

# TOWN OF WELLESLEY



## REPORTS TO THE ANNUAL TOWN MEETING

**MONDAY, APRIL 1, 2013  
7:30 PM AT THE KATHERINE L. BABSON, JR. AUDITORIUM,  
WELLESLEY HIGH SCHOOL**

**by the  
ADVISORY COMMITTEE**

**BOARD OF SELECTMEN  
COMMUNITY PRESERVATION COMMITTEE  
900 WORCESTER STREET RECREATION USE COMMITTEE  
FULLER BROOK PARK COORDINATING COMMITTEE  
BOARD OF SELECTMEN & COUNCIL ON AGING  
TOLLES-PARSONS REVIEW COMMITTEE  
PLANNING BOARD  
SUSTAINABLE ENERGY COMMITTEE**

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**Please read this book and bring it with you to the Annual Town Meeting.**

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**TOWN OF WELLESLEY  
REPORT OF THE ADVISORY COMMITTEE TO THE  
2013 ANNUAL TOWN MEETING**



**TERM ENDS 2013**

Laura Hockett, Vice-Chair  
Catherine Johnson  
Philip Licari  
David Murphy, Chair

**TERM ENDS 2014**

Robert Capozzi  
Becky Epstein  
Marjorie Freiman  
Ann Marie Gross, Secretary  
Deborah Robi  
Rich Woerner

**TERM ENDS 2015**

Thomas Engels  
John Hussey  
Lucy Kapples  
Andy Patten  
Ann Rappaport

To the Citizens of the Town of Wellesley:

March 14, 2013

Annual Town Meeting will convene on Monday, April 1, 2013 at 7:30 P.M. in the Katherine L. Babson, Jr. Auditorium at the Wellesley High School to consider the budget for fiscal year 2014 (FY14) as well as other appropriations and proposals. This letter highlights key features of the omnibus budget and presents Advisory Committee's perspective on this and other key articles on the Warrant for Town Meeting. Advisory will post to the Town website, [www.WellesleyMA.gov](http://www.WellesleyMA.gov), any recommendations made between the time this Report goes to print and the opening of Town Meeting. A notice of the update will also be sent to Town Meeting Members by e-mail.

Here are some of the highlights of what is coming before Annual Town Meeting this year:

- A proposed balanced budget, including both operating and capital items, for FY14 (Art 8);
- Change in the Cost of Living Adjustment (COLA) base for Town retirees (Art 6);
- Appropriations and/or borrowing for design work for repairs and renovations at a number of Town and School buildings and for the Tolles-Parsons Center (Senior Center) at 496 Washington Street (Arts 17 & 18);
- Borrowing under the levy for renovations of the HVAC system at the DPW Park & Highway Building (Art 14) and rehabilitation of the Wales Street Bridge (Art 15);
- Appropriation for the repair of the Hills Branch Library building chimney (Art 20);
- Zoning Bylaw amendments (Arts 27 to 31)

The Advisory Committee thanks the many dedicated Town employees, elected and appointed officials, and concerned citizens who devote their time, energy, and expertise to the Town's affairs. Many of them, in addition to their own work, have spent long hours helping the Advisory Committee understand the budget requests and various proposals, so that we might make informed and thoughtful recommendations to Town Meeting. Advisory hopes that this Report

provides the background and context for Town Meeting to examine and understand these important issues and to vote as a community on how best to serve the Town and its residents.

**Key Features of the Proposed Fiscal Year 2014 Budget**

	<b>FY13 Budget</b>	<b>FY14 Request</b>	<b>\$ Inc/(Dec)</b>	<b>% Inc/(Dec)</b>
<b>Sources of Funds</b>				
Taxes	\$ 97,314,836	\$ 101,297,707	\$ 3,982,871	4.1%
State Aid	8,872,646	8,872,646	-	0.0%
Local Revenue	9,913,713	10,339,123	425,410	4.3%
Free Cash	2,837,757	3,073,269	235,512	8.3%
Other Sources	1,674,310	1,730,303	55,993	3.3%
Exclusions & Exemptions	11,677,988	11,362,520	(315,468)	-2.7%
<b>Total Sources</b>	<b>\$ 132,291,250</b>	<b>\$ 136,675,568</b>	<b>\$ 4,384,318</b>	<b>3.3%</b>
<b>Uses of Funds</b>				
Schools	\$ 58,115,123	\$ 60,133,158	\$ 2,018,035	3.5%
Facility Maintenance	6,186,673	6,388,995	202,322	3.3%
Other Town Departments	25,517,269	25,984,234	466,965	1.8%
Employee Benefits	20,577,517	22,134,678	1,557,161	7.6%
Cash Capital	3,526,073	3,869,341	343,268	9.7%
Debt Service (inside Levy)	3,109,135	3,179,465	70,330	2.3%
Other Uses	3,581,472	3,623,177	41,705	1.2%
Exclusions & Exemptions	11,677,988	11,362,520	(315,468)	-2.7%
<b>Total Uses</b>	<b>\$ 132,291,250</b>	<b>\$ 136,675,568</b>	<b>\$ 4,384,318</b>	<b>3.3%</b>
Surplus/(Deficit-Override)	\$ 0	\$ 0		

**FY14 BUDGET**

**Balanced Budget**

Town Meeting will be asked to approve a balanced budget of \$136.7 million which does not require additional revenue from an override. At the 2012 Annual Town Meeting, it was anticipated that an override would be necessary in FY14; the main factor in avoiding it was favorable revenue developments and higher turn-back from the prior fiscal year. It is worth highlighting, however, that like last year, the budget does use the Town’s reserves, discussed in more detail below. A balanced budget also required reductions in several departments’ budgets, which were painful decisions.

**Sources of Funds**

**Tax Revenue, State Aid and Local Revenue**

The proposed budget reflects a 4.1% increase in inside the levy tax revenue, including the allowed 2½% increase to the existing tax base plus \$1.55 million from new growth. Due to uncertainties concerning the state budget, no increase in State Aid is anticipated, while an increase of 4.3% is assumed for Local Revenue from increases in fees and excise taxes. The decrease in Exclusions reflects the paydown of the Town’s excluded debt.

### ***Reserves to Balance the Budget***

The proposed FY14 budget uses approximately \$3.1 million of Free Cash to balance the FY14 budget. This use of Free Cash, the main component of the Town's reserves, is in lieu of further budgetary reductions or a Proposition 2½% override, which was anticipated in the Town-Wide Financial Plan (TWFP) presented to Annual Town Meeting last year.

After carefully reviewing the potential options, the majority of Advisory Committee supports the use of Free Cash to balance the budget. The Town had \$13.6 million in reserves (Stabilization Fund balance of \$3.1 million plus \$10.5 million in certified Free Cash) at the start of the current fiscal year, representing 11.4% of operating revenue. In an action strongly supported by Advisory, the Board of Selectmen recently approved a policy concerning the Town's reserves. In brief, this policy sets a guideline for maintaining the reserves between 8 and 12% of operating revenue. With the proposed use of \$3.1 million in reserves to balance the FY14 budget, the projected level of reserves at the end of the fiscal year would drop to 9.2%, still within the guideline.

This will be the seventh consecutive year that the Town has not sought an operating budget override. Looking forward, however, the revenues currently projected in the TWFP for FY15, without the use of reserved Free Cash or an override, are not sufficient to fund any budget increases at all in that fiscal year. Thus, Advisory anticipates the need for an override for FY15.

