000.

### **Problem**

Kingsbury Street is a major north/south connector between Worcester Street (Route 9) and Washington Street (Route 16). It serves as a major access route to the Linden Square development as well as the commercial and business areas of Wellesley Square and Wellesley Hills. It also serves as a major access route to Wellesley High School and Wellesley Middle School, located directly on Kingsbury Street.

The Department of Public Works has an ongoing program of reconstructing major connector streets as individual capital projects. These major projects, combined with annual street resurfacing, crack sealing, and sidewalk restoration programs on the smaller roads, are planned to occur every 14 years and have enabled the Town to avoid larger capital expenditures due to deferred road maintenance.

Kingsbury Street was last reconstructed in 1992. Several years ago the reconstruction program was deferred due to high asphalt prices driven by high oil prices. With the program restored and Weston Road completed, the next priority for road reconstruction is Kingsbury Street.

Kingsbury has been resurfaced so many times that the road is now at the same level as the sidewalk, resulting in a significant safety hazard of cars veering onto the sidewalk where many middle and high school children walk. There are also drainage issues on the road.

### **Proposed Solution**

If this project is approved, the Department of Public Works will develop construction plans and specifications to solicit bids in late 2011. Actual construction will begin in the summer of 2012 after the school year has ended.

The design will include accommodation for cars parked for middle school pick up and drop off so as not to block traffic on the street. The drainage problems will be addressed. Granite curbs will be inserted as the most cost effective means of revealing and preserving the curbs over the years.

### **Advisory's Considerations**

Advisory supports the DPW's practice of planning the reconstruction of major streets over a period of years so that costs may be anticipated and spread. Advisory also supports the importance of a safe Kingsbury street and sidewalk given the amount of car and foot traffic passing through the area daily during the school year. Advisory agrees that Kingsbury requires reconstruction to reduce the safety hazard.

The reconstruction of the road will be scheduled when school is out and in coordination with the middle school renovation project so there will be no impact to students, their families, or the project.

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

**Advisory recommends favorable action, 12 to 0.**

**ARTICLE 23.** To see what sum of money Town will raise and appropriate, or otherwise provide, for design, engineering, consultation, and permitting services, construction and/or equipment related to improvement, replacement and repairs to the heating, ventilation and air conditioning (HVAC) systems at the Wellesley Town Hall; to determine whether such sum shall be raised by taxation, through borrowing and/or by transfer from available funds; or take any other action relative thereto.

**(Board of Selectmen)**

The Board of Selectmen requests an appropriation and authorization for the Town to borrow funds for improvement, replacement and repairs to the heating, ventilation and air conditioning (HVAC) systems at Town Hall. The amount of the requested appropriation will be available by Town Meeting.

The HVAC system in Town Hall was installed in the 1980s. Town Hall is approximately 32,000 sq. ft. and both the heating and cooling for the building are provided via a two-pipe loop connected to fan coil units. The system can run in only one mode—heating or cooling—at any time and the cutover from one mode to the other is complex and requires an outside contractor. The heating comes from a gas-fired boiler, and the cooling is provided by a chiller, located in the basement and a condenser outside the building. The boiler which heats the building is still in good shape, but over the last several years, the Town has spent funds to keep the chiller and condenser units functioning. An energy audit of the Town Hall undertaken in September, 2010 confirmed that the chiller and air handlers are “in very poor shape” and should be replaced.

In addition, the existing controls for both the heating and cooling use old manually controlled pneumatic valves. This prevents the building from being properly heated or cooled with temperatures varying significantly throughout the building and diverging from the thermostat settings, thereby wasting energy. The energy audit also recommended replacing the existing control system with digital, wireless controls to allow for temperature set-backs at night and other modulation of the temperature.

Early in 2011 the Permanent Building Committee hired an engineering firm to design a replacement system for the elements of the HVAC system that are at the end of their lives. MacRitchie Engineering of Braintree, MA has designed and specified a system that includes a single chiller/condenser that would be located outside the building, as well as wireless controls that will permit modulation of the functioning of the unit during the daily cycle of temperature fluctuation. Initial estimates of the cost of the system are approximately \$326,000 and the approximate annual debt service would be \$45,000. Bid specifications have been advertised

and bids are due on March 15, 2011. Thus, firm bid numbers will be presented at Town Meeting. If funds for this project are appropriated, replacement would take place by the fall of 2011.

**Passage requires 2/3 Vote.**

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

**ARTICLE 24.** To see if the Town will vote to instruct the Board of Selectmen to proceed diligently and in due course to complete all necessary permitting and present back to this Town Meeting a funding proposal for the construction of a stand-alone senior center at 496 Washington Street; or take any other action relative thereto.

**(Council on Aging)**

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

**ARTICLE 25.** To see if the Town will vote to accept an easement granted to the Town for sidewalk purposes at 8 Rockland Street (aka 420 Linden Street) as shown on a sketch entitled "Rockland Street Bridge Concept Wellesley, MA" dated June 19, 2009, and to raise and appropriate, or otherwise provide, a sum of money in exchange for said easement and for sidewalk design and construction; to determine whether such sum shall be raised by taxation, through borrowing and/or by transfer from available funds; or take any other action relative thereto.

**(Board of Selectmen)**

This Article would authorize:

- The Board of Selectmen (BOS) to accept from the First Church of Christ, Scientist a permanent easement for sidewalk purposes at 8 Rockland Street (also known as 420 Linden Street) as shown on a plan entitled "Plan of Sidewalk Easement at 8 Rockland Street, Wellesley, MA dated March 2, 2011;
- An appropriation of \$7,300 from Free Cash to be paid to the Church in consideration of the grant of the easement; and
- Application by the BOS for reimbursement of \$7,300 from the Commonwealth of Massachusetts

The land involved is owned by the First Church of Christ, Scientist and comprises 270 square feet along the northern side of the intersection of Linden Street and Rockland Street. The easement is necessary to permit pedestrian safety improvements at this intersection in conjunction with the replacement of the Rockland Street Bridge by the Massachusetts Department of Transportation (DOT). The amount of money was determined by an appraisal of the property by a Mass DOT approved appraiser at \$5,400 for fair market value plus landscape damages in the amount of \$1,900.

The Rockland Street Bridge, which was erected in 1921, has been scheduled for replacement for more than five years. The work is to begin in the summer, 2011. The current bridge is in disrepair and restricts traffic that has a gross weight exceeding three tons. Additionally, the new bridge will be approximately five inches higher than the current one, in order to accommodate slightly taller CSX trains on the Conrail tracks.

As part of the cost of the project, the Commonwealth of Massachusetts will reimburse the Town for the funds appropriated and spent for the easement. No tax impact to the Town is expected.

**Advisory recommends favorable action, 12 to 0.**

**ARTICLE 26.** To see what sum of money the Town will raise and appropriate, or otherwise provide, for capital costs, including maintenance of capital assets, at the library branches; to determine whether such sum shall be raised by taxation, through borrowing and/or by transfer from available funds; or take any other action relative thereto.

**(Board of Selectmen & Library Trustees)**

This Article seeks an appropriation of funds from Free Cash for the replacement and modernization of the boiler and heating system at the building housing the Wellesley Hills Branch Library. At the time this report went to print, bids for the project had not been received and the amount of the appropriation had not been determined. Accordingly, Advisory will make its recommendation at Town Meeting.

In addition to the Main Library, the Library Trustees operate two branches in Town-owned buildings – the Hills Branch located at 210 Washington Street and the Fells Library located at 308 Weston Road. Through FY05, the branches were operated with Library funds appropriated each year at ATM. The 2005 ATM voted that the appropriation of funds for the annual operating expenses of the branch libraries would be contingent upon the passage of an override. The override was defeated and the branch libraries were closed. Supporters of the branches were able to raise sufficient funds from private sources to fund the operating costs and the branches were re-opened in September 2008. Since that time, the branches have funded operations exclusively with private funds.

The boiler at the Hills Branch requires replacement. The current heating systems is original to the building (which was completed in 1928) and is obsolete and inefficient. Therefore, rather than simply replacing the boiler, the Town seeks to replace the current boiler and steam distribution system with a new high efficiency gas hot water system.

#### **Capital Expenditures at the Branches**

The Library Trustees receive rent The Wellesley Community Children’s Center for use of the facilities at both the Hills and Fells Branch sites. As approved by the 2009 ATM, payments from these leases go into a revolving account to fund capital expenditures at the branch buildings. The Town expects that there will be approximately \$46,000 in this fund at the end of FY11. The cost of the boiler repair is expected to exceed this amount. Accordingly, the Town is seeking additional funds from Free Cash to pay the balance.

The need for the boiler replacement has led to a series of discussions between the Library Trustees and the Board of Selectmen regarding which party should be responsible for capital expenses at the branches. The buildings have significance independent of the current use by the WFL: Located on land and built with fieldstones donated by Isaac Sprague, the building at the Hills Branch is listed on the National Register of Historic Places.

Both parties agree that the Town, as the owner of the buildings should be responsible for structural repairs such as the boiler, while the Library Trustees as the users of the buildings, should be responsible for improvements to the interior space such as interior painting and

carpeting. The Library Trustees have also agreed to endeavor to raise additional funds for the revolving fund, which may include additional lease revenue or private fundraising.

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

**ARTICLE 27.** To see what sum of money the Town will raise and appropriate, or otherwise provide, for a layout, design and the construction of the pathway proposed for the Town owned strip of land abutting 27 Washington Street, to connect Washington Street and the new pedestrian bridge over the Charles River; to determine whether such sum shall be raised by taxation, through borrowing and/or by transfer from available funds; or take any other action relative thereto.

**(Board of Selectmen)**

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

## **AUTHORIZATIONS**

**ARTICLE 28.** 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. Some easements are required by the Town to access private property to maintain, repair or replace water, sewer or drain lines, electrical conduits or electrical transformers, or for the construction of new sidewalks. In other instances, easements are requested by landowners seeking utility services to their property. Before any easement is presented to Town Meeting it is reviewed and approved by Town Counsel and the Town's Engineering Department and is then executed and recorded at the Registry of Deeds. The approval of Town Meeting is the final step required for action on an easement.

The following easement is ready to be presented at Town Meeting:

219 Washington Street (Wellesley Friendly Aid Association) – This easement consists of a sidewalk easement located on the property of 219 Washington Street.

The following easements may be ready to be presented to Town Meeting, but they are still in the preliminary stages of the approval process:

Linden Street relative to Linden Square – There are a total of seven utility easements and two pedestrian easements being granted to the Town of Wellesley. In addition, there are four existing utility easements that are no longer required and will be abandoned.

Cochituate Aqueduct (National Grid) – This easement consists of a natural gas easement located on Town-owned land at the Cochituate Aqueduct property located near the Cedar Street and Walnut Street intersection.

None of the easements described herein involve any expense to the Town. It is possible that additional easements will be presented to Town Meeting. Advisory will make its recommendation on any additional easements at or before Town Meeting.

**Advisory recommends favorable action, 12 to 0.**

**ARTICLE 29.** To see what sum of money the Town will raise and appropriate, or otherwise provide, to the Board of Public Works for water and/or sewer line rehabilitation; and for any equipment or services connected therewith; to determine whether such sum shall be raised by taxation, through borrowing and/or by transfer from available funds; or take any other action relative thereto.

**(Board of Public Works)**

This Article seeks authorization for the Water Fund to borrow up to \$2,350,000 from the Massachusetts Water Resources Authority (MWRA).

The MWRA Local Water System Assistance Program (LWSAP) provides interest-free loans for water system improvement work. Funds from this MWRA loan can be used for water distribution system improvements including cleaning and lining or replacement of unlined water mains, the purchase and installation of water meters and water meter reading systems, water booster pump station installations and/or upgrades, GIS mapping and system modeling, and engineering planning, design and construction services associated with any of these activities.

The Town of Wellesley is eligible to receive \$2,350,000 in loans under this MWRA financing program. The loan is interest-free and to be repaid over ten years. Actual borrowing would be in several stages, to coincide with the work schedule.

Advisory believes that the payback on these MWRA loans is very high as they are interest-free and the improvements they fund are important for the long-term health of the Town's water system.

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

**Advisory recommends favorable action, 13 to 0.**

**ARTICLE 30.** To see if the Town will vote to designate Brookside Road as a scenic road, pursuant to Chapter 40, Section 15C of the Massachusetts General Laws; or take any other action relative thereto.

**(Planning Board)**

The purpose of this Article is to designate the portion of Brookside Road from Oakland Street to Wellesley Avenue a scenic road pursuant to MGL Chapter 40, Section 15C and subject it to the Town's Scenic Road Regulations along with the five other roads, or portions of roads that are currently regulated. They are: Pond Road; Waterway/Brookway Road; Squirrel Road; Cartwright Road; Cheney Drive and Benvenue Street. Brookside road is an unaccepted street. The adoption of this additional designation does not alter the Zoning-By-Law.

The adoption of this article would require approval by the Planning Board, after a public hearing, prior to any alteration within the current right-of-way that includes cutting down or clearing of trees or the removal or alteration of stone walls. The scenic road regulations and approvals do not regulate private property or development. Jurisdiction is limited to tree removal and stone wall alterations and roadway layout revisions within the right-of-way

Brookside Road runs in a north-south direction from Oakland Street to Wellesley Avenue and continues to the Town line with the Town of Needham. Brookside Road is rural in nature and has two major abutters, The Wellesley Country Club to the west and Town of Wellesley (Town Forest) to the east. Other abutters include: Brookside Gardens (community gardens) MWRA (Sudbury Aqueduct), and residences at 62 Brookside Road and 392 Wellesley Avenue.

A citizen's petition, signed by 120 residents, was sent to the Planning Board in August of 2010 urging the inclusion of Brookside Road as a scenic road. The Planning Board considered the criteria for designation contained in Section 3.1 of the Town's Scenic Road Regulations and determined that the criteria were met. The regulations require consideration of whether the road contains or is characterized by any of the following:

1. bordering trees of exceptional quality, in terms of type, age, specimen size or spread, density of stand, or related flora;
2. bordering trees which themselves constitute, or are a significant part of, natural or man-made features of aesthetic value, including by way of illustration trees having spring flowering or high fall color potential; trees which are part of vistas paralleling roadways or which create a frame of reference for more distant views; and trees whose presence contributes substantially to the rural or woodland character of a roadway, particularly in comparison to more developed or urbanized adjacent areas;
3. bordering stone walls.

At the Planning Board public hearing on this article, there was some opposition expressed to the designation, questioning whether the criteria for designation as a scenic road are met by the trees or other features on this road. No inventory of trees is available and there are currently no stone walls located on Brookside Road.

Proponents of the designation feel that this road offers significant aesthetic value to both drivers and pedestrians and that the trees meet the criteria for scenic road designation.

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

**ARTICLE 31.** To see if the Town will vote to accept the proffered gift of a land- locked parcel of land to the rear of 27 Kenilworth Road; to assign jurisdiction over the same; and to authorize its future use; or take any other action relative thereto.

**(Board of Selectmen)**

This Article requests authorization for the Board of Selectmen to accept a proffered gift of 6,972 square feet of undeveloped land located to the rear of 27 Kenilworth Road. The parcel is landlocked and is located in a wetland buffer zone. The Town does not foresee any maintenance cost. The property is assessed for \$24,000 (FY11) and has an estimated annual property tax of \$274.

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

**ARTICLE 32.** To see if the Town will vote to accept an easement granted to the Town for sidewalk purposes at the intersection of State Street and Washington Street at no cost to the Town; and to approve the grant of license to Gravestar for physical improvements on abutting aqueduct parcel to facilitate public access to Reidy Field; or take any other action relative thereto.  
**(Board of Selectmen)**

The Article would authorize the Town to:

- Accept an easement from Wellesley Plaza, LLC/ Gravestar, Inc. (Gravestar) for sidewalk purposes at the intersection of State Street and Washington Street, at no cost to the Town; and
- Approve the grant of a license to Gravestar for improvements to public land abutting the portion of the Aqueduct parcel it leases from the Town, to facilitate public access to Reidy Field and the Aqueduct Trail.

The easement and license would facilitate site improvements of benefit to the Town at the former Star Market site at 442-452 Washington Street, as it is being developed for the proposed Whole Foods Market.

The easement would allow Gravestar to construct a sidewalk, at no cost to the Town, on its property on the northeast side of State Street, abutting the parking lot and the rear of the former Rite Aid building. There is currently no sidewalk on that side of the street. Completion of the sidewalk would provide pedestrian access along State Street to Washington Street without requiring removal of trees in the Town right-of-way. Gravestar is required to provide this improvement by the terms of its lease of the Town owned Aqueduct parcel.

The license agreement would allow Gravestar to make and maintain improvements and provide public amenities on Town owned land abutting the Aqueduct parcel, at the entrance to Reidy Field and the Aqueduct Trail, including landscaping, paving, seating and a bike rack.

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

### **AMEND ZONING BYLAW**

**ARTICLE 33.** To see if the Town will vote to amend the Zoning Map by extending the current Business Zone to include the portion of the Cochituate Aqueduct known as lot 98-3 or 8 State Street owned by the Town of Wellesley and leased to Gravestar Inc.; or take any other action relative thereto.  
**(Board of Selectmen)**

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

**ARTICLE 34.** To see if the Town will vote to amend the Zoning Bylaw to create a Tree Protection and Preservation Bylaw which establishes regulations regarding the preservation and replacement of trees over a specific caliper located on private property within the setbacks, and to establish a Tree Bank to be administered by the Department of Public Works – Park and Tree Division; or take any other action relative thereto.

**(Planning Board)**

The Planning Board seeks to amend the Zoning Bylaw by enacting the Tree Protection and Preservation Bylaw (Tree Bylaw) to regulate removal of or damage to certain mature trees in connection with significant demolition or construction activity. The Planning Board's Report, included at page 111, includes a discussion of this Article.

The intent of the Tree Bylaw is to promote environmentally sensitive site planning and to prevent the clear cutting of trees that is often associated with demolition, new construction and large additions to existing structures. Protected Trees are defined as those with a diameter at breast height (DBH) of 10 inches or larger located in the Tree Yard of any lot. The depth of the Tree Yard is, by definition, the same as the depth of the setbacks for front, rear and side yards required for most residentially zoned property. The Tree Yard includes the entire property in non-residential zoning districts.

Prior to applicable demolition or construction activity on property containing a Protected Tree, a property owner will be required to submit to the Building Department a Tree Protection and Mitigation Plan. The required plan is to contain a professionally prepared map or site plan which includes the location and size of Protected Trees and the proposed method for preserving those trees or mitigating their removal. If Protected Trees are to be retained, an outline of the procedures to be employed to preserve and maintain them during and after construction activity, documented by a Certified Arborist, is required.

The Tree Bylaw will not prohibit the removal of Protected Trees. It creates a mechanism for a property owner to mitigate removal by replanting on site at a rate of one-half inch in diameter for each inch removed, or by making a monetary contribution to a Tree Bank to be used for tree planting and maintenance of trees elsewhere in Town. The contribution rate per DBH inch of tree removed would be set by the Board of Selectmen after public hearing. The Planning Board's preliminary recommendation is to set the contribution rate at \$250 per DBH inch, an amount intended to provide sufficient incentive for preservation or replanting of trees. A motion to create a Tree Bank revolving fund, to be administered by the Department of Public Works, is expected under Article 14. Removal of Protected Trees within 12 months prior to application for an applicable building or demolition permit will also require mitigation. Trees that are replanted or preserved pursuant to this Bylaw need to be maintained in good health for a period of at least 24 months.

#### Advisory Considerations

Advisory recognizes that trees on private property add to the beauty and character of the Town and have a positive impact on air quality, soil stabilization, drainage and other environmental conditions. Examples of lots on which substantial tree removal has preceded demolition or construction are obvious in many neighborhoods. This trend motivated concerned residents to urge the Planning Board to consider ways to preserve or mitigate the removal of mature trees in these situations, citing bylaws in Newton and Lexington as examples. The proposed Tree Bylaw, by requiring a Tree Preservation and Mitigation Plan, is designed to encourage builders and property owners to fully consider the impact of any significant construction activity on

mature trees and to include preservation or mitigation of that impact in their project planning and budget.

Preparation and implementation of the Tree Preservation and Mitigation Plan will, however, impose costs and obligations on property owners, the magnitude of which will vary depending on the number of pre-existing mature trees in a Tree Yard impacted by a demolition or construction project. The benefit of preserving or mitigating the removal of Protected Trees will extend to abutters, neighbors and the wider community, but the costs, which could be substantial, will be borne by the private property owners.

Advisory considered the availability of Town resources to administer the Bylaw. The Planning Board estimates that approximately one hundred applications for building or demolition permits will annually trigger the provisions of the Tree Bylaw. Although many of these applications will otherwise require significant involvement by the Building Inspector's office, there will be incremental costs associated solely with administration and enforcement of the Tree Bylaw. In response to the Building Inspector's expressed concerns about the sufficiency of resources, the current draft of the Bylaw requires applicants to provide professional certification of the status and location of Protected Trees and of plans to protect or mitigate their removal. The effect would be to reduce the burden on the Building Department to perform additional site visits and inspections. The Board of Selectmen is responsible for the Building Department's operating budget and supports enactment of a Tree Bylaw that encompasses the provisions currently being considered.

The Planning Board has unanimously approved adoption of a Tree Bylaw, but as this report went to print had not approved its draft. Accordingly, Advisory will continue to review any revisions before making its recommendation.

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

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

**ARTICLE 35.** To see if the Town will vote to amend the Zoning Bylaw SECTION XIVB. FLOOD PLAIN OR WATERSHED PROTECTION DISTRICTS., to meet the new requirements of the Federal Emergency Management Agency (FEMA) and to ensure compliance with the requirements of the National Flood Insurance Program; 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 Zoning Map by establishing two new Historic District Overlays to be located at (a) 38 Lowell Road, to be known as the Tufts House Historic District and (b) at 377 Weston Road, to be known as the Methodist Meeting House Historic District; or take any other action relative thereto.

**(Historical Commission and Planning Board)**

The motions expected under this article would amend the zoning map to establish two single building local historic districts, the Methodist Meeting House Historic District and the Tufts House Historic District.

Massachusetts General Laws Ch. 40C provides a mechanism for the Town to preserve the distinctive character of buildings of significance to its local history by regulating modifications to exterior architectural features. Pursuant to Ch.40C Wellesley enacted the Historic Districts Zoning Bylaw in 1980 and created the Wellesley Historic District Commission (WHDC) to administer the bylaw. Wellesley has established just one local historic district, the Cottage Street Historic District, which includes 61 properties.

The preservation of individual historic properties was identified as a goal in the Town's Comprehensive Plan for 2007-2017 in response to concerns that significant historic resources were at risk, absent further regulation. The Wellesley Historical Commission determined that creation of single building local historic districts, of which more than 200 have been established throughout the Commonwealth, is an appropriate mechanism to help accomplish this goal.