### **Uses of Funds – Major drivers of budget increases**

#### ***Personal Services***

The increase in salary expense continues to be the primary driver of the budget increase, contributing over \$2.2 million of the \$4.3 million increase. This includes placeholder salary increases in the School Department budget pending conclusion of collective bargaining agreements and the increases under consideration in Articles 3 and 4. At the time this letter was written, collective bargaining discussions for seven of the Town's twelve bargaining units were ongoing, including some of the largest, such as the Teachers, the Police Patrolmen, the Police Superior Officers, Facilities (School Custodians) and the Library. Police, Facilities and Library collective bargaining agreements are subject to approval by Town Meeting; Teacher collective bargaining agreements are subject to approval by School Committee and funding appropriation by Town Meeting.

Generally, the FY14 annual cost of living salary increases are expected to range from 0% to 2%, but additional increases due to movement along "steps" (for longevity) and "lanes" (for education advancement) are additive, yielding the total expected increase of 3.1%.

#### ***Employee Benefits***

The cost of Employee Benefits, which include Health Insurance, Retirement Pension contribution and health insurance for retirees (OPEB), continues to exhibit high growth, primarily due to the increase in pension funding, which is up \$1.8 million over FY13. The Town did not contribute to the Pension Fund for ten years preceding the fund's decline in value in late 2008 because the Pension Fund was fully funded. In recent years, the Town has worked to rebuild the annual contribution in accordance with the recommendations of the Retirement Board. These increases have consumed a significant proportion of the levy growth over the last five years.

Looking forward, this annual contribution must continue to grow for several years until the Retirement Fund regains its fully-funded position, which is anticipated by the year 2030.

### **Facilities Maintenance**

During FY13, the Facilities Maintenance Department (FMD) was created and fully staffed. The FY14 budget therefore includes full funding of all positions while the FY13 appropriation included only a partial ramp-up of personnel costs. Advisory strongly supports the increased spending on maintenance of facilities, for in its opinion, the preventive maintenance performed by this Department saves the Town money in the long run by extending the useful lives of buildings.

### **Capital Budget**

The cash capital budget reflects the expanded capacity of the FMD to undertake repairs and furthers the Town's objective to fund and conduct appropriate building repair and renovation. The FY14 request of \$1.1 million for FMD cash capital represents an intermediate level of funding, on the way to the target level of \$2 million by FY17. Other capital requests from debt and other funding sources include funds to repair the Hills Branch Library chimney (Art 20) and to install a new HVAC system for the Park & Highway Building (Art 14). Authorizations and appropriations for design funds for the Tolles-Parsons Senior Center and eight different facilities projects for School and Town buildings (Arts 17 & 18) are also requested. While there is still much work to be done to define the scope and cost of these projects, Advisory is generally in support of the increased spending in the capital budget because it believes that these are projects that offer significant benefits to Town residents.

### **Future Facilities Spending**

In 2011, the School Department commissioned a study by Symmes, Maini, McKee & Associates (SMMA) to provide a detailed review of all school facilities, including an assessment of the condition and status of all systems and their structural integrity. Despite the comprehensive information provided by the SMMA database, there remains significant uncertainty about the magnitude and timing of investments in school facilities that will be required over the course of the next 10 to 12 years. Planning will continue into FY14 and a comprehensive plan is expected to be presented to Town Meeting in fall 2013 or shortly thereafter. Until such a plan is available and incorporated into the Town-wide strategic plan, this future facilities expense can be viewed as an unfunded liability of approximately \$85 million.

### **Other Articles for Consideration at Town Meeting**

#### *Article 6 – Increase COLA Base for Retirees*

Currently a retiree's annual cost of living increase (COLA) applies only to the first \$12,000 of pension benefits. This article would allow the Retirement Board to raise that to \$15,000. This base was last raised 15 years ago, from \$9,000 to \$12,000. Town employees do not participate in Social Security, where benefits are fully indexed to inflation.

#### *Article 22 -- Acquisition of Aqueduct Parcel*

This Article seeks Town Meeting approval to authorize the Board of Selectmen (BOS) to file special legislation with the Commonwealth to pursue the acquisition and subdivision of 5.59 acres comprising the western portion of the Cochituate Aqueduct. The Town may use part of this parcel through lease or sale to the Dunkin' Donuts franchise to expand its parking lot and alleviate traffic safety issues resulting from the queuing of vehicles on Route 9 at busy times of the day.

### *Articles 27 to 31 – Zoning Bylaw Changes*

Several zoning bylaws changes are coming before Town Meeting – one allows cluster zoning techniques to be applied to smaller (2-4 lot) parcels and another would require natural resource protection zoning for larger (5+ lot) subdivisions. An additional two zoning bylaws affect the map and density requirements of the Wellesley Square Commercial District.

### *Articles 32 & 33 – Concerning Marijuana*

In November 2008, Massachusetts voters approved a measure to decriminalize the possession of small amounts of marijuana, while in November 2012, Massachusetts voters passed Ballot Question 3, which legalized the use of marijuana for medicinal purposes within the state. These articles recommend a moratorium on establishing a marijuana dispensary in Town and establish penalties for consuming marijuana in public.

### *Article 35 – PBC Threshold for PBC Projects*

Currently, the Permanent Building Committee is responsible for any project over \$25,000 in cost, as well as all projects that are funded with debt. This article raises the threshold to \$100,000 and gives the PBC the option of assigning responsibility for the supervision of a project to another Board or Department, such as the Facilities Maintenance Department, whether or not it is funded with debt.

## **Conclusion**

Like many towns in the Commonwealth, Wellesley faces a structural budgetary imbalance resulting from its expenses growing faster than its revenue. Arguably, this mismatch is the Town's biggest financial issue for the next decade. The good news is that the Town has taken steps over the past decade to control some of these costs. Some of the more important of these steps include:

- Creation of the West Suburban Health Group and the migration of employees to its health insurance plans;
- Establishment by the School Department of in-district programs to serve the special education needs of school-age residents;
- Funding for the Contributory Retirement Plan to reach fully-funded status by 2030;
- Funding of Other Post-Employment Benefits (OPEB) to attain fully-funded status over 30 years;
- Creation of a Facilities Maintenance Department to improve and address the deferred and ongoing maintenance needs of many Town and School Buildings;
- Increased capital spending to protect valuable Town assets and extend their useful lives.

The pressures that the Town faces require the combinations of a long-term perspective and annual incremental steps in order to achieve the desired goal. These steps listed above required foresight and fortitude to tackle, and the Town should be pleased that so much has already been done. Town Meeting needs to continue its progress along this path.

Finally, I want to thank my colleagues on the Advisory Committee for devoting their time and expertise to the betterment of the Town. They are an extraordinary group, and it has been my privilege to work with them.

Sincerely,  
David Murphy, Chair

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**ARTICLE 1.** To choose a Moderator to preside over said meeting and to receive reports of town officers, boards and committees, including the Annual Town Report, the Report to this Town Meeting of the Advisory Committee, the Report of the Community Preservation Committee, and discharge presently authorized special committees; or take any other action relative thereto.

**(Board of Selectmen)**

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

**ARTICLE 2.** 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)**

The Reports of the Board of Selectmen (BOS) on the Town-Wide Financial Plan (TWFP) and the Five Year Capital Budgeting Program (“Capital Program”), including supporting exhibits, are included in this Report, pages 146-175. Since 2005, the TWFP and the Capital Program have been reported and presented to Annual Town Meeting. The Executive Director of General Government Services, working under the direction of the BOS, prepares and presents the TWFP and Capital Program at the start of each Annual Town Meeting. With this presentation, Town Meeting is better prepared to make decisions for the Town, not only with knowledge of the current environment, but also in the context of its future obligations, challenges and opportunities.

## **TOWN-WIDE FINANCIAL PLAN**

Advisory has reflected on the Town-Wide Financial Plan, the effectiveness of the process and the extent to which the plan is achieving the stated goals. These goals are:

- To introduce an extended forecasting horizon rather than the previous two-year model;
- To incorporate multiple scenarios into the forecast;
- To extend the planning cycle to a year-round process;
- To encourage participation and buy-in by all town boards; and
- To increase transparency and public discussion.

### **Forecasting Horizon**

The TWFP projects revenues and spending from FY14 to FY17 using a single and consistent set of assumptions. This provides critical information to understand the longer-term impact of the current rate of growth in areas such as Employee Benefits and costs associated with collective bargaining. Currently, the TWFP projects deficits between \$4.2 to 4.8 million for FY15-17, which are sizable hurdles to balancing a budget of the Town’s size. From FY08 to FY12, the Town has used an annual average of \$2.86 million of Free Cash, which has allowed the Town to balance the budget without an override. Fortunately, through budget turn-back and unanticipated higher revenue, the Town has also generated an average of \$3.6 million in Free Cash over the same period. Yet Advisory believes that it will be difficult to continue to generate that higher amount in the future and, thus, the Town needs to be circumspect about counting on Free Cash to balance the budget in the future years.

### **Multiple Scenarios**

Advisory believes that making projections using a single set of assumptions runs the risk of communicating that only a single outcome is presumed or under active consideration. Advisory believes that a more useful process would be to develop a base scenario (including its assumptions and prioritizations) that would present the revenue and cost projections required to yield a balanced budget using only normally-permitted revenue growth. Since Wellesley is less reliant on State Aid than most other communities, much of the Town's revenue can be projected with a reasonable degree of reliability. Once net revenues are derived, pre-specified priority items, such as benefit obligations and debt service, should be subtracted. Then the remaining funds can be allocated among departments.

Additional scenarios would then provide the detailed increases in budget line items that would accommodate level service and/or additional services that departments and boards believe are needed and desired by Town residents. Advisory believes that this approach would provide a context for current planning without automatically accepting the rising expectations that then become the targeted level of spending. This process would make clearer what level of services could be provided without an override, as well as what services the Town residents would be getting in exchange for paying higher taxes.

### **Year-round Process and Participation by all Town Boards**

Advisory observed an increase in the use of the TWFP throughout the year as a tool for budgeting. This began during the summer of 2012 when the BOS initiated the process of setting guidelines for FY14, and it continued throughout the fiscal year with several updates of the TWFP. It was also our observation, however, that to date Town boards have used differing levels of rigor in terms of providing input into the TWFP and Capital Program.

Each board must do its own planning and make its own projections. Advisory believes that the usefulness of the TWFP depends on the full participation of all Town boards to provide meaningful projections over the next 3-5 years. This planning should include a rationale for each key assumption, the basis for significant changes, expected challenges and a discussion of outcome measures by which departmental effectiveness can be evaluated.

Having participated in the planning process, Town boards and committees need to engage fully in inter-board working sessions, demonstrating their "dual citizenship" by being willing to advocate for the interests of the Town as a whole, as well as for the interests of a particular board. Additionally, Advisory Committee members, customarily assigned as liaisons to the various Town boards throughout the year, should facilitate this process to the extent possible.

### **Transparency and Public Discussion**

The presentation of the Capital Program and the TWFP under this Article provides Town Meeting the opportunity to review and comment on the assumptions and projections underlying these plans. Under this article, Town Meeting is simply asked to acknowledge the presentation of the Town-Wide Financial Plan by the BOS, not to approve or authorize its content. It is the hope of Advisory, however, that these reports will encourage Town Meeting Members to use the opportunity at Annual Town Meeting to provide feedback to Town leaders about the priorities and plans anticipated in these reports.

### **FIVE YEAR CAPITAL BUDGETING PROGRAM**

The Capital Program provides a projected specific schedule of spending in the current year (FY14), the out year (FY15) and the future years (FY16-FY18), found in Exhibit A on page 168. This schedule makes apparent the long-term costs associated with capital spending projects

and enables their prioritization. Additionally, projects can be grouped strategically to spread out costs over multiple years. This scrutiny is especially important in the current environment, when significant capital needs have been identified, including renovations of multiple School and Town buildings, the restoration of the Fuller Brook Park, the design and construction of the Tolles-Parsons Center, and the potential construction of a recreation facility at 900 Worcester Street. These are all significant undertakings which warrant Town Meeting attention for their effect on the Capital Program and the Town's financial status.

Advisory appreciates the quality of the reports presented for Town Meeting's consideration and acknowledges the efforts of the Executive Director, the Finance Director and other staff in managing and reporting on the Town's financial planning process.

**Advisory recommends favorable action, 11 to 0.**

**ARTICLE 3.** 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, to amend these job classifications to reflect changes in job content, and to delete classifications that are no longer needed. These actions are considered at the request of Town Boards during the fiscal year and reviewed by the Human Resources Board. Any change to a classification that is not covered by a collective bargaining agreement requires approval by the Human Resources Board.

This motion seeks Town Meeting approval for such actions taken since the 2012 Annual Town Meeting (ATM) to adjust the classification of positions as required to meet the personnel needs of the Town and/or as required by the Town Bylaws. This motion does not require an appropriation. Since the 2012 ATM, there were four types of changes: *New Classifications*, *Reclassifications*, *Title Changes* and *Deletions*.

**New Classifications** are new positions that have been created since the 2012 ATM to meet the Town's needs. This year, there are nine new classifications, the majority of which were due to the recent creation and staffing of the town-wide Facilities Maintenance Department.

CLASSIFICATION	DEPT	JOB GROUP
Project Manager	FMD	60
Custodial Services Manager	FMD	58
Energy Manager	FMD	58
Maintenance/Operations Manager	FMD	58
Financial Analyst	FMD	56
Financial Assistant	FMD	53
Mechanical Technician	FMD	T19
Maintenance Craftsman	FMD	T19
Deputy Director of Veterans' Services	VET	51

**Reclassifications** are existing positions for which the duties, functions, or requirements have changed since the 2012 ATM. The Human Resources Board re-evaluated these positions based on revised position descriptions provided by the respective Town Boards using the Hay

System of Job Evaluation. This year, there were two reclassifications resulting in a change in *Job Group* but no change to *Job Title*:

TITLE	DEPT	PRIOR JOB GROUP	NEW JOB GROUP
Council on Aging Director	COA	56	58
Planner	PLNG	53	54

Additionally this year, there was one reclassification resulting in both a change in *Job Title* and in *Job Group*:

PRIOR TITLE and JOB GROUP	DEPT	NEW TITLE and JOB GROUP
Director of Facilities and Grounds – 64	FMD	Director of Facilities – 65

Lastly, there was one reclassification resulting in a change in *Job Title*:

PRIOR TITLE	NEW TITLE	DEPT	JOB GROUP
Administrative Assistant	Administrative/Accounting Assistant	Police	47

**Deletions** are positions that are no longer used and for which there is no foreseen future use. The Human Resources Board evaluated these positions and has recommended they be deleted in an effort to maintain a relevant inventory of positions. This year, there were six deletions approved:

TITLE	DEPT	JOB GROUP
Assistant Director of Facilities	FMD	60
Facilities Maintenance Administrator	FMD	59
Horticulturalist	DPW	54
GIS Analyst	NIS	52
Microcomputer Coordinator	NIS	51
Accounting Assistant	Police	47

This article does not require an appropriation. During FY13, the incremental costs associated with the *new classifications* were funded in the designated departments; incremental costs associated with *reclassifications* were funded out of the 2012 ATM appropriation under Article 4 to the Human Resources Board. Funding for these positions going forward is included in the respective departmental budgets.

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.

Advisory appreciates the responsibility of the Human Resources Board to review change requests to ensure fair, appropriate and consistent classification of positions across the Town. Individual boards are responsible to ensure that such requests fall within current and projected budgets. Advisory considers these actions of the Human Resources Board in FY13 consistent with these objectives.