At the request of, and with the full cooperation of the property owners, a Single Building Local Historic District Study Committee (Study Committee) was appointed by the Selectmen to consider the merits of protecting the two properties by establishing them as Historic Districts. The Study Committee issued a preliminary report concluding that both properties are worthy of preservation and recommended the creation of single building local historic districts as follows:

- **The Methodist Meeting House Historic District (Motion 1)**

This building, which is now a private residence, was built in 1798 and moved to its current location at 377 Weston Road by the late 19<sup>th</sup> century. It was the second meeting house in Wellesley and played a significant role in the Methodist Revival Movement. The largest camp meeting in the country, attracting 20,000 participants, was held there in 1842.

- **The Tufts House Historic District (Motion 2)**

This house at 38 Lowell Road was designed by Nathaniel Perry Tufts, a Wellesley resident and the first associate of Royal Barry Wills. Tufts helped develop the Wills architectural firm's signature Colonial Revival style, of which this property is a well preserved example. It has been occupied by the same family since construction in 1930.

The recommendations of the Study Committee were endorsed by the Wellesley Historical Commission, the WHDC and the Massachusetts Historical Commission. The Planning Board voted unanimously to support the zoning map amendments. The boundaries of the proposed zoning overlay districts are shown on plans drafted by the Town Engineer dated February 1, 2011.

The WHDC has indicated that it currently has sufficient resources to administer the Historic District Zoning Bylaw regulations as they will apply to these two new districts. The WHDC reviews and issues certificates of appropriateness, non-applicability or hardship with respect to permits for demolition, construction or alterations that affect exterior architectural features of structures located in Historic Districts.

Advisory agrees that the establishment of single building historic districts is an appropriate mechanism to preserve individual historic properties when, as is the case here, the property owners are in full agreement and understand and accept the additional zoning restrictions imposed on them and future owners of the property. The historic significance of the properties was studied and reviewed at the local and state level and both were determined to be worthy of preservation. There are potential costs to the Town associated with enforcing and administering the Historic Districts Zoning Bylaw provisions for two additional properties. Advisory believes, however, that the incremental costs that may result from these zoning map amendments is

justified by the benefit to the Town of preserving historic assets.

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

**Advisory recommends favorable action, 12 to 0.**

**ARTICLE 37.** To see if the Town will vote to amend SECTION III. SINGLE RESIDENCE A., to establish a special permit provision for temporary or occasional outdoor sales of farm produce or natural products located within a parking area; or take any other action relative thereto.

**(Planning Board)**

This amendment to the Zoning Bylaw would allow temporary or seasonal outdoor sales of farm produce or natural products in Single Residence A Districts (SRA Districts) upon the grant of a special permit by the Zoning Board of Appeals (ZBA). Uses now allowed in SRA Districts include those allowed in Single Residence Districts and certain types of parking. Parking is the predominant use of all five SRA Districts in Town.

This amendment is being proposed in response to a request by Whole Foods Market for permission to host a farmers' market on the Cochituate Aqueduct parcel (aqueduct parcel) adjacent to its proposed new store at 448 Washington Street and to display seasonal farm produce and natural products at the entrance to the store, a small area of which may intrude into the aqueduct parcel. The aqueduct parcel is in a SRA District. It is owned by the Town and leased to Whole Foods' landlord, Gravestar, Inc.

Whole Foods' initial request was to amend the zoning map to extend the Business District, in which the store structure is located, over the aqueduct parcel. This would have allowed the parcel to be used as a farmers' market or for any other use allowed in a Business District. This zoning map amendment was placed on the Warrant for Town Meeting under Article 33, but no motion is expected under that article.

The Planning Board has, instead, suggested this alternative Zoning Bylaw amendment which would allow Whole Foods to host a farmers' market and display produce and other natural products in the SRA District only if it first obtains a Special Permit from the ZBA. The special permit process, which includes notification of abutters and a public hearing, would allow the ZBA to place individualized restrictions on each permit, such as specific location, hours and days of operation, and other conditions it may require. Special permits are typically renewable annually or biannually, allowing the ZBA to review the use over time and adjust conditions or, if necessary, deny a renewal application.

If this amendment is adopted, farmers markets and other outdoor sales of farm produce or other natural products would be allowed uses in all SRA Districts, but only upon the grant of a special permit by the ZBA. There are currently four other SRA Districts, all currently used primarily for parking at 326 Washington Street, 366 Washington Street, 66 Walnut Street and 40 Washington Street.

Costs to the Town associated with this amendment appear to be limited to the administration of the special permit process. Advisory voiced concerns that the administration of the special permits would be an additional burden on the ZBA and the Planning Department's staff. The Planning Department and the ZBA report that the cost of administration and enforcement would be minimal. The ZBA currently limits special permits to ten (10) per month with overflow applications pushed to the following month, thus capping special permits on a monthly basis. The current fee for Special Permit applications and renewals is \$250.

Advisory believes that the ability for the Town to facilitate farmers' markets in SRA Districts would be a significant benefit to Town residents. There are currently successful farmers market in Natick and other neighboring communities. Whole Foods reports that it has successfully hosted farmers' markets at some of its other store locations. The flexibility afforded by the special permit process would allow the Town to exercise appropriate control over the operation of any farmers' markets. After neighborhood input and participation in the process, the ZBA could impose conditions on any permit it grants to address anticipated concerns. The renewal process would allow the ZBA to re-examine permit conditions and modify them as necessary.

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

**Advisory recommends favorable action, 12 to 0.**

## AMEND TOWN BYLAW

**ARTICLE 38.** To see if the Town will vote to adopt the Stretch Energy Code, so called, by amending the Town Bylaws to incorporate the provisions set forth in 780 CMR Appendix 115.AA, including any future amendments or modifications; or take any other action relative thereto.

**(Sustainable Energy Committee)**

The Sustainable Energy Committee ("SEC") seeks the approval of Town Meeting to amend the Town Bylaws to adopt the Stretch Energy Code ("Stretch Code") as defined in the *State Board of Building Regulations and Standards*, Appendices (780 CMR, Chapter 155.AA). Approval of this amendment will make the Stretch Code, as currently prescribed and as amended in the future by the Board of Building Regulations and Standards, the standard building code in the Town of Wellesley. The SEC has provided a comprehensive report on the Stretch Code (see report on page 115) providing details needed to evaluate this request. There is no appropriation associated with this motion.

### BACKGROUND

The Sustainable Energy Committee was created in April 2010 and has been charged with developing, proposing and implementing the Town's *sustainable energy goals* as set by Town Meeting in 2009. One of the major goals is a reduction of equivalent-CO<sub>2</sub> ("e-CO<sub>2</sub>") emissions by 10% from the 2007 baseline by 2013. Since over 60% of Town Wide e-CO<sub>2</sub> emissions are due to the lighting, heating and cooling of buildings, adoption of the Stretch Code is a critical path to attaining the goals.

Adoption by Town Meeting ensures that Wellesley will always "stretch" to an energy standard that is a few years ahead of the Base Code, and include all future modifications and amendments, when the Stretch Code is updated along with the base code every 3 years. If adopted, Town Meeting would have the right to rescind the decision, at any time.

The following details on the Stretch Code are provided in the report:

- *Residential construction:* Performance testing requirements based on construction size for both new and renovation;
- *Commercial construction:* Energy modeling and commissioning based on size;
- Incremental cost and expected payback;
- Estimated reductions in e-CO<sub>2</sub>;
- Implementation timeline.

The Building Inspector believes there will be no additional administrative costs for the Building Department associated with the adoption of the Stretch Code. The Building Inspector is fully trained and certified in the Stretch Code.

### **ADVISORY REVIEW**

Advisory has reviewed the information provided by the SEC on the adoption of the Stretch Code and has made the following observations:

- The adoption of the Stretch Code is a critical element of SEC's plan to meet the Town's sustainable energy goals.
- Since the main element of the Stretch Code is *performance testing* (results) as opposed to *prescriptive measures* (requiring specific materials), we can be confident that the resulting buildings truly conform to the intent of the code.
- While the initial cost burden to builders/property owners of implementing the Stretch Code is not insignificant (1 to 3% of construction costs), the payback period as calculated by the state, is relatively short (1 to 3 years) thus yielding significant savings over the entire life of the building.
- There is anticipated to be no additional cost to the Building Department associated with implementation of the Stretch Code.
- There is a risk that amendments to the Stretch Code in the future might be onerous or inconsistent with the Town's objectives. If so, Town Meeting has the option to rescind the amendment and revert to the Base Code.
- The impact on builders is reasonable: Many of our neighboring communities have adopted the Stretch Code and thus many builders are familiar with implementation. Also, the testing and reporting required by the Stretch Code is done by independent, certified inspectors and does not require additional training on the part of the builder unless so desired.

Advisory agrees that the Stretch Code is a positive step forward in enabling the Town to reach the 2009 energy goals.

**Advisory recommends favorable action, 12 to 0.**

**ARTICLE 39.** To see if the Town will vote to amend the Town Bylaws where necessary in order to conform to the statutory changes in the Open Meeting Law, G.L. c. 30A, §§ 18 et seq., a list of changes being proposed on file in the office of the Board of Selectmen; or take any other action relative thereto.

**(Board of Selectmen)**

This Article asks Town Meeting to vote to amend various sections of the Town Bylaws to conform to the requirements of the Commonwealth's new Open Meeting Law which was revised and restated as part of the 2009 Ethics Reform Bill approved by the legislature and became effective on July 1, 2010. In most cases the new or revised bylaw language tracks the state statute, and current references to the Open Meeting Law will be amended to refer to the new Open Meeting Law, Chapter 30, Sections 18 to 25 of the General Laws.

Certain amendments are also being made to change how meeting notices are given to the Town Clerk and how the Town Clerk posts notices of meetings and to eliminate certain outdated procedural requirements not required by, or inconsistent with, the new Open Meeting Law.

The purpose of the new Open Meeting Law is to enhance public access to the deliberations and decisions on which public policy is based and requires that most meetings of governmental bodies be held in public, with some exceptions. In addition to the boards, commissions and committees currently covered under the definition of "board" under the Town's existing Bylaws, the new Bylaw will also apply to every other multi-member board, commission, committee or subcommittee in the Town, whether elected or appointed, and established to serve a public purpose. The term "subcommittee", as defined in the new Open Meeting Law, is intended to include any multiple-member body created to advise or make recommendations to a public body.

Except in cases of emergency, the new Open Meeting Law requires that notice of any meeting must now be posted at least 48 hours in advance of the meeting, excluding Saturdays, Sundays and legal holidays. Notices must contain the date, time and place of the meeting and a list of topics that, as of the time of the posting, the chair reasonably anticipates will be discussed in sufficient detail to inform the public of the specifics of each agenda item. While not required under the Open Meeting Law, public bodies are encouraged to amend posting prior to a meeting if additional topics are identified. Notices may be given by delivering paper copies to the Town Clerk or by faxing or e-mailing a notice to the Town Clerk for posting. The Clerk's office provides a hard copy posting on the counter of the Clerk's office during business hours and posts to the Town web calendar for daily around-the-clock availability to the public at large.

The new bylaw will include a description of all the permitted purposes for executive session and the procedural requirements to meet in executive session.

The new Open Meeting Law requires additional content for minutes. The new language requires minutes to contain a summary of discussions and a list of documents used at the meeting. Such documents and exhibits become a part of the official record of the meeting but need not be filed with the official minutes. Minutes for an executive session may be kept confidential only until the purpose for the session has been resolved.

Because posting of notices 48 hours prior to a meeting cannot satisfy the publication requirements of The Wellesley Townsman and notices, including agendas, will be available on the Town's web calendar, this Article would also delete the requirement of newspaper publication of agendas of meetings of certain boards currently contained in Section 6.20 of the Town Bylaws.

Even if no changes were made to the Town Bylaws, the provisions of the new Open Meeting Law would supersede any conflicting or inconsistent provisions in the Bylaws. Advisory believes that the changes in the Bylaws proposed by the Selectmen to conform to the new Open Meeting Law will avoid confusion among the public as to which provisions in the Bylaws are incomplete or in conflict with the new Open Meeting Law and therefore promote the purpose of that law. Advisory also believes that the procedural changes for giving notices to the Town Clerk and to the public are appropriate in light of the notice requirements contained in the new law. Advisory further approves the deletion of outdated procedural provisions in the Town's Bylaws, including the elimination of newspaper publication of agendas of meetings of certain boards, which are not required by, or inconsistent with, the Open Meeting Law.

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

## CITIZENS PETITIONS

**ARTICLE 40.** To see if the Town will vote to request that the Board of Assessors examine whether the Wellesley Country Club duly qualifies as a charitable corporation for purposes of tax assessments, and further to see if the Town will vote to raise and appropriate, or otherwise provide, a sum of money for expert appraisers and other consultants to assist the Board of Assessors in executing the foregoing charge; or take any other action relative thereto.

**(Citizens' Petition)**

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

## GENERAL

**ARTICLE 41.** 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; to authorize the transfer of unused proceeds from previously issued loans to one or more eligible appropriations; or take any other action relative thereto.

**(Board of Selectmen)**

The two Motions under this Article seek the authorization of Town Meeting to rescind unused borrowing authority, where the funds are no longer needed because the projects are now complete.

Advisory is pleased that several projects no longer require the issuance of debt under previously authorized borrowings and that these authorizations may now be rescinded.

### **MOTION 1**

The first Motion seeks authorization to rescind unused borrowing authorizations in the amount of \$2,728,535 for the elementary school building infrastructure improvement project which was approved at the 2007 Annual Town Meeting and previously reduced by \$478,465 at the 2010 Annual Town meeting by a transfer of unused funds from the elementary school modular classroom projects. These funds were never borrowed and are no longer needed to complete the projects for which they were authorized.

**Advisory recommends favorable action, 12 to 0.**

### **MOTION 2**

The second Motion seeks authorization to rescind unused borrowing authorizations in the amount of \$700,000 for the Sprague Field Turf project which was approved at the 2008 Annual Town Meeting. These funds were never borrowed and are no longer needed to complete the project for which they were authorized.

**Advisory recommends favorable action, 12 to 0.**

**ARTICLE 42.** 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 therefor; or take any other action relative thereto.

**(Board of Selectmen)**

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

**ARTICLE 43.** 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, 2010; or take any other action relative thereto.

**(Board of Selectmen)**

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

**ARTICLE 44.** 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 45.** 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 46.** 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 Board of Selectmen to appoint one or more of its members as Fire Engineer. 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, 12 to 0.**



**TOWN WIDE FINANCIAL PLAN FOR 2011 ANNUAL TOWN MEETING**  
**Submitted by the Board of Selectmen**

Dear Town Meeting Members:

March 4, 2011

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 (FY11), the proposed budget for FY12, and projected financial information for the years FY13-16.

**Overview**

The Board of Selectmen will present a balanced budget for FY12 at the upcoming Annual Town Meeting (see Exhibit A). However, at the time of this writing, we are still facing a projected deficit of approximately \$2.1 million, as the result of an assumed 5% reduction in State aid, a larger than anticipated increase in the School budget and costs associated with the early opening of the new High School. Through last fall, we projected a balanced budget for FY12 based on an assumption of level State aid, a 2.5% increase in the School budget and 1.5% increases in the budgets for other Town departments. As currently constituted, the School budget increase is 5.4%, largely attributable to a significant increase in the cost of Federal and State-mandated special education programs.

During the next few weeks, we will be working to find further opportunities to reduce cost or enhance revenues. Eleven of the Town's thirteen union contracts expire at the end of June. The FY12 budget request includes approximately \$1.7 million of funding for anticipated employee wage increases (\$.6 million for general wage increases and \$1.1 million for step and lane increases). Discussions are ongoing regarding the possible reduction of these increases. In addition, we are waiting for better guidance regarding the level of State aid, including Circuit Breaker reimbursement for special education programs. Despite whatever further adjustments are made, it is clear that closing the projected FY12 deficit will require either a Proposition 2½ override or a significant appropriation from the Town's financial reserves. Given the FY12 deficit did not become apparent until this past December, and in light of the larger deficits projected for subsequent years (discussed later in this report), we have chosen to defer action on an override until FY13.

Looking forward, we are projecting deficits in the range of \$5.2-7.7 million in each of the years FY13-16, before consideration of any override(s). The various boards' needs and assumptions underlying these projections are discussed later in this report. We will continue to explore opportunities for revenue enhancement and cost efficiencies; it is also possible that State aid, local revenue and other variables will evolve more favorably than assumed. However, the magnitude of the deficits clearly suggests some form of override or major cuts in services will be required. For initial discussion purposes only, we have proposed a \$5 million override in FY13, with the understanding that no additional override would be sought in FY14. This level of override is roughly equivalent to the projected deficit for FY13 and would add approximately 5% to the Town's tax rate. This increase would be in addition to the normal annual 2.5% increase allowed under Proposition 2½.

The Town Wide Financial Plan summarized in this report is a work-in-progress and will be revised prior to presentation under Article 3 at Town Meeting. As additional information becomes available and following further analysis and discussion, we will develop a plan for

balancing the FY12 budget and refine our proposal for addressing the FY13-16 deficits. As in prior years, we will provide further updates on these matters through the start of Town Meeting.

We look forward to engaging in a dialogue on these issues. Town Meeting feedback on the projected deficits in FY13-16 and the proposed override in FY13 is critical to our ongoing planning process.

### **Town Wide Financial Plan Process**

This past summer, the Selectmen asked a group of four former Advisory Chairs to review our operation of the Town Wide Financial Plan process and comment on the Plan. Their findings suggested that a more robust process would require:

- A longer range horizon (5 years)
- A more continuous, year-round process
- More “buy-in” from elected boards and the Advisory Committee
- More transparency and public discussion

In addition, the former Advisory Chairs opined that annual budget guidelines should be established by the Selectmen (instead of the Advisory Committee) as an extension of their role in maintaining the Town Wide Financial Plan.

During the past few months we have endeavored to implement each of these recommendations. We have met on multiple occasions with elected and appointed Boards and their respective staffs to solicit their greater participation in the development of the Plan. With regard to the projections for future years, we have requested written input from each Board regarding their future funding requirements and the assumptions underlying them. As evidenced by the late initiation of dialogue with respect to the FY12 deficit, it is clear we must add more rigor to the process and gain more buy-in from all Boards, in order to make the Town Wide Financial Plan an effective financial planning tool.

### **Key Financial Planning Issues**

As in prior years, the key issues impacting the Town’s financial planning include:

- Uncertainty regarding future levels of State aid
- Growth in personnel costs
- Continuing increases in employee benefit costs
- Facilities maintenance needs
- High School construction and related borrowing costs
- Funding of future capital projects
  - DPW office building
  - Senior Center
  - St. James
  - Fuller Brook Park
- Other capital infrastructure needs

A short discussion of each of these items follows.

#### **Uncertainty regarding future levels of State aid**

State aid (\$8.2 million) comprises approximately 7% of the Town’s total sources of funds. The largest component is Chapter 70 Aid for Education. The proposed FY12 State budget recently submitted by Governor Patrick level-funds Aid for Education, but the State Legislature has not

yet acted on the budget, and could ultimately recommend a reduction. The latest guidance we have received suggests local aid will be reduced by no more than 5% from the prior year level. Accordingly, we have assumed a 5% reduction in FY12.

Growth in personnel costs

The largest single item in the year-over-year growth of the Town budget is the cost of pay increases for existing employees. The vast majority of Town employees are unionized, and as such, their increases are the subject of collective bargaining. Eleven of the Town’s thirteen union contracts expire on June 30, 2011, which provides the Town with flexibility in terms of controlling cost over the next few years. The contracts typically provide for general wage increases (e.g., an X% increase in the wage scale for all positions), step increases for employees who have not yet reached the top step, and additional increases for teachers and police officers as they achieve additional academic degrees. The year-over-year budget growth varies according to the negotiated wage settlements, the number of members receiving step and other increases, and other variables. The following table illustrates the key variables for a sample of the Town’s union contracts.

	<u>Patrolmen</u>	<u>Superior Officers</u>	<u>DPW Production</u>	<u>Teachers</u>
Budgeted positions	32	9	80	459
Steps	4	1	6	15
Average step value	5.6%	N/A	5.3%	4.2%
% of employees on steps	16%	N/A	6%	57%
FY12 Contract increase	0%	0%	TBD	TBD

Before allocating shared costs (e.g., health insurance, pension, etc.), the School budget represents approximately 46% of the Town’s total FY12 operating budget, while the other Town departments represent 20%. Employee benefits, debt service and cash capital account for most of the remaining 34%. Presented in Exhibit C is a fully-allocated view of the FY12 budget. On this basis, the Schools represent 68% of the total Town budget.

Given its relative size, the rate of growth in the School budget is the most critical factor each year in determining what actions will be required to balance the Town’s overall budget. Information regarding projections for the period FY13-16 is provided later in this report.

Continuing increases in employee benefit costs

Employee benefit costs total \$20.7 million in FY12 (16% of the Town’s total budget) and are the fastest growing component of the budget. The principal components of this cost are:

- Health insurance premium costs for active and retired employees - \$13.2 million
- Pension plan contribution - \$2.6 million
- Other Postemployment Benefits (OPEB) - \$3 million

**Health insurance:** The budgeted health insurance premium costs for FY12 reflect a 7% premium increase. Approximately half of the total health insurance premium costs relate to retired employees, which represents the so-called “pay-as-you-go” cost for retirees. The \$3 million OPEB cost reflects the incremental cost associated with amortizing the related past service liability.

**Pension:** The Town maintains a defined benefit pension plan for retired employees other than teachers (teachers participate in a similar plan operated by the State). The benefits provided by the plan are identical to those offered by other cities and Towns in Massachusetts. Municipal employees in Massachusetts are not eligible for Social Security as a result of their employment with a municipality. Thus, the pension benefit is provided in lieu of a retirement allowance provided under Social Security. Unlike a defined benefit pension plan in the private sector, municipal employees contribute toward the cost of their pension. Any municipal employee hired after 1996 is required to contribute 9% of pay plus 2% of pay over \$30,000 to the plan. Employee contributions to the Town of Wellesley's pension plan during calendar 2010 totaled \$3.1 million. During the years FY97-FY09 when the pension liability was fully funded, the Town made no contributions to the pension plan.

**OPEB:** The Town is obligated to subsidize a portion of the health insurance premiums for retirees. Generally speaking, eligible retirees are required to enroll in Medicare and the Town pays 50% of the cost of a Medicare supplement plan and 50% of the Medicare Part B premium.

The following table summarizes the Town's unfunded liabilities related to pension and OPEB, based on employee service to-date:

Valuation date	<u>Pension</u>	<u>OPEB</u>
	1/1/10	7/1/10
Accrued liability	\$ 149,447,086	\$ 125,582,343
Actuarial value of assets	129,514,453	11,133,131
Unfunded liability	<u>\$ 19,932,633</u>	<u>\$ 114,449,212</u>

The Town has established an actuarial funding schedule for the OPEB liability, which provides for increasing amortization payments intended to fully fund the liability over a 30 year period. Based on this funding schedule, the unfunded OPEB liability will continue to grow until 2019. Any decision to diminish the level of OPEB funding in the near-term would exacerbate the projected growth of these costs in future years.