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

**ARTICLE 4.** To see if the Town will vote to amend ARTICLE 31 of the Town Bylaws by making changes in Schedule B entitled “Salary Plan – Pay Schedule” established under Section 31.6 which constitutes part of said Bylaws; to raise and appropriate, or otherwise provide, money therefor; or take any other action relative thereto.

**(Human Resources Board)**

**ARTICLE 4, MOTION 1**

The Human Resources Board (HRB) 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, MLP employees, Retirement Board staff and managers who have employment agreements with the Board of Selectmen.

SCHEDULE B  
SALARY PLAN – PAY SCHEDULES  
**Rates effective as indicated as of July 1, 2013**

*Hourly rates – reflects 2% increase over FY13*

<b>Job Group</b>	<b>Step 1</b>	<b>Step 2</b>	<b>Step 3</b>	<b>Step 4</b>	<b>Step 5</b>	<b>Step 6</b>
49	22.03	23.02	24.06	25.15	26.29	27.46
48	21.17	22.11	23.10	24.13	25.23	26.36
47	20.30	21.21	22.16	23.17	24.20	25.29
46	19.45	20.33	21.24	22.21	23.21	24.25
45	18.54	19.38	20.26	21.17	22.11	23.10
44	17.68	18.48	19.31	20.19	21.08	22.03
43	16.80	17.56	18.35	19.18	20.03	20.94
42	15.93	16.65	17.39	18.19	19.00	19.86
41	15.21	15.91	16.63	17.36	18.15	18.94
T19*	25.28	26.53	27.87	29.25	30.72	32.25

\* Trade positions – non-union

The proposed Schedule B adjusts the Series 40 salary schedule to grant a 2.0% pay rate increase for the entire group. These positions are non-union, non-management staff and are eligible for overtime.

In order to determine a reasonable and appropriate increase in Series 40 salary schedule, the HRB has reviewed key inflation indicators and benchmark surveys. In summary,

- Projected inflation in calendar years 2013 and 2014 ranges from 1.3 to 2.3%.
- Benchmark surveys indicate that Town Series 40 employees’ compensation continues to lag, with a 5% lower average maximum (step 6) than comparable market rates.

Based on this data, the HRB has determined that a 2.0% increase in the Series 40 Salary Plan – Pay Schedule is appropriate and equitable. The 2.0% increase translates to a net increase of approximately \$45,600 and has been included in the individual department FY13 budgets presented under Article 8. The step increase remains unchanged; the average step value is 4.56%. Seventy-eight percent of the 52 employees in the 40-series are currently at Step 6 and will not receive a step increase.

While Advisory expressed concerns about a 2% increase in a year in which the budget is under significant pressure, most agree that equity, both internally and externally, were significant factors in assessing the annual increase. Therefore, Advisory considers the proposed increase to the Series 40 Pay Plan and Pay Schedules reasonable and appropriate.

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

**ARTICLE 4, MOTION 2**

The HRB 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, 2013**  
*Reflects 1.5% increase over FY13 ranges at midpoint*

<b>Job Group</b>	<b>Minimum</b>	<b>Midpoint</b>	<b>Maximum</b>
69	121,440	154,700	187,960
68	112,570	143,400	174,230
67	104,330	132,900	161,470
66	96,560	123,000	149,450
65	89,490	114,000	138,510
64	83,520	106,400	129,280
63	78,280	99,400	120,520
62	73,320	93,100	112,880
61	68,590	87,100	105,610
60	64,310	81,400	98,490
59	59,880	75,800	91,720
58	56,250	71,200	86,150
57	52,790	66,400	80,010
56	49,370	62,100	74,830
55	46,110	58,000	69,890
54	44,100	55,300	66,500
53	42,030	52,700	63,370
52	39,880	50,000	60,130
51	38,080	47,600	57,120
50	36,400	45,500	54,600

**Network and Information Systems**

<b>Job Group</b>	<b>Minimum</b>	<b>Midpoint</b>	<b>Maximum</b>
61	77,410	98,300	119,190
60	72,760	92,100	111,440
59	68,020	86,100	104,180
58	63,280	80,100	96,920
57	59,550	74,900	90,250
56	55,810	70,200	84,590
55	53,030	66,700	80,370
54	50,640	63,500	76,360
53	48,330	60,600	72,870
52	45,940	57,600	69,260
51	44,000	55,000	66,000

The proposed increase in salary ranges does not result in any employee automatically receiving a salary increase, but rather accommodates potential increases under the Merit Pay Plan (see Motion 3), and keeps the ranges flexible and competitive with market rates.

Advisory considers the proposed increase to the Series 50 Salary ranges reasonable and appropriate.

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

**ARTICLE 4, MOTION 3**

The HRB seeks approval for an appropriation of \$130,000 to fund the Merit Pay Plan for Series 50 and 60 employees and a reserve for mid-year adjustments.

***Merit Pay Plan***

The Town of Wellesley provides for salary increases to the 50 and 60 series employees based on performance and standing in the respective salary range. This year, the HRB requests a total of \$110,000 to fund the FY14 Merit Pay Plan, yielding a projected average increase of 2.0%. The salary increases are not automatic, but will be based on position in a “matrix” which sets salary increase guidelines to reflect a combination of position in the salary range and the individual's performance rating received in annual review. The incremental merit increases incurred during FY14 will be funded from this Merit Pay Plan pool.

***Salary Adjustment Reserve***

This Reserve is designed to enable the funding of incremental salary increases for: 1) positions identified as significantly below comparables; 2) individual salaries identified as significantly below market rate; and 3) mid-year promotions or other reclassifications that are not able to be funded in the respective Town departments. The appropriation request for this reserve is \$20,000. Therefore, the HRB is requesting an appropriation as follows:

Merit Pay Plan	\$110,000
<u>Reserve</u>	<u>\$20,000</u>
<b>Total request</b>	<b>\$130,000</b>

Advisory agrees that the Merit Pay Plan is consistent with the Town's objectives to compensate employees fairly, based on performance, and as close to the appropriate market rate as possible. Advisory believes the approach outlined in the proposed Merit Pay Plan, and the effort and funds provided in the Salary Adjustment Reserve, will enable progress toward these stated objectives.

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

**Other possible motions**

The Town is currently conducting collective bargaining negotiations with four of nine unions. If settlements are reached before the end of Town Meeting, a motion or motions will be made under Article 4 to approve any change in the pay schedules associated with such settlements.

**ARTICLE 5.** To see what action the Town will take to fix the salary and compensation of the Town Clerk as provided by Section 108 of Chapter 41 of the General Laws, as amended; or take any other action relative thereto.

**(Board of Selectmen)**

Under this Article, the Board of Selectmen (BOS) request a salary increase for the Town Clerk. The Town Clerk is the only elected official in Wellesley to receive a salary.

Each year, the BOS 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 4 as well as other factors. For FY13, the Town Clerk's present salary is \$78,478. The Board of Selectmen recommends a 2% increase, to \$80,048 for FY14. This increase is within the Human Resources Board's projected average increase of 2.0% pursuant to the Merit Pay Plan and is reasonable.

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

**ARTICLE 6.** To see if the Town will vote to accept the provisions of Section 19 of Chapter 188 of the Acts of 2010, which amends Section 103 (j) of Chapter 32 of the Massachusetts General Laws giving the Contributory Retirement Board authority to increase the maximum base on which the cost-of-living increase is calculated for retirees of the Wellesley Retirement System from \$12,000 to \$15,000; or take any action related thereto.

**(Contributory Retirement Board)**

If the Motion is approved, the Retirement Board will have the authority to raise the base on which the annual cost-of-living adjustment (COLA) is calculated from \$12,000 to \$15,000. The Retirement Board plans to enact the increase on July 1, 2013. The COLA base was last increased 15 years ago from \$9,000 to \$12,000.

Under the current provisions of the Wellesley Contributory Retirement System (WCRS), retirees and beneficiaries who receive payments from the WCRS are eligible for a COLA each July 1. The annual adjustment is based on increases in the Consumer Price Index (CPI) as published by the Social Security Administration each October. The adjustment for participants in the

WCRS is limited to 3% per annum; however, the Retirement Board has the authority to vote a 3% increase even if the CPI increase is less than 3%.

Currently, the COLA is applicable to the first \$12,000 of a retiree's annual pension payments. This \$12,000 is known as the 'COLA base.' For example, if a retiree's annual payment from the WCRS is \$24,000, the maximum annual COLA is \$360, or 3% of \$12,000. The retiree's effective COLA in this example is 1.5%, which is \$360 divided by the retiree's \$24,000 annual payment. Under the proposed COLA baseline adjustment, the maximum annual COLA would be \$450, or 3% of \$15,000. The effective COLA in this example would then be 1.875%.

Town employees are not eligible to participate in Social Security. The Town's retirement system takes the place of Social Security (and private employer retirement benefits) for Town employees. A comparison of the benefits paid to retirees under the two systems is relevant. Under Social Security, no limits are applied to an employee's annual COLA, and the employee's COLA is not limited by a defined COLA base.

If the COLA base for participants in the WCRS had grown at the same rate as average hypothetical Social Security benefits for our Town's employees since 1997, WCRS participants would currently receive a COLA on approximately \$19,500, rather than on \$12,000. Given this divergence, the increase in the COLA base for Town employees who participate in the WCRS is arguably overdue.

Today, 48 Massachusetts retirement systems have approved increases in the COLA base, including Norfolk and Middlesex County Retirement Systems covering 19 and 31 towns, respectively. Thirteen of those systems, including Norfolk County, have voted an increase to \$15,000 or more (four are at \$16,000 and three are at \$18,000). Forty-eight systems have yet to act and six have rejected Retirement Board requests. The Massachusetts Legislature voted to increase the COLA base for teachers and other Massachusetts municipal workers to \$13,000, effective July 1. The legislature is expected to revisit this issue periodically.

The additional benefits paid from the WCRS if the COLA base is increased to \$15,000 as of July 1, 2013 will be approximately \$24,500 in FY14. This amount will be spread among the 403 retirees who are currently receiving payments from WCRS. While the maximum increase per employee is \$90, not all 403 employees are eligible for the full \$90.

The actuarial present value of the increase, which reflects all future years' increases for both current and future retirees, is approximately \$2.4 million. The required increase in the Town's annual retirement appropriation in order to fund the proposed COLA increase will be approximately \$240,000 annually, an increase of about 4% over the current appropriation schedule. If the Motion is approved, the Retirement Board proposes to initiate this annual increase in the appropriation no earlier than FY15.

Advisory recognizes that the decision to raise the COLA base from \$12,000 to \$15,000 will increase the Town's annual retirement appropriation by a significant amount. However, it will also bring the benefits of WCRS retirees and beneficiaries more closely into alignment with those they would receive were they eligible for Social Security. The Town's teachers have already received this COLA base adjustment. Advisory believes that the adjustment proposed in this Motion is both equitable and appropriate.

**Advisory recommends favorable action, 13 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 2012 Annual Town Meeting; or take any other action relative thereto.

**(Board of Selectmen)**

### **ARTICLE 7, MOTION 1**

This Motion requests a supplemental FY13 appropriation of \$450,000 to the Board of Public Works 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 and timing of storms and total snowfall all influence these yearly costs.

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 the provisions of Massachusetts General Law Chapter 44, Section 31D, a town may incur liability and make expenditures in excess of available appropriations for snow and ice removal, provided that such expenditures are approved by the Selectmen and the Advisory Committee and the current year winter maintenance appropriation must equal or exceed the prior year's appropriation. 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.

The FY13 appropriation for winter maintenance is \$348,703. Higher costs for labor, materials and pre-season winter vehicle preparations have significantly impacted this budget. In addition, there have been sixteen snow and/or ice events before this report went to press, six occurring on Sundays and one on Christmas Day. In March 2013, the BPW secured the necessary approvals to spend up to \$450,000 in excess of this amount. The Board of Selectmen is now requesting Town Meeting approval of a supplemental FY13 appropriation from Free Cash to cover this spending. Any unspent funds at the end of five years will be returned to the Town's General Fund.

**Advisory recommends favorable action, 11 to 0.**

### **ARTICLE 7, MOTION 2**

Under this Motion, the BOS is seeking to transfer \$14,900 in funds approved under Article 8 of the 2012 Annual Town Meeting from the Facilities Maintenance Department (FMD) to the Central Administration Department for telephone services, telephone repairs, and general supplies. At the 2012 ATM which officially formed the FMD, specific line items were approved in the effort to transfer all associated funds from Central Administration to the FMD. The transfers requested above have been identified as being initially mis-categorized. There is no tax impact to this request. Advisory views these transfers simply as bookkeeping measures.

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

**ARTICLE 7, MOTION 3**

Under this Motion, the BOS is seeking to transfer \$21,200 previously appropriated to the School Department under Article 8 of ATM 2012 to the Facilities Maintenance Department. Similarly to Motion 2, this Motion seeks to remedy accounting associated with the formation of the FMD. The transfers requested above relate specifically to vehicle maintenance and fuel costs. There is no tax impact to this request. Advisory views these transfers simply as bookkeeping measures.

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

**ARTICLE 7, MOTION 4**

This Motion seeks to transfer \$55,893 previously appropriated to the Facilities Maintenance Department under Article 8 of the 2012 ATM to the School Department. As in Motions 2 and 3, this motion seeks to remedy accounting associated with the formation of the FMD. The transfers requested above relate specifically to vehicle maintenance and fuel costs. There is no tax impact to this request. Advisory views these transfers simply as bookkeeping measures.

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

**ARTICLE 7, MOTION 5**

Under this Motion, the BOS is seeking to apply \$588,393 from two previous appropriations toward the cost of the DPW Administration Building construction approved in Article 19 of the 2011 ATM. The appropriations to be transferred are as follows:

<u>Amount</u>	<u>Article (Motion)</u>	<u>Authorized</u>	<u>Purpose</u>
\$86,322	7 (1)	12/06/2004	Middle School renovation
502,071	23	4/10/2007	School Infrastructure
<b><u>\$588,393</u></b>			

These funds were initially appropriated and borrowed for the Middle School renovation and the bundled school infrastructure projects. These projects are now completed, but the sums noted above have already been borrowed. This Motion seeks approval to apply these borrowed funds to the next project requiring funding: the DPW Administration building. Applying these previously-borrowed funds to the DPW Administration building appropriation of \$3.6 million reduces the borrowing need for this project, as permitted by Chapter 44, Section 20 of the Massachusetts General Laws.

**Advisory will make its recommendation at or before 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 Section 21c (g) of Chapter 59 of the General Laws, 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 2014 Tax Rate; or take any other action relative thereto.

**(Board of Selectmen)**

Three motions are expected under Article 8:

**Motion 1** authorizes the Town to accept a \$1 million payment from the Municipal Light Plant (MLP) in FY14 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.

**Motion 2** seeks appropriation of the funds detailed in the exhibit shown on the following pages to the respective boards and departments. This appropriation represents the material portion of spending in the FY14 budget, including operating budgets for all departments, cash capital spending, and debt service.

**Motion 3** appropriates Free Cash to balance the tax-impact budget. The Department of Revenue has specifically requested the Town add this motion in the event Free Cash is used to balance the budget.