Similarly, the actuarial funding schedule for the pension plan requires the Town to continue increasing the annual pension contribution by approximately \$1 million each year for the next several years. This increase in funding is intended to return the plan to a fully-funded status by approximately 2030. The \$3.1 million contribution for FY12 (including contributions by the Sewer, Water and Municipal Light Plant enterprise funds) is still lower than the pension contributions made during the late 1980's and early 1990's. The Town's total annual pension and OPEB (Other Post-Employment Benefits) contribution also remains lower than in many comparable AAA communities, as seen in the following table:

Town	FY2012 Appropriations			2011 Revenue	% Revenue
	Pension	OPEB	Total		
Brookline	\$ 15,025,000	\$ 1,300,000	\$ 16,325,000	\$ 198,982,142	8.20%
Arlington	8,442,000	300,000	8,742,000	114,710,031	7.62%
Needham	4,723,000	3,906,275	8,629,275	114,561,621	7.53%
Belmont	6,183,000	-	6,183,000	83,924,987	7.37%
Hingham	3,784,000	975,997	4,759,997	80,166,490	5.94%
Natick	5,900,000	-	5,900,000	105,255,712	5.61%
Wellesley	3,123,842	3,450,443	6,574,285	122,945,828	5.35%
Lexington	4,083,000	500,000	4,583,000	153,782,165	2.98%

### Facilities maintenance needs

During the past year, efforts to further consolidate responsibility for facilities maintenance Town Wide were terminated. Going forward, the School Committee is responsible for the maintenance of school buildings and the Selectmen are responsible for the maintenance of all other Town buildings, excluding those occupied by the Department of Public Works and Municipal Light Plant. In addition to custodians assigned to each building, the Town employs a total of 5 tradesmen (1 plumber, 2 electricians, 1 HVAC specialist and 1 general laborer). Four of these tradesmen are employed by the School Department and the provisions of their union contract preclude the cross-deployment of personnel between the schools and other Town buildings. The Town is heavily dependent on capital funds to pay for third party resources to perform most facility maintenance work, e.g., the cost of replacing roofs, flooring, windows, mechanical systems, etc.

Benchmarking of other municipalities and private sector entities suggests the recurring level of facilities maintenance capital should be in excess of \$2/square foot. Thus, the level of facilities maintenance capital funding included in the FY12 budget is not adequate to preserve the Town's assets, as seen in the following table:

	<u>Sq. Ft</u>	<u>FY 12 Capital</u>	<u>Per Sq. Ft</u>
Schools	800,000	127,108	\$ 0.16
Other Town Buildings	300,000	320,950	\$ 1.07

Recognizing the need to significantly increase the recurring level of funding for facilities maintenance, the Selectmen previously proposed to redirect a portion of the funds made available by future reductions in the level of inside-the-levy debt service for facilities maintenance. For purposes of the projections summarized later in this report, we have increased projected spending in the years FY15 and FY16 to reach a total level of \$2/square foot Town Wide in FY16. Productive usage of these additional funds will require increased focus on maintenance of all Town buildings and further strengthening of the Town's facilities maintenance organizations.

Perhaps the most significant pending facilities maintenance needs involve the Town's elementary schools. To determine the scope, cost and timing of the work required on these buildings, the School Committee included a request for \$200,000 to pay for an assessment of the elementary schools and the Middle School in their FY13 capital plan. Recognizing the critical need for this planning, a decision was made to accelerate the timing of this study to FY12.

### High School construction and related borrowing costs

A large portion of the construction of the new High School has been completed and the planned date of occupancy of the new school has been accelerated to February 2012. In addition, project costs are running below budget. Spending to-date on the project totals \$47.7 million and reimbursements from the Massachusetts School Building Authority (MSBA) total \$15.5 million (the total cost incurred to-date includes certain costs not eligible for MSBA reimbursement, such as the purchase of the Seaver Street properties).

The funds for the project are being borrowed in phases, according to the projected cash flow for the project. The second round of borrowing (\$35 million) closed in March 2010 and we anticipate the third round (\$22 million) will close before the end of April 2011. We anticipate the fourth and final round of borrowing will likely take place during calendar 2012. The weighted average interest rate on the borrowing to-date is approximately 3.7%, which compares favorably

to the 4.5% rate used in our original projections. The debt service cost for the project is currently projected to peak in FY13, and decline each year thereafter. The budgeted FY12 and projected FY13 debt service cost related to the High School project are \$5.8 million and \$6.4 million, respectively.

#### Funding of future capital projects

The decision to redirect a portion of inside-the-levy debt service spending in future years to facilities maintenance is likely to put added pressure on the Town to fund large capital projects via debt exclusions. Accordingly, we have assumed the following projects will be funded via debt exclusions, subject to future discussion and favorable action at Town Meeting:

- DPW office building (\$3.6 million) – Under Article 19 at the upcoming Annual Town Meeting, the Board of Public Works will request funds to construct an office addition to the new Water & Sewer garage. This new space would house DPW office personnel including the Town Engineer's office.
- Senior Center (\$4.3 million) – While no action on the Senior Center is planned for the 2011 Annual Town Meeting, to illustrate the potential impact of this project, we have rolled forward the most recent cost estimate for the standalone Senior Center at the former American Legion site.
- The March 2009 Town Meeting authorized funds to demolish the former American Legion building at 496 Washington Street and to design a Senior Center to be located on the site. Following the failed attempt to acquire the adjacent property at 494 Washington Street in the Spring of 2010, completion of the design work was placed on hold, while the Selectmen and Council on Aging further explored the option of collaborating with the Wellesley Community Center and Friendly Aid Association on a potential redevelopment of the property at 219 Washington Street. These discussions are ongoing.

In addition, significant planning work has been done on the following two projects:

- St. James – In anticipation of a potential end to the vigil and the Archdiocese's decision to divest this property, the Town has developed a preliminary proposal to acquire the property and redevelop it for recreational purposes. If a Town bid were accepted, the cost of acquiring the property would be primarily funded by Community Preservation Act (CPA) funds and the subsequent construction of recreational facilities would be funded through a mixture of public and private funds.
- Fuller Brook Park – Considerable planning has been done on the Fuller Brook Park Preservation Project. No appropriation of tax-impact funds will be sought for this project at the 2011 Annual Town Meeting. As seen in the Five Year Capital Budget Program, the total cost of this potential project is currently estimated to be \$5.4 million, with \$3.6 million of the cost to be funded with CPA funds, and the balance (\$1.8 million) to be funded by the Town.

The potential impact of these future capital projects on the tax rate and median tax bills is illustrated on Exhibit D.

#### Other capital infrastructure needs

Funds to pay for the conversion of various spaces within the Middle School for future use as classrooms (\$1.75 million) were provided via an appropriation from Free Cash at the December 2010 Special Town Meeting.

This past summer, we worked with the Board of Public Works to reassess the adequacy of capital spending on roads, sidewalks and other municipal infrastructure. We concluded the Town's recurring level of investment in this area had not kept pace with increases in the cost of materials and labor. During the period FY95 to FY11 the growth in the cost of asphalt significantly outpaced the growth in the DPW capital budget. As a result, the Town's recurring

capital funding has not been adequate to support the intended cycle of road resurfacing and rehabilitation.

Under Article 22 at Town Meeting, the Board of Public Works will request funds to pay for the reconstruction of Kingsbury Street. This project is part of the long range plan to increase investment in roadway rehabilitation and resurfacing.

### The FY12 Budget

At the 2010 Annual Town Meeting, we presented a plan for FY12 that was in balance and did not require an override. Early last fall, we reviewed preliminary revenue projections with the Advisory Committee and discussed the impact of general economic conditions and the tax rate impact of the ongoing High School project. This led to the issuance of FY12 budget guidelines intended to balance the budget, which allowed for departmental budget increases of 2.5% for the School Department and 1.5% for other Town departments.

Capital requests were submitted in October and departmental operating budgets were submitted in December and January. Following various adjustments, the proposed FY12 budget is summarized in the following table (a more complete FY12 Sources & Uses is presented on Exhibit A):

	<b>FY11</b>	<b>FY12</b>	<b>\$</b>	<b>%</b>
	<b><u>Budget</u></b>	<b><u>Request</u></b>	<b><u>Inc/(Dec)</u></b>	<b><u>Inc/(Dec)</u></b>
<b>Sources of Funds</b>				
Taxes	\$ 89,390,420	\$ 92,925,181	\$ 3,534,760	4%
State Aid	8,640,532	8,222,005	(418,527)	-5%
Local Revenue	9,946,566	10,150,000	203,434	2%
Other Sources	3,675,165	2,583,136	(1,092,029)	-30%
Exclusions and Exemptions	11,488,097	13,060,694	1,572,597	14%
<b>Total Sources</b>	<b>\$ 123,140,780</b>	<b>\$ 126,941,016</b>	<b>\$ 3,800,236</b>	<b>3%</b>
<b>Uses of Funds</b>				
School	\$ 57,382,010	\$ 60,474,129	\$ 3,092,119	5.4%
Other Town Departments	25,979,249	26,392,747	413,498	1.6%
Employee Benefits	17,011,499	18,932,105	1,920,606	11.3%
Cash Capital	2,756,501	3,073,242	316,741	11.5%
Debt (inside Levy)	3,591,273	3,405,825	(185,448)	-5.2%
Other Uses	4,932,151	3,667,248	(1,264,903)	-25.6%
Exclusions and Exemptions	11,488,097	13,060,694	1,572,597	13.7%
<b>Total Uses</b>	<b>\$ 123,140,780</b>	<b>\$ 129,005,990</b>	<b>\$ 5,865,210</b>	<b>4.8%</b>
<b>Surplus/(Deficit-Override)</b>	<b>\$ -</b>	<b>\$ (2,064,974)</b>		

**Sources of Funds:** The 4% increase in Taxes reflects the allowed growth in the levy limit (2.5%) and \$1.3 million of new levy growth. The 5% reduction in State Aid reflects the latest guidance we have received from State officials. The significant decline in Other Sources is attributable to reduced use of Community Preservation Act (CPA) funds and Free Cash. The 14% increase in Exclusions and Exemptions primarily reflects the increased level of debt service associated with the High School project.

**Uses of Funds:** The 5.4% increase in the total School budget reflects a significant increase in Special Education, Transportation and Inclusion (STTI) costs, \$370,080 of costs associated with the early opening of the new High School and a 1.7% increase in the remainder of the budget. The 1.6% budget increase for Other Town Departments is relatively consistent with the 1.5% budget guideline. The 11.3% increase in Employee Benefits is primarily due to the 7% increase in health insurance premium rates and a \$0.9 million increase in pension funding (excluding enterprise funds). The 11.5% increase in Cash Capital is largely due to \$200,000 of funding to pay for the cost of a school facilities analysis. Debt service inside-the-levy is down as a result of the continuing pay-down of related debt. Other Uses include CPA fund requests and other self-funding items, as well as provisions for state and county assessments and property tax abatements.

Eleven of the Town's thirteen union contracts expire at the end of June. Provisions for the anticipated cost of settlements have been included in each of the relevant departmental budgets.

The Town is also proposing to fund a \$750,000 supplemental appropriation to the Department of Public Works for FY11 snow and ice removal costs (Article 7) from Free Cash.

### **Debt Capital**

The Town's Five-Year Capital Budget Program is presented elsewhere in this book. The following debt capital projects will be considered at the 2011 Annual Town Meeting:

- DPW recycled materials structure - \$400,000 (Article 20)
- Hunnewell Field restroom replacement - \$250,000 (Article 21)
- Kingsbury Street reconstruction - \$620,000 (Article 22)
- Town Hall HVAC system rehabilitation - \$300,000 (Article 23)

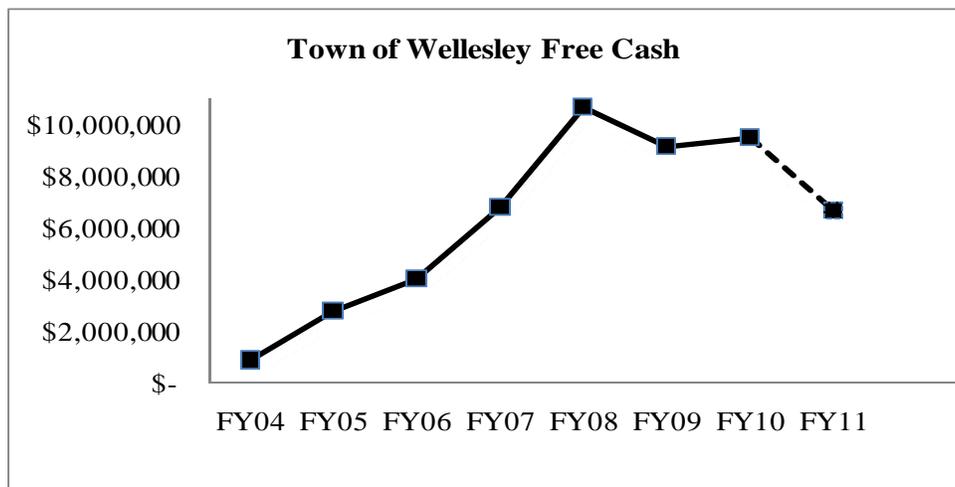
The total debt service cost reflected in the FY12 budget for these new projects is \$219,800.

### **Reserves**

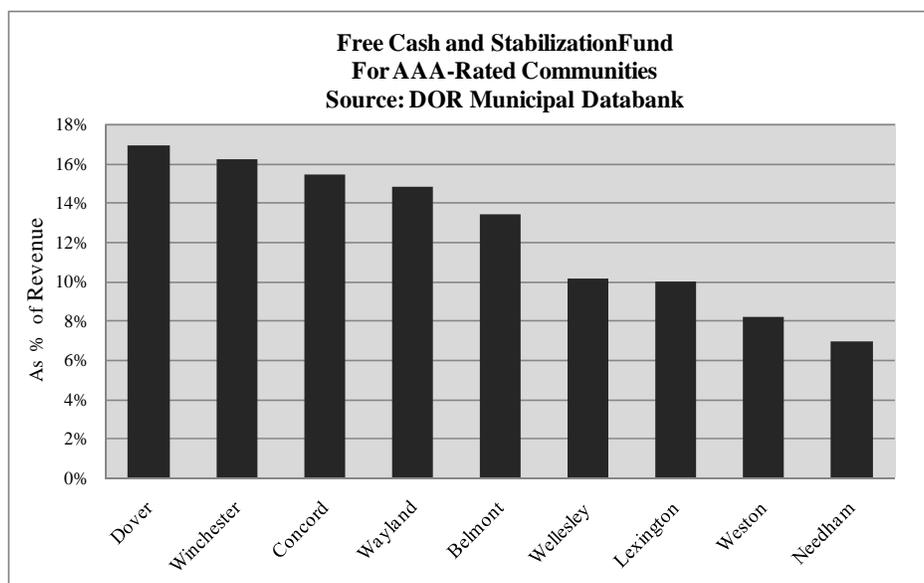
In recent years, Town Meeting has been cognizant of the need to increase the level of the Town's financial reserves, in order to maintain the Town's favorable AAA bond rating. This has required us to carefully monitor the level of revenues and expenses versus budget, and the resulting impact on reserve levels. It has also required us to be judicious in our utilization of reserves.

Of particular concern are the balances in the Town's Stabilization Fund (a separate reserve fund) and the balance of Free Cash. 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, 2010 was \$3 million and we are making no requests for appropriations from this fund. The level of Free Cash, as certified by the DOR, was \$9.5 million as of July 1, 2010. We subsequently appropriated approximately \$1.8 million from Free Cash at the December 2010 Special Town Meeting and we are proposing to appropriate a further \$1 million under Articles 7, 18, 23 and 26 at the upcoming Annual Town Meeting. This will reduce the Free Cash available for further appropriations to \$6.7 million.

The following chart reflects the trend in Free Cash for the years FY04-11:



The following chart compares Wellesley's total Stabilization Fund and Free Cash reserves at June 30, 2010 to other AAA rated communities, expressed as a percent of 2011 annual revenues:



DOR recommends that communities maintain reserves (Free Cash and Stabilization Fund) of at least 3-5% of annual expenditures and the Government Finance Officers' Association recommends 5-15%. As seen in the above chart, Wellesley's reserves are slightly above 10%.

Wellesley's reserve levels are complemented by the Town's proactive funding of the pension and Other Postemployment Benefits (OPEB) liabilities. Consistent with the prior year, the budget includes \$3 million of funding toward the Town's OPEB liability (\$1.2 million inside the levy, plus \$1.8 million OPEB funding exclusion as authorized by the May 2007 Special Election).

**Looking Ahead to FY13-16**

For purposes of projecting the Town's Sources and Uses of funds for the years FY13-16, we solicited input from the various Town Boards. The following table summarizes the guidance received from the Boards, and certain other key assumptions:

	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
<b>Revenue growth</b>				
State aid	1.0%	1.0%	2.5%	2.5%
Local revenue	1.0%	1.0%	2.5%	2.5%
<b>Spending growth</b>				
Schools				
- General education	5.9%	5.2%	3.0%	3.25%
- STTI	4.3%	1.28%	0.40%	0.76%
Other Town depts.	2.5%	2.5%	2.5%	2.5%
Health insurance	7.0%	7.0%	7.0%	7.0%

Implicit in the growth in spending are assumptions regarding the outcome of collective bargaining negotiations. In addition, we have assumed:

- Annual growth in property tax revenues – 2.5% plus \$1.3 million of new growth (vs. \$1.4 million FY11 actual)
- Annual growth in health insurance costs – 7%
- Pension funding – increasing to \$3.2, \$4.1, \$4.9 and \$5 million in FY13-16

Based on these assumptions and assuming no override, the projected deficits for the years FY13-16 are summarized as follows:

<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
\$ (5,234,649)	\$ (7,104,578)	\$ (7,749,618)	\$ (7,340,323)

We intend to have further discussions with the boards on their budget assumptions and the resulting deficits. Ultimately, the deficits underscore the need for further planning in order to balance service expectations against taxpayers' willingness to pay. Absent significantly more favorable experience with respect to our assumptions or service reductions, it is clear that we will need to find additional sources of revenue and/or cost reductions to balance the respective budgets for those years.

Potential sources of new revenue within the Town's control include:

- New and/or increased permit fees
- Increased parking fees and fines
- Incremental payments in lieu of taxes (PILOT's)
- Proposition 2½ override(s)

Potential cost reductions include:

- Operational efficiencies from outsourcing and/or consolidation
- Energy conservation measures
- Service and/or staff reductions
- Deferral of capital projects

Given the magnitude of the deficits, it is highly likely that a significant override will be required in FY13. For initial discussion purposes, we have suggested a \$5 million override in FY13, with the understanding that no further override would be sought through FY14. While an override in FY13 will help to reduce the deficits in FY14-16, significant gaps will remain.

The following table illustrates the impact of a \$5 million override in FY13 on the median tax bill (i.e., the tax bill for a home valued at \$786,000):

<b><u>Median Tax Bill</u></b>		
	<b><u>FY12</u></b>	<b><u>FY13</u></b>
Prior fiscal year	\$ 8,990	\$ 9,331
Projected increase w/o an override or any new exclusions	304	263
Projected impact of new exclusions		
- DPW Office Building	37	-
- Senior Center	-	40
Projected impact of \$5M override	-	437
Current fiscal year	<u>\$ 9,331</u>	<u>\$ 10,071</u>
% increase	3.8%	7.9%

This Town Wide Financial Plan is a work-in-progress and will be revised prior to presentation at Town Meeting. As in prior years, we will provide further updates on these matters through the start of 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,



Katherine L. Babson, Jr., Chair  
 Terri Tsagaris, Vice Chair  
 Barbara D. Searle, Secretary  
 Owen H. Dugan  
 Ellen F. Gibbs

Exhibits:

- A - FY12 Summary Sources & Uses of Funds
- B – FY12 Detail Sources & Uses of Funds
- C - Fully Allocated FY12 Uses
- D - Tax Rate and Median Tax Bill Projections

**TOWN OF WELLESLEY - SOURCES AND USES OF FUNDS**

Exhibit A

	<u>FY2011 Tax Rate</u>	<u>FY2012 Request</u>	<u>% Change</u>
<b>*** SOURCES OF FUNDS ***</b>			
Tax & Other Current Revenues			
Within Levy Limits			
Real Estate & Per. Prop. Tax	89,390,420	92,925,181	3.95%
From the Commonwealth	8,640,532	8,222,005	-4.84%
Local Revenue	9,946,566	10,150,000	2.05%
<b>Sub-Total (Tax &amp; Cur. Rev.)</b>	<b>107,977,518</b>	<b>111,297,186</b>	<b>3.07%</b>
Outside Levy Limits			
Real Estate & Pers.Prop.Tax	8,954,943	10,638,856	18.80%
OPEB	1,800,000	1,800,000	0.00%
Available Funds			
Parking Meter Receipts	538,661	585,636	8.72%
Appropriated/Reserved CPA Surcharge	1,136,500	507,500	-55.35%
Free Cash- balance budget	-	-	
Direct free cash items - MS reconfig, COA rent	1,776,820	1,040,000	-41.47%
School Construction Aid & Set-Asides	621,838	621,838	0.00%
Unencumbered/Transfers from other funds	334,500	450,000	34.53%
<b>Sub-Total (Available Funds)</b>	<b>4,408,319</b>	<b>3,204,974</b>	<b>-27.30%</b>
<b>TOTAL SOURCES OF FUNDS</b>	<b>123,140,780</b>	<b>126,941,016</b>	<b>3.09%</b>
	<u>FY2011 Request</u>	<u>FY2012 Request</u>	<u>% Change</u>
<b>*** USE OF FUNDS ***</b>			
Personal Services (Non-School)			
Expenses (Non-School)	18,917,181	19,165,494	1.31%
Subtotal (Non-School)	7,062,068	7,227,253	2.34%
Subtotal (Non-School)	25,979,249	26,392,747	1.59%
Personal Services (School)			
Expenses (School)	48,740,050	50,228,534	3.05%
Subtotal (School)	8,641,960	10,245,595	18.56%
Subtotal (School)	57,382,010	60,474,129	5.39%
<b>Sub-Total (Pers. Svcs.&amp; Exp)</b>	<b>83,361,259</b>	<b>86,866,876</b>	<b>4.21%</b>
Capital & Debt			
Within Levy Limits			
Capital/Extraord./Special Items	2,756,501	3,073,242	11.49%
Debt Service - Issued	3,491,273	3,186,025	-8.74%
Debt Service - T to be Issued	100,000	219,800	54.50%
Sub-Total (Within Levy Limits)	6,347,774	6,479,067	2.07%
Outside Levy Limits			
Debt Service - Issued	9,688,097	8,836,184	-8.79%
Debt Service - T to be Issued	-	2,424,510	100.00%
<b>SUB-TOTAL (CAPITAL &amp; DEBT)</b>	<b>16,035,871</b>	<b>17,739,761</b>	<b>10.63%</b>
Employee Benefits:			
Ins./Group Ins., etc.	14,079,499	15,101,832	7.26%
Pension Contribution	1,732,000	2,630,273	51.86%
OPEB Liability Fund	3,000,000	3,000,000	0.00%
<b>Sub-Total (Shared Costs)</b>	<b>18,811,499</b>	<b>20,732,105</b>	<b>10.21%</b>
<b>SUB-TOTAL (OPERATIONS)</b>	<b>118,208,629</b>	<b>125,338,742</b>	<b>6.03%</b>
Special Items:			
Traffic & Parking Management	520,386	567,361	9.03%
Appropriated/Reserved CPA Surcharge	1,136,500	507,500	-55.35%
State & County Assessments	1,084,863	1,111,985	2.50%
Property Tax Abatements	440,402	440,402	0.00%
FY 2011 items ( Snow and Ice, NRC trees, lib brnch, fire floor	-	1,040,000	100.00%
Other (Middle school space)	1,750,000	-	-100.00%
<b>Sub-Total (Special Items)</b>	<b>4,932,151</b>	<b>3,667,248</b>	<b>-25.65%</b>
<b>TOTAL USE OF FUNDS</b>	<b>123,140,780</b>	<b>129,005,990</b>	<b>4.76%</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>123,140,780</b>	<b>126,941,016</b>	<b>3.09%</b>
<b>SURPLUS (DEFICIT)</b>	<b>-</b>	<b>(2,064,974)</b>	