#### **ARTICLE 8, MOTION 1**

This motion authorizes the Town to accept a \$1 million payment from the Municipal Light Plant (MLP) in FY14, 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 FY14.

Annual passage of this Article permits the Town's taxpayers to continue receiving the benefit of ownership of the MLP. The \$1 million payment to the Town incorporated into the FY14 budget is at the same level it has been for the past eleven years. The MLP Board considered whether to change this level of payment and decided to continue it at the same level as in the past. At the same time, they established guidelines with regard to their use of available cash. In addition to maintaining the \$1 million payment to the Town, they reaffirmed their desire to establish rates that are below the rates of investor-owned utilities in neighboring Towns, maintain a minimum cash balance of \$5 million, and use any excess cash to pre-fund their pension and OPEB liabilities.

Each year, Advisory reviews the payment and reflects on the amount. While some on Advisory suggest that the payment be tied to some standard or metrics and increase over time, all agree that by general comparisons, the MLP payment is quite high:

- Compared to real property tax: If the MLP properties were taxed as commercial real estate, the payment amount would be \$532,638.
- As a percent of revenue: The \$1 million payment is 3.2% of MLP annual revenue. This is the highest rate of the 40 Massachusetts municipal light plants and most are substantially lower.
- On a per customer basis: The payment comes to \$99.24 per customer which is the highest of the MLP's Massachusetts peers.

However, were the MLP a for-profit enterprise, they would be paying taxes to the Town and in all likelihood, a dividend as well. Viewed in that context, the level of payment appears fair. Ultimately, it is reasonable to expect that any excess funds at the MLP will either flow to the ratepayers as a reduction in rates or back to the Town in the form of a cash payment, additional services or to fund long-term liabilities such as OPEB.

In addition, the MLP provides other services to the Town including discounted electric rates, energy audits, maintenance of the Town fiber network, and one-time projects such as retrofitting street lights and installing solar panels at the new high school. In FY12, the total value to the Town was estimated to be \$906,200. Advisory appreciates the value of these services to the Town, and going forward, recommends that the MLP provide these annual estimates for the five prior fiscal years.

**Advisory recommends favorable action, 11 to 0.**

## ARTICLE 8, MOTION 2

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	Expenses	Total Operations
<b>GENERAL GOVERNMENT</b>			
To the Board of Selectmen for General Government; \$1,827,429 for Personal Services and \$ 1,754,558 for Expenses. And it is recommended that the sums be allocated as follows:			
<b>Board of Selectmen - Administration</b>			
122 Executive Director's Office	406,257	30,550	436,807
126 Sustainable Energy	0	15,033	15,033
199 Central Administrative Services	0	38,500	38,500
133 Finance Department	356,878	8,000	364,878
155 Network & Information Systems	460,950	215,563	676,513
145 Treasurer & Collector	262,222	123,863	386,085
195 Town Report	0	4,000	4,000

<b>Board of Selectmen - Human Services</b>				
541	Council on Aging	219,226	112,533	331,759
183	Fair Housing Committee	0	200	200
543	Veterans' Services	0	107,261	107,261
542	Youth Commission	73,309	17,190	90,499
<b>Board of Selectmen - Other Services</b>				
180	Housing Development Corporation	0	6,000	6,000
691	Historical Commission	0	750	750
690	Historical District Commission	0	250	250
693	Memorial Day	0	2,500	2,500
692	Celebrations Committee	0	4,700	4,700
176	Zoning Board of Appeals	48,587	7,115	55,702
<b>Board of Selectmen - Shared Services</b>				
151	Law	0	300,000	300,000
945	Risk Management	0	479,000	479,000
135	Audit Committee	0	56,250	56,250
458	Street Lighting	0	225,300	225,300
<b>Subtotal - Board of Selectmen - General Government</b>		<b>1,827,429</b>	<b>1,754,558</b>	<b>3,581,987</b>
<b>Other General Government</b>		-		
To the following Town boards and officials:				
161	Town Clerk/Election & Registration	226,880	48,090	274,970
141	Board of Assessors	248,776	82,770	331,546
175	Planning Board	220,191	42,600	262,791
185	Permanent Building Committee	15,074	6,450	21,524
152	Human Resources Board	273,227	18,803	292,030
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>992,930</b>	<b>387,713</b>	<b>1,380,643</b>
<b>GENERAL GOVERNMENT TOTAL</b>		<b>2,820,359</b>	<b>2,142,271</b>	<b>4,962,630</b>
<b>Funding Item</b>		<b>Personal Services</b>	<b>Expenses</b>	<b>Total Operations</b>
<b>FACILITIES MAINTENANCE - BOARD OF SELECTMEN</b>				
To the Board of Selectmen for Facilities Maintenance, \$3,465,927 for Personal Services and \$ 2,923,068 for Expenses. And it is recommended that the sums be allocated as follows:				
192	Facilities Maintenance	3,465,927	2,923,068	6,388,995
<b>FACILITIES MAINTENANCE TOTAL - BOARD OF SELECTMEN</b>		<b>3,465,927</b>	<b>2,923,068</b>	<b>6,388,995</b>

**PUBLIC SAFETY - BOARD OF SELECTMEN**

To the Board of Selectmen for Public Safety, \$9,814,857 for Personal Services and \$924,919 for Expenses. And it is recommended that the sums be allocated as follows:

210	Police Department	4,710,339	630,094	5,340,433
299	Special School Police	99,950	2,926	102,876
220	Fire Department	4,570,007	262,749	4,832,756
241	Building Department	418,901	26,350	445,251
230	Emergency Medical Services	0	0	0
244	Sealer of Weights & Measures	15,660	2,800	18,460
492	Radio Master Box	0	0	0

**PUBLIC SAFETY TOTAL - BOARD OF SELECTMEN**      **9,814,857**      **924,919**      **10,739,776**

**PUBLIC WORKS**

To the Board of Public Works, \$3,995,942 for Personal Services and \$2,525,782 for Expenses. And it is recommended that the sums be allocated as follows:

410	Engineering	483,024	67,639	550,663
420	Highway	1,017,113	455,762	1,472,875
454	Fleet Maintenance	133,561	56,462	190,023
430	Park	1,070,589	287,770	1,358,359
440	Recycling & Disposal	948,486	1,269,693	2,218,179
450	Management	343,169	39,753	382,922
456	Winter Maintenance	0	348,703	348,703

**PUBLIC WORKS TOTAL**      **3,995,942**      **2,525,782**      **6,521,724**

Provided that the cash on hand in the RDF Baler and Compactors Major Repairs and Replacement Fund on June 30, 2013 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.

**WELLESLEY FREE LIBRARY**

To the Trustees of the Wellesley Free Library:

610	Library Trustees	1,593,711	458,557	2,052,268
620	Regional Services (Non-Tax Impact)	157,889	112,111	270,000

**LIBRARY TOTAL**      **1,751,600**      **570,668**      **2,322,268**

**RECREATION**

To the Recreation Commission:

630	Recreation Commission	297,937	20,000	317,937
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**RECREATION TOTAL**      **297,937**      **20,000**      **317,937**

**HEALTH**

To the Board of Health:

510	Board of Health	343,684	68,540	412,224
523	Mental Health Services	0	215,691	215,691

**HEALTH TOTAL**      **343,684**      **284,231**      **627,915**

<b>Funding Item</b>	<b>Personal Services</b>	<b>Expenses</b>	<b>Total Operations</b>
<b><u>NATURAL RESOURCES</u></b>			
To the Natural Resources Commission:			
171 Natural Resources Commission	182,994	18,575	201,569
172 Morses Pond	11,745	148,670	160,415
<b>NATURAL RESOURCES TOTAL</b>	<b>194,739</b>	<b>167,245</b>	<b>361,984</b>
<b>NON-SCHOOL TOTAL</b>	<b>22,685,045</b>	<b>9,558,184</b>	<b>32,243,229</b>
<b><u>WELLESLEY PUBLIC SCHOOLS</u></b>			
To the School Committee, \$52,764,096 in the aggregate for Personal Services and \$ 7,369,062 for Expenses. And it is recommended that the sum be allocated as follows:			
320 Instruction	46,383,377	1,818,235	48,201,612
330 Administration	894,780	149,168	1,043,948
340 Operations	753,821	366,357	1,120,178
360 Special Tuition/Transportation/Inclusion	4,732,118	5,035,302	9,767,420
Subtotal	52,764,096	7,369,062	60,133,158
<b>SCHOOL TOTAL</b>	<b>52,764,096</b>	<b>7,369,062</b>	<b>60,133,158</b>
<b><u>EMPLOYEE BENEFITS</u></b>			
To the Board of Selectmen for the purposes indicated:			
914 Group Insurance	0	15,619,773	15,619,773
919 Other Post Empl. Benefits Liability Fund	0	3,000,000	3,000,000
910 Retirement Contribution	0	5,008,205	5,008,205
913 Unemployment Compensation	0	200,000	200,000
950 Compensated Absences	0	90,000	90,000
911 Non-Contributory Pensions	0	16,700	16,700
<b>EMPLOYEE BENEFITS TOTAL</b>	<b>0</b>	<b>23,934,678</b>	<b>23,934,678</b>
And further, that the balance on hand in the Workers' Compensation fund on June 30, 2013 and any interest earnings of the program, are appropriated for expenses related to the Workers' Compensation Program of the Town for Fiscal Year 2014.			
<b>ALL PERSONAL SERVICES &amp; EXPENSES</b>	<b>75,449,141</b>	<b>40,861,924</b>	<b>116,311,065</b>

Funding Item	Personal Services	Expenses	Total Operations
<b><u>CAPITAL &amp; DEBT</u></b>			
To the following Town boards and officials for the purposes indicated:			
<b><i>Departmental Cash Capital</i></b>			
	-	-	-
400 Board of Public Works - Capital	0	1,524,000	1,524,000
300 School Committee - Capital	0	803,134	803,134
122 Board of Selectmen - Capital	0	206,457	206,457
161 Town Clerk - Capital	0	79,550	79,550
192 Facilities Maintenance - Capital	0	1,141,200	1,141,200
610 Library Trustees - Capital	0	40,000	40,000
171 Natural Resources Commission - Capital	0	75,000	75,000
<b>Subtotal - Cash Capital</b>	<b>0</b>	<b>3,869,341</b>	<b>3,869,341</b>
To the Town Treasurer and Collector for:			
700 Current Inside Levy Debt Service - Issued	0	2,796,845	2,796,845
700 New Debt Service - Inside Levy	0	382,620	382,620
700 Current Outside Levy Debt Service -Issued	0	9,106,389	9,106,389
700 New Outside Levy Debt Service - Unissued	0	456,131	456,131
<b>Subtotal - Maturing Debt &amp; Interest</b>	<b>0</b>	<b>12,741,985</b>	<b>12,741,985</b>
<b>CAPITAL &amp; DEBT TOTAL</b>	<b>0</b>	<b>16,611,326</b>	<b>16,611,326</b>
<b><u>RECEIPTS RESERVED FOR APPROPRIATION</u></b>			
To the Board of Selectmen, to be taken from the Parking Meter Receipts Account:			
293 Traffic & Parking Operations	235,396	608,450	843,846
<b>RECEIPTS RESERVED TOTAL</b>	<b>235,396</b>	<b>608,450</b>	<b>843,846</b>
<b>TOTAL APPROPRIATIONS - ARTICLE 8, MOTION 2</b>	<b>\$133,766,237</b>		

And to help meet said appropriation, transfer the sum of \$126,457 from the Police Detail Account and \$12,000 from Traffic and Parking.

## OMNIBUS BUDGET OVERVIEW

The FY14 tax-impact budget request is **\$133,766,237**, a 3.3% increase over the FY13 budget request.

The total *Uses of Funds* is \$136,675,568, a 3.3% increase over FY13. Revenue from property taxes both inside and outside the levy, including property taxes on new growth, is projected to increase by 4.1%. In order to balance the budget, **\$2.85 million** from Free Cash will be used. Free cash may also be used to fund appropriations not covered in Article 8, leading to the proposed Free Cash spending of \$3.1 million which appears in the *Sources and Uses* statement on page 152 in the Town-Wide Financial Plan (TWFP). These additional appropriations, discussed in elsewhere in the Warrant, must be approved by Town Meeting.

### Major Budget Drivers

The major components of the change in *Uses* are as follows:

	<b>Change from FY13 to FY14</b>	
Personal Services, Total (Estimated <sup>1</sup> )	\$2,262,526	+3.1%
Retirement Contribution	\$1,798,361	+56.0%
Facilities Maintenance (Cash Capital, Personal Services & Expenses)	\$449,939	+6.4%

Under Proposition 2 ½, the allowable levy growth for FY14 is \$3,982,871. In the proposed FY14 budget, the top three drivers of the budget increase alone total \$4,510,826.

This continues a trend we have seen for a number of years, as increases in Personal Services and reinstatement of the Retirement Contribution outpace our ability to fund growth under the levy limit and reduce our ability to fund other priorities.

**#1 Personal Services:** The increase in Personal Services continues to be the primary driver of the budget increase, costing approximately \$2.3 million (+3.1% over FY13). This includes placeholder salary increases pending collective bargaining agreements (for the School contracts) and the increases under consideration in Articles 3 and 4.

Generally, the FY14 annual cost of living salary increases are expected to range from 0% to 2.0%, but additional increases due to movement along “steps” (for longevity) and “lanes” (for education advancement) are additive, yielding the total expected increase of 3.8%. A summary of the provisions negotiated by the Town with the major bargaining units in FY14 is provided in the TWFP on page 148.

At the time this report was prepared, collective bargaining discussions for the Teachers, the Police Patrolmen, the Police Superior Officers, Facilities (Custodians) and the Library remain open. Police, Facilities and Library collective bargaining agreements are subject to approval by Town Meeting; Teacher collective bargaining agreements are subject to approval by School Committee and funding appropriation by Town Meeting.

**#2 Retirement Contribution:** The cost of Employee Benefits (including Health Insurance, Contributory Retirement Pension and OPEB) continues to exhibit high growth (+7.0% over FY13), primarily due to the increase in Retirement funding (up \$1,798,361, +56% from FY13). The Town did not contribute to the Pension Fund for ten years preceding its decline in value in late 2008 because it was fully funded. In recent years, the Town has worked to rebuild the

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<sup>1</sup> Requested Personal Services for FY14 includes a placeholder increase for the School collective bargaining agreements. At the time of printing, four Town-wide contracts remain open for FY14.

annual contribution in accordance with the recommendations of the Retirement Board. These increases have consumed a significant proportion of the levy growth over the last five years as the chart below shows:

Contributory Retirement Pension, Town of Wellesley							
	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Actual	FY13 Actual	FY14 Request	FY15 Projected
Contributory Retirement Pension Contribution	0*	\$1,000,000	\$2,000,000	\$3,125,026	\$3,813,733	\$5,940,854	\$7,165,359*
Tax Impact Portion	0	1,000,000	1,732,000	2,630,273	3,209,844	5,008,205	6,197,398*
<b>Year-over-year increase in tax impact portion</b>	<b>0</b>	<b>+1,000,000</b>	<b>+732,000</b>	<b>+898,273</b>	<b>+579,571</b>	<b>+1,798,361</b>	<b>+1,189,193*</b>

\*Includes an estimated increase of \$1 million pending a review of assumptions; see discussion below under Retirement Board.