## TOWN OF WELLESLEY - TOWN MEETING APPROVED ALLOCATION OF FUNDS

<b><u>SOURCES OF FUNDS</u></b>	<b><u>FY 2011</u></b>	<b><u>FY 2012</u></b>	<b><u>\$ Change</u></b>	<b><u>% Change</u></b>
<b>Real Estate &amp; Personal Property Tax</b>				
Within the Levy Limit	89,390,420	92,925,181	3,534,760	3.95%
Outside the Levy Limit - OPEB	1,800,000	1,800,000	0	
Outside the Levy Limit	8,954,943	10,638,856	1,683,913	18.80%
Subtotal	100,145,363	105,364,037	5,218,673	5.21%
<b>From the Commonwealth</b>				
Chapter 70 Aid	7,227,629	6,866,248	(361,381)	-5.00%
Lottery Aid	1,084,303	1,030,088	(54,215)	-5.00%
Regional Public Libraries	270,000	270,000	0	0.00%
Quinn Bill	0	0	0	
Other Aid	58,600	55,670	(2,930)	-5.00%
School Construction	621,838	621,838	0	0.00%
<b>Local Revenue</b>				
Motor Vehicle Excise	3,800,000	3,800,000	0	0.00%
Licenses and Permits	1,300,000	1,400,000	100,000	7.69%
MLP Payment In Lieu of Taxes	1,000,000	1,000,000	0	0.00%
Interest Earnings	1,225,000	1,200,000	(25,000)	-2.04%
RDF Revenue	499,390	650,000	150,610	30.16%
Fines& forfeits	550,000	550,000	0	0.00%
Recreation	50,000	50,000	0	0.00%
Meals Tax	350,000	350,000	0	0.00%
Other Local Revenues	1,172,176	1,150,000	(22,176)	-1.89%
<b>Other Sources</b>				
Stimulus received as ARRA grant - not g fund	0		0	
Parking Meter Receipts	538,661	585,636	46,975	8.72%
Amortize Bond premium	-		0	
<b>Free Cash to balance budget</b>				
Free Cash - from STM 12/6/10	1,776,820		(1,776,820)	
Free Cash fro FY2011 items ( S&I, capital)		1,040,000		
Appropriated CPA Surcharge	1,136,500	507,500	(629,000)	-55.35%
School lunch, Police detail, (fire grant in 2010)	334,500	450,000	115,500	34.53%
	<b>123,140,780</b>	<b>126,941,016</b>	<b>3,800,236</b>	<b>3.09%</b>

**USES OF FUNDS**

Funding Item	FY11 USE OF FUNDS (Tax Rate)			FY12 USE OF FUNDS (Request)			CHANGE - FY11 to FY12			
	FY11 Pers Svs	FY11 Expenses	FY11 Total Ops	FY12 Pers Svs	FY12 Expenses	FY12 Total Ops	Variance Pers Svs	Variance Expenses	Variance Total - \$	Variance Total - %
<b>GENERAL GOVERNMENT</b>										
<i>Board of Selectmen - Administration</i>										
Executive Director's Office	364,184	26,250	390,434	369,238	30,250	399,488	5,054	4,000	9,054	2.32%
Sustainable Energy	19,000	6,000	25,000	19,033	6,000	25,033	33	0	33	0.13%
Central Administrative Services	0	98,614	98,614	0	95,974	95,974	0	(2,640)	(2,640)	-2.68%
Finance Department	343,109	8,990	352,099	348,255	9,125	357,380	5,146	135	5,281	1.50%
Network & Information Systems	447,185	207,373	654,558	449,993	214,127	664,120	2,808	6,754	9,562	1.46%
Treasurer & Collector	249,074	121,725	370,799	251,964	122,150	374,114	2,890	425	3,315	0.89%
Parking Fines Processing	45,742	55,400	101,142	46,165	55,400	101,565	423	0	423	0.42%
Town Report	0	4,000	4,000	0	4,000	4,000	0	0	0	0.00%
<i>Board of Selectmen - Human Services</i>										
Council on Aging	154,026	99,425	253,451	161,015	129,325	290,340	6,989	29,900	36,889	14.55%
Fair Housing Committee	0	200	200	0	200	200	0	0	0	0.00%
West Suburban Veterans District	54,836	48,350	103,186	27,793	57,487	85,280	(27,043)	9,137	(17,906)	-17.35%
Youth Commission	63,260	22,050	85,310	71,392	17,190	88,582	8,132	(4,860)	3,272	3.84%
<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%
Metro West Planning	0	0	0	0	0	0	0	0	0	NA
Historical Commission	0	750	750	0	750	750	0	0	0	0.00%
Historical District Commission	0	250	250	0	250	250	0	0	0	0.00%
Human Relations Committee	0	0	0	0	0	0	0	0	0	0.00%
Memorial Day	transferred to Veterans Services			transferred to Veterans Services			0	0	0	
Celebrations Committee	0	4,700	4,700	0	4,700	4,700	0	0	0	0.00%
Zoning Board of Appeals	46,932	7,115	54,047	47,402	7,115	54,517	470	0	470	0.87%
<i>Board of Selectmen - Shared Services</i>										
Law	0	272,360	272,360	0	272,360	272,360	0	0	0	0.00%
Risk Management	0	312,000	312,000	0	322,000	322,000	0	10,000	10,000	3.21%
Street Lighting	0	328,211	328,211	0	320,271	320,271	0	(7,940)	(7,940)	-2.42%
<b>Subtotal - Board of Selectmen - General Government</b>	<b>1,787,348</b>	<b>1,627,263</b>	<b>3,414,611</b>	<b>1,792,250</b>	<b>1,672,174</b>	<b>3,464,424</b>	<b>4,902</b>	<b>44,911</b>	<b>49,813</b>	<b>1.46%</b>
<i>Other General Government</i>										
Facilities Maintenance and Grounds-Town	688,762	211,919	900,681	689,126	226,132	915,258	364	14,213	14,577	1.62%
Facilities Maintenance and Grounds-School	0	0	0	0	0	0	0	0	0	#DIV/0!
Town Clerk/Election & Registration	248,908	46,170	295,078	238,008	44,250	282,258	(10,900)	(1,920)	(12,820)	-4.34%
Board of Assessors	238,845	72,932	311,777	241,711	81,450	323,161	2,866	8,518	11,384	3.65%
Planning Board	208,767	42,273	251,040	210,968	42,100	253,068	2,201	(173)	2,028	0.81%
Advisory Committee	8,681	13,800	22,481	8,782	14,000	22,782	101	200	301	1.34%
Reserve Fund	0	147,000	147,000	0	175,000	175,000	0	28,000	28,000	19.05%
Audit Committee	0	56,250	56,250	0	56,250	56,250	0	0	0	0.00%
Permanent Building Committee	9,546	5,900	15,446	9,641	5,900	15,541	95	0	95	0.62%
Human Resources Board	262,608	20,175	282,783	265,449	20,150	285,599	2,841	(25)	2,816	1.00%
HR Salary adjustments	6,694	0	6,694	12,000	0	12,000	5,306	0	5,306	NA
<b>Subtotal - Other General Government</b>	<b>1,672,811</b>	<b>616,419</b>	<b>2,289,230</b>	<b>1,675,685</b>	<b>665,232</b>	<b>2,340,917</b>	<b>2,874</b>	<b>48,813</b>	<b>51,687</b>	<b>2.26%</b>
<b>GENERAL GOVERNMENT TOTAL</b>	<b>3,460,159</b>	<b>2,243,682</b>	<b>5,703,841</b>	<b>3,467,935</b>	<b>2,337,406</b>	<b>5,805,341</b>	<b>7,776</b>	<b>93,724</b>	<b>101,500</b>	<b>1.78%</b>

**USES OF FUNDS (continued)**

Funding Item	FY11 USE OF FUNDS (Tax Rate)			FY12 USE OF FUNDS (Request)			CHANGE - FY11 to FY12			
	FY11 Pers Srvs	FY11 Expenses	FY11 Total Ops	FY12 Pers Srvs	FY12 Expenses	FY12 Total Ops	Variance Pers Srvs	Variance Expenses	Variance Total - \$	Variance Total - %
<b><u>PUBLIC SAFETY - BOARD OF SELECTMEN</u></b>										
Police Department	4,519,570	692,386	5,211,956	4,587,591	702,853	5,290,444	68,021	10,467	78,488	1.51%
Injured on Duty	see Risk Management Dept 945			see Risk Management Dept 945				0	0	
Special School Police	96,644	2,772	99,416	98,006	2,897	100,903	1,362	125	1,487	1.50%
Fire Department	4,165,250	336,029	4,501,279	4,228,587	340,339	4,568,926	63,337	4,310	67,647	1.50%
Building Department	376,129	24,850	400,979	380,269	26,350	406,619	4,140	1,500	5,640	1.41%
Emergency Medical Services	0	80,000	80,000	0	80,000	80,000	0	0	0	0.00%
Sealer of Weights & Measures	13,050	2,800	15,850	15,660	2,800	18,460	2,610	0	2,610	16.47%
<b>PUBLIC SAFETY TOTAL - BOARD OF SELECTMEN</b>	<b>9,170,643</b>	<b>1,138,837</b>	<b>10,309,480</b>	<b>9,310,113</b>	<b>1,155,239</b>	<b>10,465,352</b>	<b>139,470</b>	<b>16,402</b>	<b>155,872</b>	<b>1.51%</b>
<b><u>DEPARTMENT OF PUBLIC WORKS</u></b>										
Engineering	479,325	79,788	559,113	462,441	79,788	542,229	(16,884)	0	(16,884)	-3.02%
Highway	948,026	440,772	1,388,798	959,619	446,202	1,405,821	11,593	5,430	17,023	1.23%
Fleet Maintenance	127,100	56,462	183,562	129,007	56,462	185,469	1,907	0	1,907	1.04%
Park	998,318	267,537	1,265,855	1,012,776	271,477	1,284,253	14,458	3,940	18,398	1.45%
Recycling & Disposal	855,079	1,191,720	2,046,799	878,462	1,214,938	2,093,400	23,383	23,218	46,601	2.28%
Management	332,845	52,913	385,758	357,289	52,913	410,202	24,444	0	24,444	6.34%
Winter Maintenance	0	348,703	348,703	0	348,703	348,703	0	0	0	0.00%
<b>PUBLIC WORKS TOTAL</b>	<b>3,740,693</b>	<b>2,437,895</b>	<b>6,178,588</b>	<b>3,799,594</b>	<b>2,470,483</b>	<b>6,270,077</b>	<b>58,901</b>	<b>32,588</b>	<b>91,489</b>	<b>1.48%</b>
<b><u>WELLESLEY FREE LIBRARY</u></b>										
Library Trustees	1,525,661	562,212	2,087,873	1,545,572	581,181	2,126,753	19,911	18,969	38,880	1.86%
Regional Services (Non-Tax Impact)	157,690	112,310	270,000	156,888	113,112	270,000	(802)	802	0	0.00%
<b>LIBRARY TOTAL</b>	<b>1,683,351</b>	<b>674,522</b>	<b>2,357,873</b>	<b>1,702,460</b>	<b>694,293</b>	<b>2,396,753</b>	<b>19,109</b>	<b>19,771</b>	<b>38,880</b>	<b>1.65%</b>
<b><u>RECREATION</u></b>										
Recreation Commission	267,254	61,166	328,420	271,937	58,400	330,337	4,683	(2,766)	1,917	0.58%
<b>RECREATION TOTAL</b>	<b>267,254</b>	<b>61,166</b>	<b>328,420</b>	<b>271,937</b>	<b>58,400</b>	<b>330,337</b>	<b>4,683</b>	<b>(2,766)</b>	<b>1,917</b>	<b>0.58%</b>
<b><u>HEALTH</u></b>										
Board of Health	332,520	89,610	422,130	336,124	91,338	427,462	3,604	1,728	5,332	1.26%
Mental Health Services		210,399	210,399		213,555	213,555	0	3,156	3,156	1.50%
<b>HEALTH TOTAL</b>	<b>332,520</b>	<b>300,009</b>	<b>632,529</b>	<b>336,124</b>	<b>304,893</b>	<b>641,017</b>	<b>3,604</b>	<b>4,884</b>	<b>8,488</b>	<b>1.34%</b>
<b><u>NATURAL RESOURCES</u></b>										
Natural Resources Commission	177,561	18,450	196,011	191,056	18,625	209,681	13,495	175	13,670	6.97%
Morses Pond Project - (NRC, DPW, Rec)		160,370	160,370		160,370	160,370	0	0	0	0.00%
<b>NATURAL RESOURCES TOTAL</b>	<b>177,561</b>	<b>178,820</b>	<b>356,381</b>	<b>191,056</b>	<b>178,995</b>	<b>370,051</b>	<b>13,495</b>	<b>175</b>	<b>13,670</b>	<b>3.84%</b>
<b><u>Radio Masterbox</u></b>										
Radio Masterbox Project	85,000	27,137	112,137	86,275	27,544	113,819	1,275	407	1,682	1.50%
<b>TAX IMPACT TOTAL</b>	<b>85,000</b>	<b>27,137</b>	<b>112,137</b>	<b>86,275</b>	<b>27,544</b>	<b>113,819</b>	<b>1,275</b>	<b>407</b>	<b>1,682</b>	<b>1.50%</b>
<b>NON-SCHOOL TOTAL</b>	<b>18,917,181</b>	<b>7,062,068</b>	<b>25,979,249</b>	<b>19,165,494</b>	<b>7,227,253</b>	<b>26,392,747</b>	<b>248,313</b>	<b>165,185</b>	<b>413,498</b>	<b>1.59%</b>

**USES OF FUNDS (continued)**

Funding Item	FY11 USE OF FUNDS (Tax Rate)			FY12 USE OF FUNDS (Request)			CHANGE - FY11 to FY12			
	FY11 Pers Srvs	FY11 Expenses	FY11 Total Ops	FY12 Pers Srvs	FY12 Expenses	FY12 Total Ops	Variance Pers Srvs	Variance Expenses	Variance Total - \$	Variance Total - %
<b>WELLESLEY PUBLIC SCHOOLS</b>										
Instruction	40,151,513	1,398,275	41,549,788	40,864,371	1,450,987	42,315,358	712,858	52,712	765,570	1.84%
Administration	852,893	161,925	1,014,818	876,313	155,100	1,031,413	23,420	(6,825)	16,595	1.64%
Operations	2,602,036	2,229,956	4,831,992	2,702,032	2,165,881	4,867,913	99,996	(64,075)	35,921	0.74%
Early opening of High School	0	0	0	208,600	161,480	370,080	208,600	161,480	370,080	0.00%
Special Tuition/Transportation/Inclusion	5,133,608	4,851,804	9,985,412	5,577,218	6,312,147	11,889,365	443,610	1,460,343	1,903,953	19.07%
<b>SCHOOL TOTAL</b>	<b>\$ 48,740,050</b>	<b>8,641,960</b>	<b>\$ 57,382,010</b>	<b>50,228,534</b>	<b>10,245,595</b>	<b>60,474,129</b>	<b>1,488,484</b>	<b>1,603,635</b>	<b>3,092,119</b>	<b>5.39%</b>
<b>EMPLOYEE BENEFITS</b>										
Group Insurance	0	13,633,918	13,633,918	0	14,588,300	14,588,300	0	954,382	954,382	7.00%
OPEB Liability Fund	0	3,000,000	3,000,000	0	3,000,000	3,000,000	0	0	0	NA
Retirement Contribution	0	1,732,000	1,732,000	0	2,630,273	2,630,273	0	898,273	898,273	NA
Workers' Compensation	0	225,363	225,363	0	242,627	242,627	0	17,264	17,264	7.66%
Unemployment Compensation	0	100,000	100,000	0	150,000	150,000	0	50,000	50,000	50.00%
Compensated Absences	0	90,000	90,000	0	90,000	90,000	0	0	0	0.00%
Non-Contributory Pensions	0	30,218	30,218	0	30,905	30,905	0	687	687	2.27%
<b>EMPLOYEE BENEFITS TOTAL</b>	<b>0</b>	<b>18,811,499</b>	<b>18,811,499</b>	<b>0</b>	<b>20,732,105</b>	<b>20,732,105</b>	<b>0</b>	<b>1,920,606</b>	<b>1,920,606</b>	<b>10.21%</b>
<b>ALL PERSONAL SERVICES &amp; EXPENSES</b>	<b>67,657,231</b>	<b>34,515,527</b>	<b>102,172,758</b>	<b>69,394,028</b>	<b>38,204,953</b>	<b>107,598,981</b>	<b>1,736,797</b>	<b>3,689,426</b>	<b>5,426,223</b>	<b>5.31%</b>

**USES OF FUNDS (continued)**

Funding Item	FY11 USE OF FUNDS (Tax Rate)			FY12 USE OF FUNDS (Request)			CHANGE - FY11 to FY12			
	FY11 Pers Srvs	FY11 Expenses	FY11 Total Ops	FY12 Pers Srvs	FY12 Expenses	FY12 Total Ops	Variance Pers Srvs	Variance Expenses	Variance Total - \$	Variance Total - %
<b>CAPITAL &amp; DEBT</b>										
<i>Departmental Cash Capital</i>										
Public Works Capital	0	1,300,000	1,300,000	0	1,397,700	1,397,700	0	97,700	97,700	7.52%
School Capital	0	569,714	569,714	0	898,510	898,510	0	328,796	328,796	57.71%
School Facilities Capital	0	243,747	243,747	0	127,108	127,108	0	(116,639)	(116,639)	-47.85%
Selectmen Capital	0	216,975	216,975	0	219,974	219,974	0	2,999	2,999	1.38%
Facilities reserve fund	0	0	0	0	0	0	0	0	0	#DIV/0!
(Town) Facilities Capital	0	290,850	290,850	0	320,950	320,950	0	30,100	30,100	10.35%
Library Capital	0	34,215	34,215	0	34,000	34,000	0	(215)	(215)	-0.63%
NRC Capital	0	50,500	50,500	0	75,000	75,000	0	24,500	24,500	48.51%
Morses Pond Capital	0	50,500	50,500	0	0	0	0	(50,500)	(50,500)	-100.00%
<b>Subtotal - Cash Capital</b>	<b>0</b>	<b>2,756,501</b>	<b>2,756,501</b>	<b>0</b>	<b>3,073,242</b>	<b>3,073,242</b>	<b>0</b>	<b>316,741</b>	<b>316,741</b>	<b>11.49%</b>
<i>Debt Service</i>										
<b>Current Inside Levy Debt Service - Issued</b>	0	3,491,273	3,491,273	0	3,186,025	3,186,025	0	(305,248)	(305,248)	-8.74%
New Debt Service - Inside Levy	0	100,000	100,000	0	219,800	219,800	0	119,800	119,800	54.50%
<b>Current Outside Levy Debt Service - Issued</b>		9,688,097	9,688,097	0	8,836,184	8,836,184	0	(851,913)	(851,913)	-8.79%
New Debt Service - Outside Levy	0	0	0	0	2,424,510	2,424,510	0	2,424,510	2,424,510	100.00%
<b>Subtotal - Debt Service</b>	<b>0</b>	<b>13,279,370</b>	<b>13,279,370</b>	<b>0</b>	<b>14,666,519</b>	<b>14,666,519</b>	<b>0</b>	<b>1,387,149</b>	<b>1,387,149</b>	<b>10.45%</b>
<b>CAPITAL &amp; DEBT TOTAL</b>		<b>16,035,871</b>	<b>16,035,871</b>	<b>0</b>	<b>17,739,761</b>	<b>17,739,761</b>	<b>0</b>	<b>1,703,890</b>	<b>1,703,890</b>	<b>10.63%</b>
<b>SPECIAL ITEMS</b>										
<i>Receipts Reserved for Appropriation</i>										
Traffic & Parking Operations	159,186	361,200	520,386	158,791	408,570	567,361	(395)	47,370	46,975	9.03%
Traffic & Parking Maintenance Capital	0	0	0	0	0	0	0	0	0	
Community Preservation Appropriated	0	1,136,500	1,136,500	0	507,500	507,500	0	(629,000)	(629,000)	-55.35%
Middle School Space	0	1,750,000	1,750,000	0	0	0	0	(1,750,000)	(1,750,000)	
Snow and Ice, NRC trees, Lib bmch, Fire floor					1,040,000	1,040,000				
Contracts	0	0	0	0	0	0	0	0	0	NA
Property Tax Abatements	0	440,402	440,402	0	440,402	440,402	0	0	0	0.00%
State & County Assessments	0	1,084,863	1,084,863	0	1,111,985	1,111,985	0	27,122	27,122	2.50%
<b>SPECIAL ITEMS TOTAL</b>	<b>159,186</b>	<b>4,772,965</b>	<b>4,932,151</b>	<b>158,791</b>	<b>3,508,457</b>	<b>3,667,248</b>	<b>(395)</b>	<b>(2,304,508)</b>	<b>(2,304,903)</b>	<b>-46.73%</b>
<b>TOTAL USES OF FUNDS</b>			<b>123,140,780</b>			<b>129,005,990</b>			<b>5,865,210</b>	<b>4.76%</b>
<b>TOTAL SOURCES OF FUNDS</b>			<b>123,140,780</b>			<b>126,941,016</b>			<b>3,800,236</b>	<b>3.09%</b>
<b>SURPLUS (DEFICIT)</b>			<b>0</b>			<b>(2,064,974)</b>				

### Fully Allocated FY12 Uses of Funds

	<u>School</u>	<u>DPW</u>	<u>Police &amp; Fire</u>	<u>Selectmen</u>	<u>Library</u>	<u>Other Town Departments</u>	<u>Total Tax Impact</u>
Personal Services & Expense	60,474,129	6,270,077	10,040,273	2,021,674	2,396,753	3,834,081	85,036,987
Cash Capital	898,510	1,397,700	216,474	3,500	34,000	75,000	2,625,184
Town Facilities	127,108	-	277,667	196,408	269,349	492,784	1,363,316
Debt Service (Inside the Levy)	1,163,713	602,081	143,880	18,275	752,363	725,513	3,405,825
Employee Benefits	11,999,904	1,795,744	4,212,973	701,666	804,607	1,217,210	20,732,105
Legal and Risk Management	150,000	85,000	90,000	90,000	40,000	139,360	594,360
Free Cash Appropriations		750,000		100,000	50,000	140,000	1,040,000
Street Lighting				320,271			320,271
Exclusions							
- Sprague	497,007						497,007
- Bates	581,900						581,900
- Elementary Infrastructure	1,083,688						1,083,688
- Middle School	2,196,900						2,196,900
- Surf. Drain. & Morses Pond		85,400					85,400
- High School	5,810,387						5,810,387
		383,573					383,573
	10,169,882	468,973	-	-	-	-	10,638,855
<b>Total Uses</b>	<b>\$ 84,983,246</b>	<b>\$ 11,369,575</b>	<b>\$ 14,981,267</b>	<b>\$ 3,351,794</b>	<b>\$ 4,347,072</b>	<b>\$ 6,623,948</b>	<b>\$ 125,756,903</b>
	<b>67.6%</b>	<b>9.0%</b>	<b>11.9%</b>	<b>2.7%</b>	<b>3.5%</b>	<b>5.3%</b>	<b>100.0%</b>

### Tax Rate and Median Tax Bill Projections (with \$5M FY13 Override)

	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
Prior Year Levy	\$ 85,826,267	\$ 89,390,420	\$ 92,925,180	\$ 101,548,310	\$ 105,387,017	\$ 109,321,693
2.5% Increase	2,145,657	2,234,760	2,323,130	2,538,708	2,634,675	2,733,042
New Growth	1,418,496	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000
Override	-	-	5,000,000	-	-	-
Current Year Levy	89,390,420	92,925,180	101,548,310	105,387,017	109,321,693	113,354,735
Existing Exclusions						
OPEB	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000
Sprague	1,223,732	497,007	456,967	416,017	374,157	331,387
Bates	596,338	581,900	566,500	-	-	-
Elementary Infrastructure	1,082,653	1,083,688	1,055,863	1,023,037	996,975	960,038
Middle School	2,219,116	2,196,900	2,155,850	2,123,513	2,082,338	2,043,513
Drainage, Morses initial	-	85,400	195,800	190,136	184,472	178,808
High School	3,901,850	5,810,387	6,373,763	6,278,263	6,144,563	6,027,563
Morses Pond rebid	-	-	141,000	136,300	131,600	126,900
DPW Office Building	-	383,573	373,984	364,395	354,805	345,216
Senior Center	-	-	454,613	443,248	431,883	420,517
Fuller Brook Park	-	-	-	270,000	261,000	252,000
	10,823,689	12,438,855	13,574,340	13,044,909	12,761,793	12,485,942
Levy plus exclusions	\$ 100,214,109	\$ 105,364,036	\$ 115,122,650	\$ 118,431,926	\$ 122,083,486	\$ 125,840,678
Tax rate	\$ 11.44	\$ 11.87	\$ 12.81	\$ 13.03	\$ 13.29	\$ 13.55
(year to year increase)	9.1%	3.8%	7.9%	1.7%	2.0%	2.0%
Median value	\$ 786,000	\$ 786,000	\$ 786,000	\$ 786,000	\$ 786,000	\$ 786,000
Median tax bill	\$ 8,990	\$ 9,331	\$ 10,071	\$ 10,245	\$ 10,446	\$ 10,654

**REPORT OF THE BOARD OF SELECTMEN ON THE  
Five Year Capital Budgeting Program**

March 4, 2010

**Town of Wellesley Capital Overview**

As part of the annual budget process, boards and departments submit detailed information for capital requests for the upcoming fiscal year, along with identifying capital requirements for the following four fiscal years. 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, other sources of funding, debt financed inside the tax levy, and debt capital exclusions. Following are the capital project requests for FY2012 by funding source:

<b>FY2012 Recommended Capital Projects by Funding Source</b>		
<b>Department</b>	<b>Project</b>	<b>Amount</b>
<b>Cash Capital:</b>		
COA	Copier	3,500
Fire	Master box, vehicles, engine rehabilitation & apparatus lift	145,500
Police	Radio equipment, emergency notify system, computer software	70,974
Facilities-Town	Lighting, roof repairs & renovations	320,950
Library	Computers, server & wireless access system	34,000
NRC	Tree planting, trails IMP & Park Paths Repairs	75,000
DPW	Vehicles & street improvements	1,397,700
Schools	Technology, general equipment & interior improvements	898,510
Facilities-School	Roof, flooring, plumbing & heating ventilation	127,108
Total Cash Capital		<b>\$ 3,073,242</b>
<b>Other Funding Sources:</b>		
DPW	DPW Street Resurfacing (Chapter 90 Funds)	1,000,000
Total Other Sources		<b>\$ 1,000,000</b>
<b>Debt Capital Inside Levy:</b>		
DPW	Facilities Renovations	400,000
DPW	Street Rehabilitation	620,000
DPW	Hunnewell Field Improvements	250,000
Facilities-Town	Town Hall HVAC	300,000
Total Borrowed Inside Levy		<b>\$ 1,570,000</b>
<b>Debt Exclusion Capital:</b>		
DPW	DPW Administrative Building	3,596,000
Total Capital Exclusion		<b>\$ 3,596,000</b>
Grand Total		<b>\$ 9,239,242</b>

The attached Exhibit A is a Summary and Detail Schedule of prior year Capital authorizations and a five year schedule of Capital requests for FY2012 – FY2016.

## **Cash Capital**

Cash capital is defined as investments/assets not normally included in a department's operating budget. Cash capital may include items such as equipment replacement (vehicles and computers), street improvements, facilities maintenance and building repairs. Cash capital is not synonymous with fixed assets, because the Town does not capitalize items under \$25,000 (such as computers).

### **DPW FY2012**

The Board of Public Works has recommended a FY2012 cash capital budget of \$1,397,700. Highlights of the DPW FY2012 capital requests are as follows:

- Replacement or refurbishment of six vehicles including Highway Maintenance trucks, Park Maintenance trucks and other equipment - \$560,000
- Resurfacing 3-4 miles of streets for street improvements- \$463,200. Note, that the DPW is using a variety of pavement preservation techniques to maintain the Town's roadways in a cost effective manner.
- Hunnewell Field Playground Improvements - \$265,000

### **DPW FY2013 – FY2016**

In recent years the Department of Public Works capital requests have been reduced during the process of balancing the budget. As material costs escalate, the DPW has maintained less road miles with a level or reduced budget. In response, the Board of Public Works has established a plan to increase its investment in road rehabilitation over the next five years. The other major cash capital expense for DPW is the periodic replacement of 130 vehicles and 200 pieces of equipment, which have a total value of \$10.5 million.

### **School FY2012 – FY2016**

The School Committee's \$898,510 general capital request for FY2012 includes \$200,000 to pay for an assessment of the Elementary schools and the Middle School. The School capital request for FY2012-2016 includes an average of \$540,000 per year for Technology. These technology needs are based on a seven year replacement cycle for desktop computers and a five year replacement cycle for laptops. Also included is an average spending request of \$100,000 per year for furnishings and/or furniture. The School Committee's facility capital request is \$127,108 for FY2012. The FY2013 request is larger, with several scheduled Infrastructure projects; including the slate roof at Sprague and work at the Middle School auditorium.

## **Other Sources of Funding**

Fuller Brook Park - The Natural Resources Commission (NRC) is requesting funds to implement Fuller Brook Park Preservation Plan, which is a project to remedy erosion and disrepair of pathways, bridges, and brooks in the Fuller Brook Park. This project has been included in the NRC's Capital Plan since FY2004. The total project cost is \$5.4 million. This funding request is being submitted as follows:

- Implement Fuller Brook Plan in FY2014 – \$3.6 million funded by CPC and with remaining balance of \$1.8 million to be funded as a debt exclusion (see last page).

DPW Street Maintenance and Resurfacing – The Board of Public Works is requesting \$1,000,000 in FY2012 for street maintenance and resurfacing. This funding request is being submitted as follows:

- In addition to funds allocated in cash capital for street resurfacing, the Town anticipates using \$300,000 of Chapter 90 monies to resurface 2-3 miles of street.
- Street resurfacing on Washington Street, one of the Town's major connector streets, for \$700,000 to be funded by Chapter 90.

### **Debt Capital inside the Levy FY2012-FY2016**

The Town borrows for larger (capitalized) assets having a useful life of 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.

The Fire Department estimates that two trucks past their lifecycle of 15 – 20 years will need to be replaced: 1996 Ladder truck - \$900,000 in FY2013 and 1998 Fire Engine - \$600,000 in FY2015.

DPW borrowing capital requests include the following:

- Addition to RDF transfer station building for a new RDF recycled materials loading area - \$400,000 FY2012.
- Park and Highway Building Roof and HVAC Rehabilitation - \$1.2 million between FY2013 and FY2014.
- Street Rehabilitations of Kingsbury, Bacon, Grove, & Cliff roads and Wales Street Bridge- \$4.8 million from FY2012 – FY2016

### **Debt Capital Exclusion FY2012 – FY2016**

Some very large capital projects outstrip the Town's taxing authority. The Town has recently undertaken a series of significant initiatives: a Middle School upgrade, Elementary School 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 towards its Other Post Employment Benefits (OPEB) liability.

The most significant borrowing requests in the next several years include the proposed construction of a DPW Administration Building, a new Senior Center, rebidding the Morses Pond Dredging project, Fuller Brook Park Preservation Project, and the possible purchase of the St. James property.

DPW Administration Building - The objectives of this building project are to provide adequate space for the DPW Management Services and Engineering Divisions, improve operational efficiencies for the department, and provide a working environment that is ADA compliant, energy efficient and will meet all state and local safety and building codes. The construction cost is estimated to be \$3.6 million.

Senior Center - Design work for a new Senior Center has been placed on hold while the Selectmen and Council on Aging further explore the option of collaborating with the Wellesley

Community Center and Friendly Aid Association on a potential redevelopment of the property at 219 Washington Street. Since these discussions are continuing, no action on the Senior Center is planned for the 2011 Annual Town Meeting. The most recent cost estimate for the standalone Senior Center at the former American Legion is \$4.3 million.

Morses Pond Dredging – The initial \$650,000 appropriation (voted at the 2007 Annual Town Meeting, Article 21) was not adequate to complete the dredging of the pond. The project will be rebid.

Fuller Brook Park Preservation Project – No appropriation of tax-impact funds will be sought for this project at the 2011 Annual Town Meeting. In addition to a FY2014 request of \$3.6 million in Community Preservation Act (CPA) funds, a debt exclusion may be requested in the amount of \$1.8 million that same year .

St. James – In anticipation of the Archdiocese's decision to divest this property, the Town has interest in acquiring the property and redeveloping it for recreational purposes. The cost of acquiring the property would be primarily funded by CPA funds. Subsequent construction of recreational facilities would be funded through a combination of public and private funds.

Exhibit A

**Town of Wellesley  
FY2012- FY2016 Capital Improvement Plan  
Summary Schedule**

	FY2009	FY2010	FY2011	<b>FY2012</b>	FY2013	FY2014	FY2015	FY2016	FY2012-2016 Total
<b>Cash Capital</b>	\$ 2,851,283	\$ 2,987,410	\$ 2,756,501	\$ 3,073,242	\$ 4,238,445	\$ 3,294,877	\$ 3,465,919	\$ 3,267,373	\$ 17,339,856
<b>Free Cash</b>	-	638,000	2,525,000	-	-	-	-	175,000	\$ 175,000
<b>CPC Funding</b>	-	-	250,000	-	-	3,600,000	-	-	\$ 3,600,000
<b>Chapter 90</b>	-	-	-	1,000,000	1,274,000	726,000	600,000	600,000	\$ 4,200,000
<b>Debt Capital Inside Levy</b>	1,265,000	-	-	1,570,000	2,030,000	1,150,000	2,000,000	1,750,000	\$ 8,500,000
<b>Debt Capital Exclusion</b>	126,173,000	-	-	3,596,000	5,202,000	1,800,000	-	-	\$ 10,598,000
<b>Grand Total</b>	\$ 130,289,283	\$ 3,625,410	\$ 5,531,501	\$ 9,239,242	\$ 12,744,445	\$ 10,570,877	\$ 6,065,919	\$ 5,792,373	\$ 44,412,856

**Town of Wellesley  
FY2012- FY2016 Capital Improvement Plan  
Detail Summary Schedule**

Department	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2012-2016 Total
<b>Cash Capital:</b>							
Executive Director/COA	-	3,500	-	-	-	-	3,500
Fire	152,800	145,500	164,500	87,000	81,750	93,000	571,750
Network Information Systems	20,000	-	65,000	35,000	20,000	-	120,000
Police	44,175	70,974	53,858	65,282	63,275	17,285	270,674
Facilities Maintenance-Town	290,850	320,950	336,333	225,049	152,802	26,592	1,061,726
Library	34,215	34,000	43,000	38,000	38,000	53,000	206,000
Morses Pond	50,500	-	111,000	101,020	129,202	129,261	470,483
Natural Resources Commission	50,500	75,000	140,000	200,000	220,000	120,000	755,000
Department of Public Works (DPW)	1,300,000	1,397,700	1,474,500	1,524,000	1,724,000	1,924,000	8,044,200
Schools	569,714	898,510	1,055,644	852,426	824,840	777,385	4,408,805
Facilities Maintenance - School	243,747	127,108	794,610	167,100	212,050	126,850	1,427,718
Total Cash Capital	<b>\$ 2,756,501</b>	<b>\$ 3,073,242</b>	<b>\$ 4,238,445</b>	<b>\$ 3,294,877</b>	<b>\$ 3,465,919</b>	<b>\$ 3,267,373</b>	<b>\$ 17,339,856</b>
<b>Other Funding Sources:</b>							
Central Street Fire Station Floor (Free Cash)	100,000	-	-	-	-	-	-
Branch Library Boiler Maintenance (Free Cash)	50,000	-	-	-	-	-	-
NRC -Fuller Brook (CPC funds)	250,000	-	-	3,600,000	-	-	3,600,000
Central Street Fire Station Floor (Free Cash)	375,000	-	-	-	-	-	-
DPW New Building Study (Free Cash)	250,000	-	-	-	-	-	-
Middle School Additional Space (Free Cash)	1,750,000	-	-	-	-	-	-
DPW Street Resurfacing (Chapter 90 Funds)	-	1,000,000	1,274,000	726,000	600,000	600,000	4,200,000
DPW Hunnewell Field Master Plan (Free Cash)	-	-	-	-	-	175,000	175,000
Total Other Sources	<b>\$ 2,775,000</b>	<b>\$ 1,000,000</b>	<b>\$ 1,274,000</b>	<b>\$ 4,326,000</b>	<b>\$ 600,000</b>	<b>\$ 775,000</b>	<b>\$ 7,975,000</b>
<b>Debt Capital Inside Levy:</b>							
Fire Equipment	-	-	900,000	-	600,000	-	1,500,000
DPW- Facility Renovations	-	400,000	250,000	1,000,000	-	-	1,650,000
DPW- Street Rehabilitations	-	620,000	880,000	150,000	1,400,000	1,750,000	4,800,000
DPW- Hunnewell Field Improvements	-	250,000	-	-	-	-	250,000
Town Hall HVAC	-	300,000	-	-	-	-	300,000
Total Borrowed Inside Levy	<b>\$ -</b>	<b>\$ 1,570,000</b>	<b>\$ 2,030,000</b>	<b>\$ 1,150,000</b>	<b>\$ 2,000,000</b>	<b>\$ 1,750,000</b>	<b>\$ 8,500,000</b>
<b>Debt Capital Exclusion:</b>							
NRC -Fuller Brook	-	-	-	1,800,000	-	-	1,800,000
DPW Administrative Building	-	3,596,000	-	-	-	-	3,596,000
Senior Center	-	-	4,262,000	-	-	-	4,262,000
Morses Pond Dredging	-	-	940,000	-	-	-	940,000
Total Capital Exclusion	<b>\$ -</b>	<b>\$ 3,596,000</b>	<b>\$ 5,202,000</b>	<b>\$ 1,800,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,598,000</b>
<b>Grand Total</b>	<b>\$ 5,531,501</b>	<b>\$ 9,239,242</b>	<b>\$ 12,744,445</b>	<b>\$ 10,570,877</b>	<b>\$ 6,065,919</b>	<b>\$ 5,792,373</b>	<b>\$ 44,412,856</b>

Exhibit A

**Town of Wellesley  
FY2012- FY2016 Capital Improvement Plan  
Board of Selectmen Department Schedule**

Capital Project	FY11	FY2012	FY2013	FY2014	FY2015	FY2016	FY 12-16 Total
<b>NS</b>							
- Gigabit network switches	20,000	-	-	-	-	-	-
- Office 2013 Upgrades	-	-	20,000	20,000	20,000	-	-
- MUNIS Informix to SQL Server	-	-	30,000	-	-	-	-
- 2008 Server Upgrade	-	-	15,000	15,000	-	-	-
	20,000	-	65,000	35,000	20,000	-	120,000
<b>Police</b>							
- Antivirus Protection	5,154	-	-	-	-	-	-
- Mobile and portable radio replacement	39,021	36,761	-	-	-	-	-
- Emergency Notification System	-	14,250	-	-	-	-	-
- Microsoft Office 2010 Upgrade	-	12,883	-	-	-	-	-
- IMC Forms/Attachment Tools	-	7,080	-	-	-	-	-
- Server Replacement	-	-	5,870	-	5,870	-	-
- Digital Headquarters	-	-	47,988	-	-	-	-
- Weapon Replacement	-	-	-	47,997	-	-	-
- Automated License Plate Reader	-	-	-	17,285	-	17,285	-
- MILO Interactive Range system	-	-	-	-	57,405	-	-
	44,175	70,974	53,858	65,282	63,275	17,285	\$ 270,674
<b>Fire</b>							
- Replace command vehicle(s)	36,000	36,000	-	37,000	-	38,000	-
- Engine Rehabilitation	-	23,000	-	-	-	30,000	-
- Apparatus Lift System	-	46,000	-	-	-	-	-
- Portable radio replacement	22,300	-	26,000	25,000	-	-	-
- Phone System/Copy Machine	-	-	21,000	-	-	-	-
- Radio Master Boxes	94,500	40,500	40,500	-	-	-	-
- Rescue Equipment	-	-	28,000	-	-	-	-
- Security System	-	-	15,000	-	-	-	-
- Fire Hose Equipment	-	-	9,000	-	9,000	-	-
- Scott Air-Pak	-	-	25,000	25,000	25,000	25,000	-
- Air bottle cascade system	-	-	-	-	47,750	-	-
	152,800	145,500	164,500	87,000	81,750	93,000	\$ 571,750
<b>Council on Aging</b>							
- Copier	-	3,500	-	-	-	-	-
	-	3,500	-	-	-	-	-
BOS Subtotal	\$ 216,975	\$ 219,974	\$ 283,358	\$ 187,282	\$ 165,025	\$ 110,285	\$ 962,424
<b>Facilities-Town (see attached)</b>							
	290,850	320,950	336,333	225,049	152,802	26,592	\$ 1,061,726
<b>Total Cash</b>	<b>\$ 507,825</b>	<b>\$ 540,924</b>	<b>\$ 619,691</b>	<b>\$ 412,331</b>	<b>\$ 317,827</b>	<b>\$ 136,877</b>	<b>\$ 2,024,150</b>
<b>Fire</b>							
- Replace Fire Engine Vehicle(s)	-	-	900,000	-	600,000	-	\$ 1,500,000
Total Borrowed	\$ -	\$ -	\$ 900,000	\$ -	\$ 600,000	\$ -	\$ 1,500,000
<b>Grand Total Selectmen</b>	<b>\$ 507,825</b>	<b>\$ 540,924</b>	<b>\$ 1,519,691</b>	<b>\$ 412,331</b>	<b>\$ 917,827</b>	<b>\$ 136,877</b>	<b>\$ 3,524,150</b>

**Town of Wellesley  
Fiscal Years 2012 - 2016  
Summary Departmental Capital Budget Request**

Department: FACILITIES MAINTENANCE

Dept #: 192

Project Reference #: Project Description		Expenditures per Fiscal Year					5 Year Total
		FY2012	FY2013	FY2014	FY2015	FY2016	
F1-FM1-12	Annual Roof Monitoring	10,500	11,025	11,576	12,155	12,763	58,019
F2-TH1-12	Town Hall Roof Repair	10,000					10,000
F3-TH2-12	Town Hall Entrance Safety	8,000				8,000	8,000
F4-TH3-12	Town Hall Lighting Efficiency	27,300					27,300
F5-TH4-12	Town Hall Envelop Evaluation	5,000					5,000
F6-TH5-12	Town Hall Power Backup (Data Center)	9,000					9,000
F7-TH6-12	Town Hall Reconfigure Treasurer/Clerk Offices	10,000	30,000				40,000
F8-TH7-13	Town Hall Screens/Storms		15,000				15,000
F9-TH8-13	Town Hall Parking Lot		90,000				90,000
F10-TH9-14	Town Hall Electronic Card Access			25,000			25,000
F11-TH10-14	Town Hall Restroom Upgrades			15,000			15,000
F12-TH11-14	Town Hall Great Hall Renovations			10,000	30,000		40,000
F13-ML1-12	Main Library "Green" Fixtures	20,000					20,000
F14-ML2-12	Main Library Garage Cleaning/Line Painting	5,000					5,000
F15-ML3-13	Main Library Carpeting		15,000	10,000	10,000	10,000	45,000
F16-ML4-13	Main Library Vacuum Replacement		7,000				7,000
F17-ML5-13	Main Library Masonry Repair/Rebuild		30,000				30,000
F18-ML6-13	Main Library Recondition Parking Lot		10,000	100,000			110,000
F19-ML7-15	Main Library Relamping of Parking Lot				25,000		25,000
F20-FW1-12	Fire Station 2 Epoxy Floor T treatment	12,000					12,000
F21-FC1-12	Fire Station 1 Masonry Repair	7,500					7,500
F22-FW2-12	Fire Department Building Alarm System	20,000					20,000
F23-FC2-12	Fire Station 1 & 2 "Green" Fixtures	20,000					20,000
F24-WR1-12	Warren Roof Repairs	20,000					20,000
F25-WR2-12	Warren Flooring Rehabilitation	20,000	20,000	20,000			60,000
F26-WR3-12	Warren Equipment - Floor Cleaning Machine	8,000					8,000
F27-WR4-12	Warren Interior Storage	5,000					5,000
F28-WR5-13	Warren Generator		40,000				40,000
F29-BH1-12	Morses Pond Beach House Renovation	30,000					30,000
F30-PD1-12	Police Station Roof	12,000	25,000				37,000
F31-PD2-12	Police Station Air Handler Controls/Programming	17,000					17,000
F32-PD3-12	Police Station Rehab of VAVs	25,000					25,000
F33-PD4-12	Police Station Flooring	8,150	3,308	3,473	3,647	3,829	22,407
F34-PD5-12	Police Station Ductless Mini HVAC Units	4,000					4,000
F35-PD6-12	Police Station Handicapped Access	7,500					7,500
F36-PD7-13	Police Station Carport		40,000				40,000
F37-PD8-14	Police Station Entrance Bollard Replacement			10,000			10,000
F38-PD9-14	Police Station Window Replacement			15,000			15,000
F39-PD10-14	Police Station "Green" Fixtures			5,000			5,000
F40-PD11-15	Police Station Ductwork Cleaning/Repairs				12,000		12,000
F41-PD12-15	Police Station Generator Major Repair/Replace				60,000		60,000
<b>Total Capital Requests</b>		<b>320,950</b>	<b>336,333</b>	<b>225,049</b>	<b>152,802</b>	<b>26,592</b>	<b>1,061,726</b>

**Town of Wellesley  
FY2012- FY2016 Capital Improvement Plan  
NRC, Moses Pond & Library Departments**

<b>Capital Project</b>		<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2014</b>	<b>FY2015</b>	<b>FY2016</b>	<b>FY12-16 Total</b>	
<b>Natural Resources</b>	Tree Planting	30,500	30,000	30,000	30,000	30,000	30,000	150,000	
	Trail System Improvements	-	5,000	5,000	5,000	5,000	5,000	25,000	
	Park Sidewalk/Paths Emergency Repairs	20,000	30,000	30,000	30,000	30,000	30,000	150,000	
	IPM Turf Plan Implementation	-	10,000	10,000	10,000	10,000	10,000	50,000	
	Encroachment Boundary Markers	-	-	5,000	5,000	5,000	5,000	20,000	
	Morses Pond Pine Point Shore Erosion Study	-	-	60,000	-	-	-	60,000	
	Ice Skating Rink Assessment & Design Plan	-	-	-	10,000	-	-	10,000	
	Comprehensive Pond Management	-	-	-	100,000	-	-	100,000	
	Kelley Tennis Court Assess. & Design Plan	-	-	-	10,000	-	-	10,000	
	Kelley Tennis Court Renovation	-	-	-	-	100,000	-	100,000	
	Abbott Pond Restoration Study	-	-	-	-	40,000	-	40,000	
	State Street Pond Restoration Study	-	-	-	-	-	40,000	40,000	
	Subtotal		50,500	75,000	140,000	200,000	220,000	120,000	755,000
Fuller Brook - CPC Funds		250,000		-	3,600,000	-	-	3,600,000	
<b>Total Natural Resources</b>		<b>\$ 300,500</b>	<b>\$ 75,000</b>	<b>\$ 140,000</b>	<b>\$ 3,800,000</b>	<b>\$ 220,000</b>	<b>\$ 120,000</b>	<b>\$ 4,355,000</b>	
Watershed Education Program:	Web Design/Education	20,000	-	20,000	10,000	4,162	4,200	38,362	
	Education Program Development	-	-	10,000	10,000	10,000	10,000	40,000	
	Bylaw review	-	-	20,000	25,000	-	-	45,000	
	Stormwater Mgt:	Design, permitting, other support	29,000	-	20,000	20,000	10,000	10,000	60,000
		Construction/Demo & Monitoring of LID	-	-	25,000	25,000	25,000	25,000	100,000
	Plant control:	Design, permitting, other support	-	-	10,000	-	-	-	10,000
		Hand Harvesting Support	1,500	-	5,000	-	-	-	5,000
	Select Planting:	Monitoring	-	-	1,000	1,020	1,040	1,061	4,121
		Design, permitting, other support	-	-	-	10,000	-	-	10,000
		Planting	-	-	-	-	75,000	75,000	150,000
		Monitoring	-	-	-	-	4,000	4,000	8,000
	Subtotal		\$ 50,500	\$ -	\$ 111,000	\$ 101,020	\$ 129,202	\$ 129,261	\$ 470,483
	Morses Pond Dredging		-	-	940,000	-	-	-	-
<b>Total Moses Pond</b>		<b>50,500</b>	<b>-</b>	<b>1,051,000</b>	<b>101,020</b>	<b>129,202</b>	<b>129,261</b>	<b>470,483</b>	
<b>Library</b>	Computer Replacement	20,000	20,000	20,000	20,000	20,000	20,000	100,000	
	Servers	8,000	8,000	8,000	-	8,000	8,000	32,000	
	Replace Wireless Access	-	6,000	-	-	-	-	6,000	
	Card Payment System and Readers for Copier	-	-	15,000	-	-	-	15,000	
	Replacement of Furnishings	6,215	-	-	5,000	-	-	5,000	
	Replace Wireless Server	-	-	-	8,000	-	-	8,000	
	Replace Switches	-	-	-	5,000	5,000	-	10,000	
	Replace Back-up Tape Drive	-	-	-	-	5,000	-	5,000	
	Replace Internal Phone System	-	-	-	-	-	25,000	25,000	
<b>Total Library</b>		<b>\$ 34,215</b>	<b>\$ 34,000</b>	<b>\$ 43,000</b>	<b>\$ 38,000</b>	<b>\$ 38,000</b>	<b>\$ 53,000</b>	<b>\$ 206,000</b>	

**Town of Wellesley  
FY2012- FY2016 Capital Improvement Plan  
School Department**

Division	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2012-2016 Total
Instructional	15,305	21,913	40,120	44,500	40,375	36,000	182,908
Equipment (Copiers,etc)	6,560	2,090	242,500	83,000	87,980	89,000	504,570
Furniture/Furnishings	43,314	28,870	167,500	152,000	138,000	130,000	616,370
Infrastructure (Renovations,Interior Improvements)	65,000	235,000	35,000	35,000	35,000	35,000	375,000
Safety	-	-	5,000	10,000	10,000	10,000	35,000
Technology	<u>439,535</u>	<u>610,637</u>	<u>565,524</u>	<u>527,926</u>	<u>513,485</u>	<u>477,385</u>	<u>2,694,957</u>
<b>Total School Capital</b>	569,714	898,510	1,055,644	852,426	824,840	777,385	4,408,805
Facilities Maintenance:	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2014</b>	<b>FY2015</b>	<b>FY2016</b>	<b>FY11-15 Total</b>
Infrastructure	129,782	103,850	729,610	102,100	147,050	61,850	1,144,460
Maintenance	31,460	-	30,000	30,000	30,000	30,000	120,000
Safety	10,000	10,000	10,000	10,000	10,000	10,000	50,000
Additional School Items	-	-	-	-	-	-	-
Vehicle/Equipment	<u>72,505</u>	<u>13,258</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>113,258</u>
<b>School Facilities Capital</b>	243,747	127,108	794,610	167,100	212,050	126,850	1,427,718

**Town of Wellesley  
FY2012- FY2016 Capital Improvement Plan  
Department of Public Works**

Capital Project	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2012-2016 Total
<b>Cash Capital:</b>							
Street Improvement	385,000	463,200	91,000	639,000	565,000	565,000	2,323,200
Sidewalk Restoration	-	40,000	160,000	80,000	160,000	160,000	600,000
Private Ways	20,000	20,000	20,000	20,000	20,000	20,000	100,000
Catch Basin Rehabilitation	-	12,000	12,000	12,000	15,000	200,000	251,000
DPW/RDF Facilities Improvements	90,000	22,500	72,500	22,500	22,500	25,000	165,000
Other Improvements	12,000	15,000	15,000	15,000	15,000	15,000	75,000
Vehicle/Equipment Procurement	692,000	560,000	859,000	598,500	789,500	822,000	3,629,000
Athletic/Playground Improvements	101,000	265,000	245,000	137,000	137,000	117,000	901,000
Total Cash	1,300,000	1,397,700	1,474,500	1,524,000	1,724,000	1,924,000	8,044,200
<b>Other Funding Sources:</b>							
DPW Building Study (Free cash)	250,000	-	-	-	-	-	-
DPW Salt Shed (chapter 90 funds)	300,000	-	-	-	-	-	-
DPW Street Resurfacing (chapter 90 funds)	-	300,000	574,000	26,000	600,000	600,000	2,100,000
Street Resurfacing - Washington Street (chapter 90 funds)	-	700,000	700,000	700,000	-	-	2,100,000
Total Other:	550,000	1,000,000	1,274,000	726,000	600,000	600,000	4,200,000
<b>Debt Capital Inside Levy:</b>							
Street Rehabilitation - Kingsbury Street	-	620,000	-	-	-	-	620,000
Street Rehabilitation - Bacon Street	-	-	480,000	-	-	-	480,000
Street Rehabilitation - Cliff Road	-	-	-	150,000	1,250,000	-	1,400,000
Street Rehabilitation - Grove Street	-	-	-	-	150,000	1,750,000	1,900,000
Wales Street Bridge Reconstruction	-	-	400,000	-	-	-	400,000
Hunnewell Field Improvements	-	250,000	-	-	-	-	250,000
RDF Recycled Materials Loading Structure	-	400,000	-	-	-	-	400,000
Park/Hwy Building Roof	-	-	175,000	-	-	-	175,000
Park/Hwy Building HVAC Rehab	-	-	75,000	1,000,000	-	-	1,075,000
Total Borrowed	-	1,270,000	1,130,000	1,150,000	1,400,000	1,750,000	6,700,000
<b>Debt Capital Exclusion:</b>							
Public Works- DPW Administration Building	-	3,596,000	-	-	-	-	3,596,000
<b>Free Cash</b>							
Hunnewell Field Master Plan	-	-	-	-	-	175,000	175,000
Grand Total DPW	1,850,000	7,263,700	3,878,500	3,400,000	3,724,000	4,449,000	22,715,200

## **Report of the Board of Public Works Regarding the Construction of a New DPW Operations Building**

### **Introduction**

The Board of Public Works is proposing the construction of a new DPW Operations Building that the Board believes is cost effective, efficiently and effectively designed to meet the needs of the Town and the Department of Public Works for the foreseeable future.

The Department of Public Works is the town department charged with maintaining the Town's infrastructure and providing basic governmental services. The DPW maintains Town roads, plows the streets, maintains the playgrounds, playing fields and school grounds, manages major infrastructure projects and takes away the trash. We store a large number of permanent Town records, review plans and issue certain permits, such as street opening permits. Through the Water and Sewer Division we provide water for drinking, fire protection and watering lawns, and we maintain the town sewers to take away sanitary waste.

The DPW is dedicated to providing these services to the Town as efficiently as possible. Our entire proposed operating budget for Fiscal Year 2012 is just over \$6 million, an increase of approximately \$90,000 (1.5%) over Fiscal 2011. Over the past fifty years the work of the DPW has increased. The Town has seen an increase in construction, increased use and wear on the roads, increased stormwater drainage demands, increased use of playing fields, larger volume of trash and an increased dedication to recycling. Yet over that period of time the DPW has shrunk in size. In 1970 the DPW divisions had over one hundred sixty employees. Today we have one hundred eighteen. The DPW has shrunk by 5% since 2000 and is downsizing by one employee in this Fiscal Year.

Until 1992 the Department of Public Works and the Wellesley Municipal Light Plant were part of the same organization. In that year, for numerous reasons, the two organizations were split apart. Currently, only two areas of overlap remain. First, the three Commissioners of the Department of Public Works also sit on the five-member Board of the Municipal Light Plant (along with two Commissioners appointed by the Selectmen.) And the two organizations share an administration/operations building. The administrative staff of both the MLP and the DPW, together with the DPW Engineering Division are housed in an approximately eleven thousand square foot building, owned by the MLP. This building, which houses numerous functions of each organization that serve the public, has reached the end of its useful life.

### **History of the Project**

In 2003 the MLP determined that it needed to build new MLP garage and administrative facilities, replacing an antiquated and inadequate garage facility that housed both the MLP and Water/Sewer trucks and equipment, and inadequate office space in the existing 60-year old administration building, which a consultant stated was unsafe, not compliant with current codes, and would be very expensive to upgrade. The DPW, facing the same issues of inadequate and unsafe office space and lack of garage space, soon followed suit, proposing to construct a garage for Water/Sewer to house its trucks and equipment that had been, in some instances, stored outside exposed to the weather. Due to the constraints of the overall building site, the so-called "DPW Yard," and in the interest of boosting organizational efficiency, the two organizations proposed to build separate garages and operations buildings. The DPW Yard has topographical challenges as well as certain restrictions on construction, such as underground fuel tanks, utility conduits and a capped field of hazardous material. These constraints limit the size, shape and location of construction on the site.

As noted above, each organization contemplated that it would construct office space contiguous with its own garage. The Boards of each of the organizations determined that it would be more efficient to build separate office facilities, each adjacent to the organization's garage facility, than it would be to build one building to house both staffs. Both garages were designed to have an operations building attached, in order to save money. Significantly, however, although the MLP and DPW moved forward with the garages, each organization decided to defer construction of its operations building.

In the DPW's case, the Board decided that the construction project was simply too expensive (this was at the height of construction costs), and should be put off until a later date. This was particularly important at that time, when the Town was contemplating the need to fund the construction of a new High School. However, the DPW did build offices for the Water and Sewer Division as part of the garage building, constructing approximately four thousand square feet of offices and locker facilities on the first floor at one end of the garage. Because the garage building was two stories high, a second floor was included above the Water and Sewer space, but that space was not built out or finished.

Since the approval of the garage project, the DPW has searched for any alternative to build new operations space at the least possible cost. When the Town decided to try to disassemble and reuse the "Original Town Hall," (i.e. the old Wellesley Country Club clubhouse), the DPW explored the possibility of re-assembling that building in the DPW Yard and using it as an Operations Building. The Board of Public Works commissioned a study to determine what would be required to rehabilitate and renovate the current building, to use it as an office building on an ongoing basis. The DPW also entered into talks with the Town's Executive Director about housing Town Hall employees at a new Operations Building and with the School Committee about housing the School Administrative Staff at a joint building. After exploring all of these possibilities, the Board of Public Works has arrived at the construction project that it is proposing to this Town Meeting. The Board is of the unanimous opinion that the proposed project represents the best value for the Town of Wellesley. We propose constructing an economical, efficient facility that will be a usable, flexible asset to the Town for many, many years.

### **The Proposed Building**

The Board of Public Works believes that the building is correctly sized, efficiently and responsibly designed, and much needed. The proposed building is an approximately eight thousand square foot, two story addition to the DPW Garage Building, contiguous with the Water and Sewer offices, and includes the build-out of the second story above the Water and Sewer offices (bringing the total to approximately twelve thousand square feet.) The size and shape of the building addition are constrained by the conditions of the DPW Yard. The proposed building is surrounded, on three sides, by underground fuel tanks, utility and road right of ways, and a capped field of hazardous material. (The DPW did search for other possible construction sites throughout the Town, but could not find anything nearly as suitable.) As a consequence, the footprint of the operations addition is constrained to be approximately four thousand square feet. This necessitates building a second floor and finishing the empty space above the Water and Sewer offices. In addition, the Board believes that the building design strikes the correct balance between building costs and the construction of an efficient, responsible and green building.

One of the primary design goals of the Board of Public Works was to maximize the efficient working of the DPW divisions (Management, Engineering, Water/Sewer) housed in the building, particularly those which continuously serve the public. The Commissioners believe that the efficient operation of those divisions will save the Town money over the life of the building,

allowing the DPW to continue to operate at a lean staffing level. As a consequence, the building plans call for the staff of the Engineering Division to occupy the first floor of the new addition, together with storage of those Town Plans and Records that the Staff uses on a routine and regular basis. The Engineering Division and the Water and Sewer Division are the two DPW divisions which interact the most with the public (other than, of course, the RDF). The proposed plans call for these two Divisions to occupy the first floor of the finished facility. Fortunately, the constrained size of the construction site does allow for this to occur, although some Engineering plans and records will still be stored on the second floor. The overall size of the addition, however, was determined by this design goal. On the second floor, the architect and Department included some long-standing desired efficiencies, such as the inclusion of a 1,000 square foot training room that can accommodate half of the DPW staff. However, the second floor size was set by the size of the first floor, and was filled as efficiently as possible. That space remains flexible to accommodate future needs.

### **Why is This Project Imperative?**

The Town has numerous competing needs for taxpayer dollars, and many of those other needs are compelling and urgent. The Board of Public Works believes, however, that this project should be very high priority, and moving forward with this project at this time will be the most efficient use of Town dollars. Simply put, the Town has little choice but to build a new operations facility for the DPW, and moving forward at this time will consume the fewest tax dollars and leave more remaining for other urgent needs. The Commissioners believe this to be true for three reasons. First, the condition of the current building is unacceptable as a working environment by any standards, is not code compliant, and is currently in the worst condition, by far, of any Town building. Second, continued use of the current building could trigger unavoidable repair and renovation costs that would actually be significantly higher than the costs of this proposed project. Third, given the state of the economy, we believe that construction costs will be the lowest costs available to the Town for many years.

The condition of the current DPW/MLP Administration Building is deplorable. At the risk of repeating other reports, the building is not ADA compliant, not accessible, and unsafe. The heating system is inadequate and antiquated; almost every work space has an auxiliary space heater. Window air conditioners are jury-rigged and duct taped into empty window openings. Wires dangle from ceilings and extension cords run across doorways and hallways. The bathroom fixtures are old, rusty and unreliable. Interestingly, the MLP has had several inquiries from other Town Departments about those Town Departments using the existing building, on a temporary or permanent basis, if the MLP and DPW move out. In all cases, those talks have ceased immediately as soon as the other Town Departments saw the condition of the existing building. Rather than belabor this issue, the DPW invites any interested Town Meeting Member or resident to take a tour of the building. Please contact us in advance so that we can make arrangements. We have also posted pictures of the interior of the building on the DPW website. We believe our point is self evident and compelling.

The Town risks significant financial consequences should it decide to do nothing and continue use of this current building. The major building systems are old and near the end of their useful life. As stated above, the Board commissioned a study that indicated the cost to rehabilitate the current building would be well over \$4,000,000. (Significantly, this estimate is “BS” “Before the Surprises” that accompany all renovations of old buildings. The true costs could be much more.)

Also as stated above, the building is not ADA compliant, nor does it comply with the accessibility requirements of the State Building Code. Significantly, if one or more of the building systems were to fail, necessitating major repairs, it could trigger a requirement to bring the entire building into compliance with State accessibility requirements. The state building code contains triggers

at various points – if the Town spends over a certain amount, over a three year period, on renovations to the building, it can trigger requirements that the building also meet accessibility thresholds.<sup>1</sup> Thus, not only would the Town be faced with the cost of repairing the major building system, it would also face the expense of bringing the building into compliance with the State Building Code. In addition, we would also incur the cost of temporarily housing the DPW staff in a rented facility at some other location. The Commissioners of the Board of Public Works believe it is prudent to move forward with all deliberate speed to avoid this consequence.

Finally, we believe that the current economic climate will lead to favorable competitive bids on this project. The cost to the Town may be the most favorable that they will be for years. The bids for this project have just been opened as of the date that this Report was sent to the printer. It appears that our optimism has been born out. Although the bids have not yet been thoroughly vetted by the PBC, preliminary reports are that the costs will be nearly \$400k less than the estimates obtained when we completed the building design. The Board will report on this matter in more detail as information becomes available.

We request your favorable consideration.

**Board of Public Works**

Paul Criswell, Chairman

William E. Charlton, Vice Chairman

David A.T. Donohue, Secretary

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<sup>1</sup> One “trigger” is set at \$100,000 in renovations. A second threshold, requiring more extensive compliance efforts, is set at renovations costing more than 30% of the estimated value of the building.

## 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 (taxes on the first \$100,000 of a property’s value are exempt from the surcharge as are taxes on certain low income housing), 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. 100% of this tax surcharge revenue is retained by the Wellesley CPA fund. Funds raised through the local surcharge are “matched” annually by monies from a Massachusetts Community Preservation Trust Fund, which is made up of revenues collected statewide from Land Court and Land Registry fees – there is no segregation of fees collected in particular cities or Towns and indeed, the same fees are collected on local real estate transactions whether or not a locality has adopted the CPA.

The State’s payment to each CPA community is determined by a statutory formula, but in practice the State match for the first five years was 100%. Because of sharply declining fee revenues as well as the expansion of the number of localities adopting the CPA, the match declined substantially over the past several years, with the payment received in FY11 reflecting a 27.2% match. Legislation which would set a floor matching percentage of 75% as well as have other advantages never came to a floor vote in the last legislative session. It has been reintroduced as SB82 by Senator Cynthia Creem and co-sponsored by Senator Richard Ross and Representative Alice Peisch. The CPC, the Board of Selectmen, the Historical Commission and the Natural Resources Commission all support the passage of SB82. Without passage of this legislation or a strong recovery in the real estate market, the State matching percentage is expect to remain in a range of 20% to 30%.

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.

To date, the Committee has funded a total of 36 projects or portions of projects as detailed on the state CPA project website by picking Wellesley from the list on [http://maps.massgis.state.ma.us/cpa\\_Town\\_pick.htm](http://maps.massgis.state.ma.us/cpa_Town_pick.htm) \$5,169,854 dollars have been appropriated for these projects. Of this total, \$2,185,500 (42.3%) has been appropriated for Community Housing, \$1,791,750 (34.7%) has been appropriated for Recreation, \$889,344 (17.2%) for Historic Resources and \$303,260 (5.9%) for Open Space.

### II. Community Preservation Fund FY11 to FY15 Plan

As part of a broader effort to strengthen the Town Wide Financial Planning process, the CPC in consultation with the Board of Selectmen has created a long range plan reflecting our current expectations of revenues, appropriations, and fund balances.

# Wellesley CPA Financial Plan: June 30, 2010 to June 30, 2015

February 15, 2011

## REVENUE

	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>
Local Surcharge	\$897,890	\$951,763	\$991,737	\$1,018,514	\$1,051,106
State Match (match %)	\$227,925 27.2%	\$178,226 20.0%	\$188,920 20.0%	\$196,855 20.0%	\$202,170 20.0%
Interest	\$62,959	\$60,070	\$44,915	\$56,283	\$44,964
<b>Total</b>	<b>\$1,188,773</b>	<b>\$1,190,059</b>	<b>\$1,225,572</b>	<b>\$1,271,652</b>	<b>\$1,298,240</b>

Assumptions: No change to State CPA statutes; tax levy increases per Jan312011 TWFP with no overrides;  
interest rate 0.9%

## APPROPRIATIONS

	<u>FY11</u>	<u>FY12<sup>(1)</sup></u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>
Administrative	\$60,000	\$57,500	\$59,503	\$61,279	\$63,583
WHDC	\$375,000	\$450,000	\$225,000	\$225,000	\$225,000
St. James	\$0	\$3,500,000	\$0	\$0	\$0
Fuller Brook Park	\$250,000	\$765,000	\$0	\$3,600,000	\$0
Electric Substation	\$0	\$500,000	\$0	\$0	\$0
Other Historic	\$57,500	\$0	\$137,500	\$137,500	\$137,500
Other	\$10,000	\$0	\$137,500	\$137,500	\$137,500
<b>Total</b>	<b>\$752,500</b>	<b>\$5,272,500</b>	<b>\$559,503</b>	<b>\$4,161,279</b>	<b>\$563,583</b>
<b>(memo: Debt Service)<sup>(2)</sup></b>				<b>\$567,857</b>	<b>\$546,429</b>

Notes:

(1) FY 12 appropriations for St. James and Electric Substation assumed to occur at a Special Town Meeting.  
Most of Fuller Brook Park appropriation assumed to be made at a STM

(2) Assumes borrowing of \$3 million on June 30, 2013 at 5.0% interest with 84 month (7 year) level principal repayment beginning July 31,2013

# Wellesley CPA Financial Plan: June 30, 2010 to June 30, 2015

February 15, 2011

Balances	<u>6/30/2010</u>	<u>6/30/2011</u>	<u>6/30/2012</u>	<u>6/30/2013</u>	<u>6/30/2014</u>	<u>6/30/2015</u>
Encumbered	\$1,887,182	\$967,436	\$3,352,990	\$4,551,877	\$3,153,958	\$1,915,704
Specific Reserves	\$1,395,049	\$1,617,549	\$268,893	\$391,450	\$518,615	\$648,439
Undesignated	<u>\$3,713,172</u>	<u>\$4,089,445</u>	<u>\$1,368,658</u>	<u>\$1,310,394</u>	<u>\$1,323,441</u>	<u>\$1,380,517</u>
Total Available	\$5,108,221	\$5,706,994	\$1,637,551	\$1,701,844	\$1,842,056	\$2,028,956
Total Assets	\$6,995,403	\$6,674,431	\$4,990,541	\$6,253,721	\$4,996,014	\$3,944,660
Less Debt	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,000,000</u>	<u>\$2,571,429</u>	<u>\$2,142,857</u>
Net Funds	\$6,995,403	\$6,674,431	\$4,990,541	\$3,253,721	\$2,424,586	\$1,801,802

The appropriations shown in this plan reflect our support for two major project initiatives – the potential acquisition of the St. James property by the Town for recreation and open space purposes and a Town Wide project to rehabilitate and restore Fuller Brook Park – as well as our continuing commitment to community housing through the Wellesley Housing Development Corporation.

The CPC has provided support through our administrative funds for the development of plans for the potential acquisition and development of the St. James property. This process has included extensive public input. More information is available on the St. James Study section of the Town website ([http://www.wellesleyma.gov/Pages/WellesleyMA\\_Planning/St.james/index](http://www.wellesleyma.gov/Pages/WellesleyMA_Planning/St.james/index)). The CPC is prepared to recommend to a future Town Meeting the appropriation of \$3.5 million for CPA-eligible portions of this project. This is assumed in the plan to take place at a STM during FY12. Of course, undertaking this project is totally contingent on the Town's negotiation of a mutually satisfactory purchase and sale agreement with the Archdiocese of Boston.

The CPC has also supported through administrative funds and a prior appropriation the development of plans to rehabilitate and restore Fuller Brook Park. Originally created in 1899, Fuller Brook Park is linear, two-and-a-half mile green space paralleling Washington Street along Caroline Brook and Fuller Brook. It is an important historic, open space, environmental and recreational resource, a vital piece of the Town's Trail system and an essential part of the storm water and drainage system. Because the CPC believes firmly that this needs to be a Town Wide effort, a Fuller Brook Coordinating Committee was established to manage this planning effort. As Phase 2 of the overall project, the FBPCC conducted an extensive planning process with public input through multiple public meetings. Materials generated through this process (including the final report) are available on the Fuller Brook Park Improvement section of the Town website ([http://www.wellesleyma.gov/Pages/WellesleyMA\\_Fullerbrook/index](http://www.wellesleyma.gov/Pages/WellesleyMA_Fullerbrook/index)). The final report calls for a Phase 3 detailed planning and bidding phase with an estimated cost of approximately \$765,000 followed by a \$5.4 million construction phase.

The FY11 to FY15 Plan includes a provision for the \$765,000 Phase 3 in FY12 and for \$3.6 million in construction funding in FY14, with the remaining \$1.8 million projected to come from

general funds within the TWFP. Assuming that the St. James project goes forward, \$3 million in borrowing against future CPA revenues is projected to provide sufficient funds for the CPA funded portion of the Fuller Brook Project. Such borrowing has been used by a number of our comparable communities, notably Needham, Weston, and Sudbury, to fund major projects.

As of this time, the Fuller Brook Park Coordinating Committee and the Natural Resource Commission have not agreed on the path forward for this project and the CPC has not yet voted to recommend any appropriation at the 2011 ATM.

The CPC believes that providing affordable housing is important to strengthening and preserving the culture of the Town, as well as being a mandated use of CPA funds. The Wellesley Housing Development Corporation was created through a Special Act of the Legislature at the request of the Town to develop and preserve housing for low and moderate income households in Wellesley. To date, the WHDC has basically been funded through CPA appropriations, although in the future the Town's Inclusionary Zoning provisions are expected to generate additional funds for the WHDC. Recent studies have validated the growing unmet need for affordable housing for both families and seniors. The CPC will continue to support the WHDC and expects the overall level to be at comparable to past support, with appropriations in any particular year based on the pattern of purchase and sale transactions entered into by the WHDC with the approval of the Selectmen.

The Board of Selectmen have advised the CPC that they intend to make an application to use CPA funds for the adaptive reuse of the Town's original electric substation (located at the front of the MLP / DPW lot on Route 9) to house the Wellesley Cable Access Channel. As was reported at the 2010 ATM as an example of the historical inventory process, the Wellesley Historical Commission determined that the substation is a Historic Resource of the Town. The CPC has not made any decision regarding this project which may come forward for a potential STM or the 2012 ATM, but have included a \$500,000 provision in the FY12 plan.

The CPC recognizes that, regrettably, the Town provides less than \$1,000 per year to support historic resource projects through the general operating budget. Consequently, CPA funds have been used in the past to support a significant number of small projects. The Wellesley Historical Commission is currently working to generate long term plans for the preservation and enhancement of the Town's historic resources. The CPC applauds that effort. \$137,500 per year is provided from FY13 onward as a placeholder for one or more new historic resource projects. Similarly, we have provided \$137,500 per year as a placeholder for modest projects for other purposes.

An important element of the FY11 to FY15 plan is that even if the St. James and Fuller Brook projects go forward as projected, a balance of over \$1.5 million in available, unencumbered funds is always maintained to provide for one or more newly identified substantial projects for CPA-eligible purposes – community housing, open space, historic resources, or recreation.

### **III. Proposed Actions at the 2011 ATM**

#### **1. Administrative Funds and Appropriations to Designated Reserves**

The Town may appropriate up to 5 % of estimated annual revenues for administrative purposes. The CPC utilizes these funds primarily for consultants and other support to better define, shape, and analyze potential projects. Based on the estimated annual revenues, we request an appropriation of \$57,500 for FY12.

The Community Preservation Act requires each fiscal year the Town to appropriate or reserve for future appropriations a minimum of 10% of the estimated annual revenues for three designated purposes. Based on the estimated FY11 annual revenues, we request the transfer of \$120,000 for each to the Historic Resources, Open Space and Community Housing reserves.

## **2. Grant to the Wellesley Housing Development Corporation**

**Sponsor:** Wellesley Housing Development Corporation

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

**Recommended Amount:** \$450,000

In the summer of 2010, the WHDC was able to purchase 3 units of affordable housing (one single family house and a two family unit). The acquisition, rehabilitation and sale of these units will consume approximately \$665,000 of the available CPA appropriations to the WHDC, leaving an approximate balance of \$185,000 in unexpended CPA funds. The \$450,000 new appropriation will provide a total balance of \$635,000. This will provide sufficient capital for the Town to step in to repurchase an existing affordable unit if one were to come on the market and not be resold within the statutory time limits and to purchase, rehabilitate and sell one new property with comparable cost to either the single family or the two family homes acquired in 2010.

Respectfully Submitted,  
Jack Morgan, Chair  
Allan Port, Vice-Chair  
James Conlin  
Joan Gaughan  
Robert Goldkamp  
Dwight Lueth  
Donald McCauley  
Stephen Murphy  
Theodore Parker

February 20, 2011

**REPORT OF THE TOWN OF WELLESLEY  
PUBLIC TRANSPORTATION WORKING GROUP  
2011 Annual Town Meeting Update**

As part of its FY2011 Work Plan, the Board of Selectmen initiated the formation of the Public Transportation Working Group. The Working Group set-out to study how the Town might achieve previously established policy goals supporting expanded public transportation and address public demand for a broader array of transportation alternatives. It is the Selectmen's expectation that this project will yield specific, actionable proposals.

In the years leading up to the formation of the Working Group, Wellesley's 2007-2017 Comprehensive Plan update made a number of recommendations regarding public transportation. The stated goals of these recommendations were to reduce traffic volume, improve circulation, encourage alternative modes of transportation, improve commercial parking management and improve transportation flow on regional routes. Additionally, in 2010, the Green Ribbon Study Committee challenged the Town to reduce overall equivalent carbon dioxide emissions, including those generated from automobiles, by 10 percent – a goal Town Meeting overwhelmingly endorsed. It was with these mandates in mind that the Working Group approached its charge.

While the Working Group is not requesting any action at this 2011 Annual Town Meeting, our findings, and recommendations derived there from, will be provided in a forthcoming report, copies of which will be transmitted to the Board of Selectmen and Town Meeting Members in late spring. We are submitting an interim update to inform Town Meeting of our progress and the next steps in our study.

**Context**

With few exceptions, Wellesley's current transportation system and culture can be broadly characterized as car-dependent. This characteristic inevitably creates pressure over parking capacity, traffic congestion and pollution. However, given the community's location, settlement patterns and demographics, the Working Group recognizes that our reliance on cars will likely persist for the foreseeable future. With this assumption in mind, we pose to the Town, and ourselves, the following question: "What affordable and realistic alternatives exist that can help relieve some of our dependence on personal vehicles, and encourage the use of public transportation options?"

The attempt to answer this question was born out of the direction provided by the Comprehensive Plan Steering Committee in their aforementioned update as well as heightened public interest in alternative transportation options. The overriding concern of many is that, if current traffic problems persist or worsen, the Town will struggle to grow as a vibrant, sustainable community for residents and businesses.

The confluence of economic, environmental and demographic factors challenges us as a community to continue to seek transportation alternatives that serve the broader public and segments of our population with specific and growing transportation needs. We are studying this issue by considering both intra-Town and regional origins of congestion problems, and potential solutions that would connect more people to available, enhanced or possibly new transportation systems.

**Current Activities**

**1. Public Transportation Planning Study**

The Working Group has endeavored to understand the full range of services and solutions currently and potentially available to Wellesley residents and other intra-Town travelers. In June,

2010, the Board of Selectmen commissioned a study of the Town's public transportation requirements, to examine the Town's existing public, semi-public and private transportation systems, as well as future transportation opportunities and challenges for the Town. With support of funds from the Linden Square Development Agreement, the Working Group contracted with the Central Transportation Planning Staff (CTPS) of the Boston Region Metropolitan Planning Organization (MPO)/Metropolitan Area Planning Council (MAPC) to provide this service.

The work of CTPS to date has provided important insights into: 1) the Town's inventory of public and private commuter and other traveler options; 2) the market potential for establishing fixed-route bus service in various areas throughout Town; and 3) an analysis of current commuter behavior. First, with respect to the Town's current inventory, some components are self-evident – the MBTA's commuter rail and The Ride both come to mind. However, there are a number of independent private shuttles and buses unknown to many, including Town policy-makers. Private conveyances include chartered bus service from Wellesley College to Kendall Square in Cambridge and local shuttles from Wellesley businesses and colleges to the MBTA Green Line and connecting commuter rail and bus lines. With knowledge of all transportation activities in-hand, a suitable basis for creating synergies between them could be pursued. Secondly, CTPS has also used population density, proximity to commercial and commuter hubs, and other geographic information systems (GIS) data to determine those areas within Wellesley that hold the greatest promise of success for the establishment of new transportation amenities. Lastly, CTPS has used US Census journey-to-work data and samples from commuter license plate surveys to determine the current level of public transportation usage at commuter rail stops in Wellesley and Green Line stations in neighboring Newton. The findings and recommendations that may result from the analysis performed by CTPS, along with their professional expertise will serve to inform the Working Group's judgment as we prepare to issue our final report.

## 2. Town of Wellesley Transportation Surveys

In an effort to supplement the quantitative research based on Census and GIS data gathered through CTPS, the Working Group also found it essential to survey existing and potential users of public transportation to determine desires and needs. Under the survey process, the Working Group has issued six (6) separate surveys to gauge the opinions, as well as existing and potential behavior of eight (8) groups within Town. The surveys include the following:

- a. Town of Wellesley Transportation Survey: Surveyed both residents of the Town (as households) and non-residents working in Town;
- b. Wellesley College Student Transportation Survey: Surveyed the student population of Wellesley College;
- c. Wellesley College Employee Transportation Survey: Surveyed the employees of Wellesley College;
- d. Babson College Student Transportation Survey: Surveyed the student population of Babson College;
- e. Babson College Employee Transportation Survey: Surveyed the employees of Babson College; and
- f. MassBay Community College Student & Employee Transportation Survey: Surveyed the students and employees of MassBay Community College (Wellesley Campus).

The above surveys were drafted and responses were largely received through the online survey website SurveyMonkey ([www.surveymonkey.com](http://www.surveymonkey.com)). The majority of the respondents were

notified of the survey by e-mail or newsletter, with distribution including, but not limited to, the following target groups: Town employees and Boards, Town Meeting Members, parents of Wellesley Public School students, members of the Wellesley Chamber of Commerce, and students and employees of the colleges. Hardcopies of the survey were made available at the Wellesley Free Library (Main Branch) and the Council on Aging. Information regarding the Town of Wellesley Transportation Survey was made available on the Town's website, and reported by the Wellesley Townsman, Wellesley Patch, Swellesley Report and Wellesley Cable.

While several of the surveys remain open, responses have been received from 1,981 resident households (including resident students at colleges) and 509 non-residents (commuting employees and students) at the time of this writing. Based on the intent of the surveys, it is anticipated that the resulting responses will aide in the identification of potential users, opportunities for transportation system linkages and shared services, trip origin and destination preferences, and possible routes, all of which will assist in determining the viability of providing additional public transportation services within the Town.

### 3. Exploration of Regional Transportation Services and Options

The Group has sought to understand the services provided and potential for linkages with regional entities. Specifically, the Group has had several meetings with representatives of the Metro West Regional Transit Authority (MWRTA) and the 128 Business Council. These organizations provide bus service to member communities in the western suburbs of Boston and participating businesses along Route 128, respectively. Wellesley's geographical situation is such that joining either organization may eventually prove to be viable, low-cost alternatives.

### **Remaining Work and Next Steps**

In the ensuing months, the Working Group will assemble its findings based upon the evaluation and analyses of data provided by CTPS and generated through our survey work. Subsequent recommendations will come as a logical outgrowth of these findings.

The Working Group will prepare a final report of its findings and recommendations to be presented to the Board of Selectmen, who will determine whether further action is warranted. The Board of Selectmen may be empowered to act without the need for Town Meeting approval to achieve some of the recommendations; likewise, some recommendations may require actions necessitating Town Meeting acceptance and/or adoption, particularly those that might require a bylaw change or an appropriation of funds. In either case, once completed, all Town Meeting Members will receive a copy of the Working Group's final report.

In advance of our final report, the Working Group is not requesting any action at the 2011 Annual Town Meeting. Nevertheless, we hope you find this interim update useful and informative. We look forward to presenting our findings and recommendations to the Selectmen and Town Meeting in our forthcoming report.

Respectfully submitted,

The Public Transportation Working Group:

- *Ellen F. Gibbs, Board of Selectmen*
- *Owen H. Dugan, Board of Selectmen*
- *Frank DeMasi, MAPC/MBTA Advisory Board Representative for Wellesley*
- *Christopher J. Ketchen, Deputy Director of General Government*
- *Meghan C. Jop, AICP, Director of Planning*
- *Michael D. Zehner, AICP, Assistant Director of Planning*
- *Molly W. Fairchild, Sustainable Energy Coordinator*

## REPORT OF THE PLANNING BOARD

In accordance with the provisions of the Zoning Bylaw, SECTION XXVIA, and the General Laws of the Commonwealth of Massachusetts, Chapter 40A, the Planning Board convened a duly advertised public hearing on Monday, February 7, 2011, on the proposed amendments to the Zoning Bylaw as contained in the Warrant for the March 28, 2011 Annual Town Meeting.

### Article 30

#### Final Recommendation to be made at Town Meeting

This article would establish Brookside Road as a Scenic Road pursuant to Chapter 40, Section 15C of the Massachusetts General Laws. Designated Scenic Roads require a public hearing process and approval from the Planning Board prior to the cutting or removal of trees, or the alteration of stone walls in connection with repair, maintenance, reconstruction, or paving within the right of way of the Scenic Road. Designation of a Scenic Road does not prevent cutting or removal of trees and stone walls on private property.

The Planning Board received a petition with over 120 signatures from residents asking for the Board to consider Brookside Road for Scenic Road designation. The Board has found that Brookside Road meets the designation criteria due to the significant aesthetic value from trees framing the views of Rosemary Brook and the Town Forest, and from trees contributing to the woodland character of the roadway. The Town has designated six other Scenic Roads with similar qualities including Benvenue Street, Cheney Drive, Squirrel Drive, The Waterway, Pond Road, and Cartwright Road and believes Brookside Road is of similar character and is a valuable cultural landscape worth protecting.

### Article 33

#### Final Recommendation - Denial

This article was proposed by the Board of Selectmen as property owners and would extend the current Business Zone at 448 Washington Street (the former Star Market site) to include a portion of the Cochituate Aqueduct owned by the Town and leased to Gravestar, Inc. The intent of this article is to allow for the outdoor sale of goods at a farmers' market and within an 80 square foot area under a new canopy proposed by Whole Foods, the new tenant at 448 Washington Street.

This proposal extends the rights of one property owner and extends all the rights of the Business District to the property regardless of the intended use or ownership. The Planning Board considers rezoning from a district wide approach and does not believe the extension of the Business District to be the right amendment to advance. Once a parcel is rezoned there is no option to revisit the success or failures of the rezoning, other than by Town Meeting action. Article 37, an alternative proposed by the Planning Board, is supported by the property owner as an equitable solution and creates a mechanism for review by the Zoning Board of Appeals. Should the farmers' market hours of operation, traffic, or parking become detrimental to the neighborhood or adjacent Town properties the ZBA could review the site conditions, listen to concerned abutters, and either alter the conditions of the Special Permit or deny the continued use of outdoor sales.

### Article 34

#### Final Recommendation - Adoption

The Tree Bylaw links the Town Wide commitment to sustainability and the desire to reduce carbon emissions, with the priorities established in the Comprehensive Plan to preserve green space and community character. Trees have a great deal of value in Wellesley, from increased property values to various environmental benefits, and the Planning Board believes the Town must start thinking about trees as part of the Town's existing infrastructure. As an example, trees or "green infrastructure" aid in the reduction of stormwater runoff by capturing and storing

rainfall in the canopy, trees slow down and temporarily store runoff, which further promotes infiltration, and decreases flooding and erosion. Retention of trees can reduce impervious areas and the need for additional stormwater systems, and unlike sewers and built infrastructure, trees appreciate in value and require less maintenance as they age.

The Planning Board received strong support from residents to examine comparable communities such as Lexington and Newton, and to prepare a zoning article to protect significant trees in Wellesley. This article establishes a Tree Protection and Preservation Bylaw (Tree Bylaw) which helps to increase environmentally sensitive site planning in connection with demolition and construction projects, thereby facilitating and requiring the following: increased preservation of mature trees and natural areas; protection of trees during construction; and tree replanting to account for the removal of existing trees. In an effort to maintain and protect a resource valuable to the Town of Wellesley and its residents, the Planning Board is proposing this Tree Bylaw to control the arbitrary cutting of trees and to support the recognition that trees are important to the community. The proposed provisions would not prevent the removal of trees, but would create a mechanism requiring the replanting of trees on site or a financial contribution to pay for replacement trees within the Town. In recent years the Planning Board has sought other means to protect trees and landscapes with the passage of both site preparation provisions and Large House Review, but the decimation of trees and clear cutting of lots in connection with construction projects continues.

This zoning proposal establishes trees over 10 inches in caliper, and located in certain areas of a property, as Protected Trees. In considering the appropriate size threshold for protection the Board considered that the average 10-inch caliper tree is between 25 and 50 years old. For properties in the Single Residence and General Residence Districts, regulation under the Bylaw would be triggered by permit submittals for new construction, demolition, or additions which increase the footprint of structures by 50% or more for sites having Protected Trees located within the side, rear, and front yard setbacks. In all other districts, such as the Business, Lower Falls Village Commercial and Administrative Professional Districts, trees over 10 inches in caliper located anywhere on the site are considered Protected Trees and would be regulated by the provisions of the Bylaw for the same demolition and construction activities. Under the Bylaw, Protected Trees would need to be identified and must either be preserved or, if removed, replaced with the replanting of new trees on site or elsewhere in Town through the contribution of funds to the Tree Bank. The Tree Bylaw would not apply to projects requiring Large House Review or Subdivision Control, or to portions of projects subject to Wetlands Review.

The Tree Bylaw's intent is to encourage the preservation of mature trees. When a Protected Tree is proposed to be preserved a Tree Save Area is required to be established prior to the commencement of demolition or construction activity. A Tree Protection and Mitigation Plan must be submitted with the building permit application, to be prepared, stamped, dated and signed by a registered land surveyor, registered professional engineer, registered landscape architect, or certified arborist. The establishment of a Tree Save Area likely requires the installation of fencing around the Critical Root Zone, which serves to protect the root system from compaction of soil and damage from vehicles and construction equipment.

The replacement cost of a mature tree is difficult to calculate in terms of qualitative and quantitative value to the Town, but the Planning Board has tried to be equitable in determining options for tree removal. In determining formulaic equations for replacement trees, the Planning Board considered the cost to protect a significant tree in comparison to the removal, purchase, and replacement cost of a tree of smaller caliper. As such, the Tree Bylaw has two options if tree preservation is undesirable. The first option is to replant at a rate of ½ caliper inch for every 1 caliper inch removed. For example, the removal of a 10-inch Protected Tree would require the replanting of tree totaling 5 inches in caliper. A property owner or developer could then plant two trees having a diameter of 2.5 inches anywhere on site to mitigate the removal of a single 10-

inch tree. To add proper incentives to preserve trees, the second option is to contribute to a Tree Bank. The rate for the Tree Bank contribution would be set by the Board of Selectmen, however the Planning Board recommends a rate of \$250 per caliper inch removed (the removal of a 10-inch Protected Tree would require a contribution of \$2,500). All funds raised by the Tree Bank would be used by the Park and Tree Division of the Department of Public Works solely for the purpose of buying, planting and maintaining trees in Wellesley.

#### Article 36

#### Final Recommendation- Adoption

In 1980, Wellesley created Historic District Zoning to regulate the creation and administration of Historic Districts in Town. Historic District designation requires review by the Historic District Commission for exterior modifications to a protected property. Currently only 61 properties located within the Cottage Street Historic District are protected under these provisions. As recommended in the Comprehensive Plan, the Historical Commission began evaluating the establishment of a Landmark's Bylaw; at the same time two property owners were evaluating how to preserve their properties. In discussions with the Massachusetts Historical Commission it was found that the existing zoning provisions could be used to establish protection over individual properties that meet the State requirements for historical significance, and that a Landmark Bylaw was not absolutely necessary.

A zoning map change is the last step in a long process of review. The Historical Commission asked the Board of Selectmen to establish a Single Building Historic District Study Committee this past summer. The Committee conducted intensive research of two individual properties and prepared a report which has been approved and endorsed by the Massachusetts Historical Commission. The two properties recommended for designation are the former Methodist Meeting House located at 377 Weston Road, for the historical events that transpired at the property, and the Tufts House located at 38 Lowell Road, for the historical property owner.

The Methodist Meeting House played a significant role in the early development of the Methodist Revival Movement in the United States. The house was Wellesley's second meeting house, and first Methodist meeting house. The Methodist Meeting House was one of the earliest in this country and in 1842 held the largest camp meeting at the time with over 20,000 participants.

The Tufts House was designed by Nathaniel Perry Tufts. Tufts was a Wellesley resident and architect recruited by Royal Barry Wills, a prominent architect. Tufts was one of Wills' earliest associates and during his years with Wills, Tufts helped develop Wills' style. The Tufts House, occupied to this day by members of the Tufts' family, contributed to the early development of the Cliff Estates and was constructed in 1930 in the signature Colonial Revival Style of the Wills' firm.

Both property owners have requested the Town designate their properties as historic. The Wellesley Historical Commission and the Massachusetts Historical Commission have found the properties worthy of designation, and the rezoning of these properties to the Historic District Overlay ensures protection of two local historical assets.

#### Article 37

#### Final Recommendation - Adoption

This amendment would allow the temporary or occasional sale of farm produce or natural products located within a parking area of all Single Residence A Districts with the issuance of a Special Permit. The Single Residence A District was established to allow parking in transition areas between commercial districts and residential neighborhoods. The current provisions allow

for temporary open surface parking of passenger cars of persons residing within 400 feet of such land or for customers or guests of an establishment which abuts the zone.

This amendment is being proposed as an alternative to Article 33 (which would extend the Business Zone to allow for minor outdoor sales under a canopy at Whole Foods and for the use of the Cochituate Aqueduct as a farmers' market.) The Planning Board believes this proposal to be a more effective solution. It would provide the option in all Single Residence A properties for the temporary or seasonal outdoor sales of farm produce or natural products. This provision would allow the ZBA to issue a Special Permit for said uses, and would create a mechanism to evaluate the success or failures of the uses with renewal requirements. Special Permits typically must be renewed every two years, allowing the Town to more readily evaluate the sale of produce and natural products on the site. Rezoning would not afford such controls. The Special Permit provisions, if approved, would be available to all of the Single Residence A parcels should the sale of farm produce or natural products within a parking lot be applicable. The parcels zoned Single Residence A are located at 448 Washington Street (Whole Foods), 326 Washington Street (Fraser Medical Building parking lot), portion of the Cochituate Aqueduct behind 356 and 366 Washington Street (Suburban Imaging and DeFazio Building parking areas), 66 Walnut Street ( behind Newton-Wellesley Executive Office Park), and 40 Washington Street (across from St. John's Church).

**Planning Board**

Don McCauley, Chair

Stephanie Wasser, Vice Chair

Jeanne Conroy

Rose Mary Donahue

Neal Glick

Mark Synnott

## Report of the Sustainable Energy Committee on the Stretch Building Code

### What is the *Stretch* Energy Code?

**The Stretch Energy Code is designed on the principles of sustainability.** It is an optional amendment to the Massachusetts Building Code that requires an incremental investment to meet 20% greater energy-efficiency standards in construction, which will be paid back through energy savings within a few years, and reduce the life-cycle cost of the building. Town Meeting's adoption of the Stretch Energy Code would ensure better energy performance for residential, commercial and municipal buildings and help us to meet the Town's emission reduction goal, and reduce energy costs, through sustained improvements in the energy efficiency of our buildings.

The Stretch Energy Code or "Stretch Code" is an optional Appendix (115.aa<sup>2</sup> to the Base Energy Code.<sup>3</sup>) It was developed by the Board of Building Regulations and Standards (BBRS) to meet the growing public demand for a stronger energy efficiency standard to help communities reduce their energy costs, emissions and dependence on foreign oil. Adoption by Town Meeting ensures that Wellesley will continue to "stretch" to an energy standard that is a few years ahead of the current Base Code, when the Building Codes are updated every few years. Therefore, adoption includes all future modifications and amendment, so Town Meeting would not need to vote on each new edition of the Stretch Code, but could rescind its decision by a Town Meeting vote, at any time

**Massachusetts was the first state to adopt the Stretch Code in May 2009**, with the City of Newton becoming the first community to adopt it in November of the same year. Since then, 64 communities have adopted the Stretch Code, or 18% of Massachusetts communities, which includes almost 40% of the population of Massachusetts. The list of communities reflects the broad base of support that the Stretch Code has gained, including cities, suburbs and rural Towns: Acton, Andover, Arlington and Athol ... and most of our neighboring communities: Boston, Brookline, Cambridge, Concord, Dedham, Lexington, Lincoln, Newton, Natick, Sudbury, WaterTown, Wayland and Winchester.

**The Stretch Code emphasizes performance testing over prescriptive measures**, leaving the creative design to the architects and builders, and providing an energy rating for buildings based on both the materials used and the quality of the construction. Performance testing provides an important consumer protection, by ensuring that new homes and buildings meet a specific standard for energy efficiency, so that the cost of operating the building is considered with the cost of construction.

**For residential construction**, energy performance testing is used to detect thermal leaks using three different methods: The blower-door test measures air transfer through the home by measuring the volume of air that can be pulled through the house by a fan placed in an exterior door through leaks in the building envelope; Infra-red photography is used to measure surface temperatures and so depicts patterns of heat loss where the thermal barrier is inadequate; and the duct-blast test measures the integrity of the forced hot air and air-conditioning systems, and detects leaks that would reduce the efficiency of heating and cooling the home.

In addition the energy performance is determined by computer modeling based on the design and energy systems of the home to provide a Home Energy Rating System (HERS) score. The HERS score is based on a scale of 0-100, where 0 is a zero-net-energy home, and 100 is a

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<sup>2</sup> Link to the Stretch Energy Code, Appendix 115.to the CMR 90.1 is available on the BBRS website.

<sup>3</sup> The International Energy Conservation Code (IECC) produced by the International Code Council, contains minimum energy efficiency provisions for residential and commercial buildings.

home compliant with the Base Code. The independent HERS rater is required to check the installation of the insulation, and perform a blower test and duct blaster test of the HVAC, and perform the energy star home thermal bypass checklist, as part of the report that is given to the Town Building Inspector. For new home construction, a HERS score of 65 or less is required for larger homes (more than 3,000 square-feet), and a HERS score of 70 or less, for smaller homes (under 3,000 square-feet).

Performance testing is less common, for residential additions and renovations. A HERS score less than 80 is required for significant changes over 2,000 sf, and score less than 85 for significant changes that are smaller than 2,000 sf. Prescriptive measures are commonly used, which include the Thermal Bypass Checklist and a requirement for the use of Energy Star windows. Historic buildings are exempt, as well as additions and renovations that do not trigger code requirements.

**For commercial and municipal buildings,** energy performance is determined using energy modeling and commissioning. Computer energy modeling is used to evaluate and optimize the energy efficiency of various design options and materials before construction is started; then commissioning is used to test the performance of all the mechanical systems, after the building is completed, before the occupancy permit is given, to ensure that the systems are operating at the expected level of efficiency.

For commercial new construction of large buildings (over 100,000 sf), performance testing is required to meet a standard 20% below code, based on the energy standard for commercial building<sup>4</sup>. For the construction of medium-sized commercial buildings (5,000-100,000 sf), there is both a prescriptive and performance option. The prescriptive option uses the Core Performance Program, which was developed through energy modeling for the New England Climate. The Performance option is an efficiency standard 20% below code, that must include the building envelop (walls, roof, windows, insulation), commissioning of the energy systems, and efficient lighting. In addition, there is a choice of *either* more Lighting efficiency, *or* energy efficient HVAC, *or* on-site renewable energy (providing at least 3% of energy requirements).

There are exemptions for small commercial building and additions (less than 5,000 sf), and all commercial renovations. “Specialty” buildings, including: supermarket, laboratory, and warehouse (less than 40,000 sf) are also exempt. For other buildings, with unusual energy use, there is the option to apply for a waiver directly from the BBRs. Buildings that are exempt from the Stretch Code must comply with the base energy code for commercial buildings.

**The incremental cost of meeting the stretch code requirement** is estimated to be 1-3% for commercial buildings and \$3,000-\$8,000 for new homes, depending on the project. The incremental cost of building to the Stretch Code standards can also be rolled into the mortgage, often providing net savings in the first year. Payback through energy savings is estimated to be 1-3 years for new residential construction and 1-2 years for commercial projects. In addition to energy savings, Energy Efficient Mortgages (EEM) are available for homes certified by a HERS rater, which allow borrowers to qualify for a larger loan amount based on the estimated energy savings. Most builders will prepare the paperwork for additional cost savings from Energy Star Home, utility rebates and Federal tax exemptions.

If this winter is any indication of the type of weather New England can expect, planning for Climate Change in New England will mean attending to the design and construction of the thermal barrier to protect against ice dams, the visible and costly result of thermal leaks. In this way, the greatest benefit of compliance with the Stretch Code may be ... peace of mind.

**The estimated emissions reduction from implementation of the Stretch Code would make a sustained contribution to the Town’s goal for emissions reduction, year after year.** Town Meeting approved the Goal to reduce equivalent-CO<sub>2</sub> (e-CO<sub>2</sub>) emissions 10% below

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<sup>4</sup> The American Society for Heating, Refrigeration and Air-Conditioning Engineers (ASHRAE).

2007 levels by 2013, a reduction of 45,000 tons of e-CO<sub>2</sub>. Based on the Town Wide energy inventory, we know that more than 60% of Town Wide e-CO<sub>2</sub> emissions are due to the lighting, heating and cooling of our buildings. Each year of building to the Stretch Code, is estimated to reduce emissions by 1,057 tons of e-CO<sub>2</sub> or a reduction of 0.23%, annually, so that every four years Town Wide energy use will be reduced by an additional 1%, by the Adoption of the Stretch Code.

**The Timeline for the Stretch Code**, with the favorable adoption by a majority vote of Town Meeting in April 2011, the concurrence period would begin on July 1, 2011 (when individual projects can choose to adhere to either the Base Code or Stretch Code), but full implementation and enforcement would not begin until January 1, 2012. The earliest possible date that a new Base Energy Code and Stretch Code Editions would be implemented would be July 1, 2012, but most likely would not occur until the end of the 2012. Therefore adoption of the Stretch Code this spring would ensure that the full building season of 2012 has the financial and environmental benefit of these stronger standards for energy efficiency.

There are no additional administrative costs for the Town's Building Department. Stretch Code trainings are provided free to all building inspectors and at a nominal fee to all other building professionals and include Continuing Education Units. The Town's Building Department is already trained and certified in the Stretch Code, and Michael Grant, the Building Inspector is providing trainings for Inspectors in other communities. The additional work required by the Stretch Code is performed by the HERS rater for residential construction, and the architects and builders for commercial projects.

In summary, the Stretch Code provides the opportunity for the early adoption of the future statewide base code, to reap the financial and environmental benefits of better energy performance for buildings, today.

**Sustainable Energy Committee:**

Suzanne Littlefield, Chair & School Committee  
Christopher Ketchen, Deputy Director  
Richard Joyce, Director Municipal Light Plant  
Beth DeSombre, Prof Environmental Studies, Wellesley College  
Scott Bender, community outreach  
Robert Cooper, community outreach  
Ellen Korpi, community outreach  
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**Acknowledgements:**

Christopher Chan  
Michael Grant  
Kathy Mullaney

**APPENDIX A**  
**Schools Cash Capital, Inclusive of Facilities Maintenance, FY 2012**  
*Prepared by the Advisory Committee*

The School Committee is requesting \$1,025,618 in cash capital, including school-related facilities maintenance capital items. School cash capital is allocated as follows:

	<b>FY10 Actual</b>	<b>FY11 Appropriated</b>	<b>FY12 Budget</b>
Technology	\$478,029	\$439,535	\$610,637
Furniture/Furnishings	60,077	43,314	28,870
Equipment	64,170	6,560	2,090
Instructional Equip./Materials	29,171	15,305	21,913
Infrastructure/Interior Reconfig	35,161	65,000	35,000
Safety	13,201	--	--
Facilities/Equipment	--	70,200	13,258
Facilities/Infrastructure	32,336	129,782	103,850
Schools Study	--	--	200,000
Maintenance	68,271	33,765	--
Safety	--	10,000	10,000
<b>Total</b>	<b>\$780,415</b>	<b>\$813,461</b>	<b>\$1,025,618</b>

Last year, the School Committee reduced its Cash Capital Budget (minus Facilities Maintenance) request from \$695,210 to \$569,714 in response to the Advisory Committee's request to cut 5% (\$34,738) and, with Advisory's agreement, in order to reallocate \$90,758 to partially fund their FY11 operating budget shortfall. The FY11 tax impact cash capital budget was lower than the Schools' capital appropriation in any of the previous four years.

Technology remains the largest category of school cash capital spending, with a significant portion of the total (\$610,637) funding replacement of aging computers and other equipment (\$411,421). Nearly 90% of this amount will go to replace desktops, which are on a seven year replacement cycle, and laptops, which are on a five year replacement cycle. Another \$89,355 will fund network hardware for system maintenance at the elementary schools and the middle school, and \$56,668 will fund laptops for teachers and students at the middle and high schools to accommodate increases in enrollment. Costs of additional new equipment at the elementary schools and the high school will total \$53,176; [this includes funds for six elementary school SMARTBoards, seven elementary school projector mounting systems, five computers for high school design courses, and other equipment.

Furniture and furnishings are replaced as they are worn beyond repair. This year's request consists of funds for replacement furniture (\$10,208); new furniture (\$15,662); and replacement blinds and shades (\$3,000). The budget request is \$138,700 lower than previously anticipated as most replacements have been deferred a year. The copier and equipment line funds replacements for copiers as needed. The copiers scheduled for replacement in FY11 were funded with \$40,100 in federal stimulus funds, so the current year's tax impact budget line is lower than it would otherwise be. The planned replacement of the high school administration and production center copier has been postponed one year from FY12 and is now slated to be purchased in FY13 at a cost of \$220,000.

The instructional and equipment line funds teaching tools. This year's request (\$21,913) funds fitness equipment, musical instruments, cameras and science equipment. This is also the first year of a multi-year plan to replace pottery kilns at the elementary schools. The budget request also includes \$35,000 as a contingency for reconfiguring space in the event of enrollment changes.

Some additional observations regarding the School Department's Cash Capital budget:

## GENERAL

- Note that deferred purchases in the entire Cash Capital budget will add up and Advisory remains concerned that the impact of the potential future “bubble” will drive expected future projections of cash capital well above anticipated budget guidelines. In FY13, the request is projected to be \$1,055,644, with copiers at \$222,500, instructional about doubling to \$40,120, general equipment going to \$20,000, furniture/furnishings jumping to \$167,500, and safety reappearing at \$5,000. There will also likely be a need for incremental Facilities Maintenance investments (see below) which could include investments in modular classrooms at some of the elementary schools. These cash capital requirements are not currently included in the five year Cash Capital Plan.

## TECHNOLOGY

- Advisory notes that the FY 12 capital budget for technology was developed from the outset with more accurate pricing than has been seen in recent years. This is due to more realistic pricing based on actual quotes as well as the inclusion of wiring and other installation costs.
- Projections on technology spending continue to include decreases on a per unit basis due to lower unit pricing. Further, the School Department Director of Technology plans to assess the feasibility of tablet technology as a lower cost replacement alternative to the growing requirements for laptops. With the potential importance of tablet technology, the department hopes to pilot a tablet computing program in the near future. The tablet computing concept appears to have merit for cost saving reasons, but the outcome of that feasibility work, and the related benefits to the budget, will not be quantifiable until the FY13 budget cycle.
- According to the Technology Director’s presentation in the Fall, most of the computers in the current high school with useful life remaining will be re-deployed in the new building; 38 Smartboards and 45 projectors will be redistributed throughout the school system at a reinstallation cost estimated at \$29,715.
- The inequity of technology distribution across the elementary schools has been somewhat resolved thanks in large part to significant private donations to the Wellesley Public Schools, mainly from the PTOs. The summer of 2010 alone saw the installation of \$106,085 in a/v equipment just from PTO donations.

The inventory as of October 2010 is as follows:

	Projectors	Interactive Whiteboards	Document Cameras
Bates	25	17	20
Fiske	20	7	19
Hardy	17	16	12
Hunnewell	20	16	20
Schofield	23	10	19
Sprague	25	4	28
Upham	17	16	14
Middle School	86	53	35
High School	74	38	11

- As the system-wide imbalance is reduced, Advisory believes it would be wise for the Wellesley Public Schools to establish a system-wide technology fund, perhaps through the cooperation of the Central Council of PTO’s, which could be used for emerging technologies and the equitable distribution of those technologies across the system.

- Donations from both PTOs and private individuals will likely also supplement the schools' technology budgets, but the school administration has been reluctant to quantify potential donations as part of the budget process given the uncertainty of any estimates. However, given the reliable nature of past donations, it does seem that some projection of possible PTO donation levels would be prudent.
- The long-range technology plan for the schools includes a six-year plan for upgrading the technology infrastructure across the system beginning in FY12 with the upgrading of the Middle School and Phase I of the Elementary network switches, FY13 with Phase II for the elementary switches, followed in FY14-FY16 by the improvement of wireless access at the Middle School and all the elementary schools.

Looking ahead, the Schools' planned technology expenditures for the next few years are as follows:

<b>Technology Expenditures</b>	
FY	Amount
2012	411,421
2013	615,732
2014	642,832
2015	667,377
<b>Total</b>	<b>2,337,362</b>

This is a substantial sum, especially at a time when Town Wide capital budgets are experiencing significant stress. At the same time, the new High School will be completed, and the budget for this project includes significant spending on new technology for the school. Additionally, the Schools are projecting significant capital maintenance projects within this period, and will be embarking on the further development and implementation of solutions to the projected capacity shortfall at the Middle School. Advisory does not question the importance of technology in the classroom. It does, however, feel that, given the magnitude of proposed technology expenditures, the importance of private donations to the Schools' acquisition of technology, and the planned redistribution of technology from the existing High School to elsewhere in the system, that the School Department continues to maintain and make available its comprehensive multi-year plan outlining technology objectives and needs.

### **Schools Facilities Maintenance**

FY12 budgets for Facilities Maintenance (FM) have been prepared as two separate budgets, one for the School Department and one for all other Town Buildings. This represents a return to past practice after having consolidated FM budgets for the past two fiscal years.

The schools' FY12 FM budget includes the following sub-category estimates for FM spending within the Cash Capital budget.

<b>Equipment</b>	\$13,258
<b>Infrastructure</b>	\$103,850
<b>Schools Study</b>	\$200,000
<b>Safety</b>	\$10,000
<b>Total – School Facilities</b>	<b>\$327,108</b>

The planned study of the elementary and Middle School facilities (\$200,000) to assess the overall state of repair has been pulled in to 2012 from the FY2013 plans. This acceleration of the study will be a valuable input to the longer term plans to assess elementary school capacity in light of gradually declining enrollments.

After the schools study, the largest individual line items within Facilities Maintenance include Roof maintenance and Replacement (\$80,750), Plumbing/Heating/Ventilation (\$12,200), and a Floor Scrubber (\$9,000).

As described above, the Cash Capital budget in its entirety meets the Advisory guideline of 1.5% growth over 2011, but this FM portion of the budget appears to be significantly below what should be expected with a capital base as large as the school buildings portfolio. Advisory remains concerned with the relatively low level of anticipated schools FM spending. The total annual investment in school facilities maintenance planned for the next five years averages just \$228,892, representing only .18% of the current asset value of the school building portfolio. Benchmark estimates indicate that prudent facilities investment levels should run between 2.0 and 4.0% of the asset value annually. With a current school buildings valuation of roughly \$129 million, the schools FM spending would benchmark at roughly \$2.6 million annually, for the low end of this range.

Routine under-investment in the schools' FM budget line would most certainly cause further degradation of building conditions in the short term and could prompt the need for more significant capital renovation investments over the long term, than if prudent levels of annual spending had been allocated and spent carefully. In fact, it could be argued that the Town has experienced such a pattern over past decades as School's Facilities Maintenance spending has not been kept at benchmark levels, and large capital renovation projects have been necessary with some regularity.

On the positive side, the school department faces a fortunate confluence of events in FY11 and FY12 to potentially strengthen their long term planning process for Facilities Maintenance spending. Three important studies offering useful input to the FM plans are coming available. First the modular classroom review was just completed in February, 2011 and written results are now in the hands of school administration. Second, the Schools Study described above will be completed in FY12. And third, recent enrollment projections should soon prompt the initiation of feasibility planning for a system-wide reduction in elementary school capacity over the next three to six years.

Finally, the Town's Executive Director has planned at a top level for increases to the entire FM spending levels going forward. The recent update of the Town Wide Financial Plan has planned for such increases which can be allocated to school buildings, along with the DPW and other Town buildings.

With these new data coming available, and the support of Town administration, it seems that a much more ambitious and progressive Facilities Maintenance investment plan for our schools is warranted for FY13 and beyond.

## **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").

**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 ongoing capital budget.

**PRIMARY LEVY LIMIT.** 2½% of certified full and fair cash value of taxable property.

**PROPOSITION 2½.** 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 2½% 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 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.

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