Looking forward, this extraordinary annual increase in contribution will continue to grow over the next few years until we achieve a level consistent with our objective to fully fund the Pension liability by the year 2030. A further discussion of the Retirement Contribution is provided below.

**#3 Facilities Maintenance:** During FY13, the Facilities Maintenance Department (FMD) was created and fully staffed. The FY14 budget therefore includes full funding of all positions (the FY13 appropriation included only a partial ramp-up of personnel costs).

Further, the FMD cash capital budget reflects the new capacity of the FMD and strives to meet the objective to adequately fund and conduct appropriate building maintenance, increasing the level of funding in FY14 (\$1,141,200) to the target level of \$2 million in FY17. To this end, the FY14 FMD cash capital request, combined with debt-funded capital requests, provide the total request to adequately preserve and maintain Town assets.

The increases in the FMD operating budget and in Facilities Cash Capital contribute \$202,322 (up 3.3%) and \$247,617 (up 27.7%), respectively, to the FY14 budget increase.

### BUDGET PROCESS AND GUIDELINES

The annual budget process started at the 2012 Annual Town Meeting with the presentation of the Town-Wide Financial Plan (TWFP). At that time, the plan projected deficits of \$4.9 million and \$7.0 million in FY14 and FY15, respectively, and suggested an override to Proposition 2 ½ would be necessary to offset these deficits.

As FY12 came to a close however, it became clear that there would be an unusually high level of funds returned to the General Fund from FY12 appropriations and FY11 school encumbrances (“turn-back”<sup>2</sup>), as well as favorable trends in projected revenue and the

<sup>2</sup> Turn-back is the amount of unspent funds in a given fiscal year that are returned to the General Fund. Annual turn-back is typically 2 to 4% of appropriations; over the last 7 years it has ranged from 1.2% to 6.4%. The turn-back from FY12 appropriations, confirmed in June 2012, was \$3,077,000 (2.7% of appropriation), primarily due to an increase in the reimbursement from the state for Special Education

elimination of a Chapter 90 deficit. The turn-back increased the Town Reserves to a total of \$13,570,912 (\$10,499,623 in Free Cash, \$3,071,289 in the Stabilization Fund), for a total Reserve level of 11.4% of revenue. While it is acknowledged that this was a one-time funding event, it provided an opportunity to reassess the Town-wide financial outlook and funding options in the short-term. Further, it prompted a discussion of a target level of Town Reserves yielding the ultimate approval of a Reserve Policy by the Board of Selectmen.

### Reserve Policy and Use of Free Cash

In an effort to strengthen financial health and flexibility, the Town has worked to maintain an appropriate level of Reserves. The primary Reserves of the Town are comprised of two parts: *Free Cash* and the *Stabilization Fund*; the level of Total Reserves is measured as a percent of General Fund Revenue. Over the past 7 years, the Town has moved from a low of 6.5% to a high exceeding 12%:

Town of Wellesley Reserves					
Year	Prior year Free Cash	Prior Year General purpose Stabilization	Total Reserves	Current Net Revenue*	General Reserves % of Revenue
2013	\$10,499,623	\$3,071,289	\$13,570,912	\$119,305,603	11.4%
2012	8,439,070	3,045,628	11,484,698	113,863,387	10.1%
2011	9,471,751	3,022,256	12,494,007	111,600,676	11.2%
2010	9,145,674	2,786,551	11,932,225	107,858,951	11.1%
2009	10,692,354	2,150,628	12,842,982	105,184,906	12.2%
2008	6,786,366	1,980,183	8,766,549	98,946,594	8.9%
2007	4,028,225	1,992,348	6,020,573	93,305,352	6.5%

\*Does not include excluded debt, OPEB exclusion, CPC or Traffic Revenue

Reserves play a key role in sustaining a strong credit rating and enabling financial flexibility. Use of Stabilization Funds requires approval by two-thirds of Town Meeting while Free Cash can be appropriated by a simple majority. It is generally prudent to use excess Free Cash as a non-recurring revenue source to fund one-time expenditures, a capital need, or to replenish other reserves, though many municipalities routinely use excess Free Cash to fund operating budgets. The question arose this year about the appropriate and prudent level of Free Cash and what might be considered excess Free Cash. After review and discussion, the BOS adopted a Policy on Reserves, found on page 225, that states, briefly:

- Reserves will be maintained in a range of 8 to 12% of Current Net Revenue;
- Reserves in excess of 12% may be used in accordance with the TWFP and be appropriated by Town Meeting;
- Reserves may be drawn below 8% for one-time, non-recurring extraordinary expenditures.

Based on the level of Free Cash certified as of June 30, 2012, and on favorable revenue projections, the BOS have included \$2.85 million from Free Cash as a source of funds in the FY14 budget. (For comparison, in FY13, a total of \$2,837,757 of Free Cash was used; in FY12, a total of \$1,041,064 was appropriated to balance the budget.)

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expenses incurred in FY11 and from the release of extraordinary balances in some accounts, achieved through an agreement between the Board of Selectmen and the School Committee.

Whether the use of this amount of Free Cash is consistent with the newly adopted Reserve Policy is ambiguous. It maintains Reserves at an estimated 9.3% of Current Net Revenue, well within the prescribed range. However, the use of Free Cash for recurring operating expenses when Reserves are below 12% is not consistent with the policy. The BOS have determined the use of this amount of Free Cash to be prudent this year and acknowledge that without significant Free Cash generation in FY13 (i.e. turn-back or other favorable budget variances), the use of such a level will not be feasible next year.

### **Budget Guidelines**

The revised budget outlook in September 2012 and the inclusion of funding from Free Cash provided the basis for the FY14 budget guidelines issued by the BOS:

- To limit Personal Services growth to:
  - contractual increases for unionized personnel;
  - +2% for 40/50/60 Series employees; and,
- +1% in expenses.

The resulting guidelines for Departmental budgets were as follows:

- Schools—General Education           2.8%\*
  - Schools—STTI                           2.8%\*
  - Other Town Departments           1.6% (in aggregate)
  - Capital Budgets                       as projected in Five-year plan
- \*set prior to new School Administration*

In general, Departmental budgets met the targeted guidelines; the School's net budget increase of 3.5% reflects the priorities of the new School Administration (see below for a full discussion of the School Department FY14 Operating Budget).

A summary of FY14 Sources and Uses is found in the TWFP on page 152.

Summary information on Departmental tax-impact budget requests is shown below and is discussed in the sections that follow. A chart detailing requests, including a breakdown of Personal Services, Expenses and Variances in each from FY13 to FY14 may be found as Exhibit B to the TWFP on page 158. Many Departments, including Schools, DPW and Library, have expenses that are either non-tax impact or are directly offset by revenue. These expenses are not included here; the appropriation request presented under Article 8 is to fund tax-impact budgets only.

## GENERAL GOVERNMENT

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

	FY12 Actual	FY13 Appropriation	FY14 Request	FY13-14 Change
<b>BOS - Administration</b>				
Executive Director's Office	\$382,588	\$432,581	\$436,807	1.0%
Sustainable Energy	20,171	24,960	15,033	-39.8%
Central Admin Services	84,048	37,500	38,500	2.7%
Finance Department	333,350	359,959	364,878	1.4%
Network & Information Systems	568,428	675,052	676,513	0.2%
Treasurer & Collector	366,140	381,557	386,085	1.2%
Parking Fines Processing		<i>(reclassified to Traffic &amp; Parking)</i>		
Town Report	2,917	4,000	4,000	0.0%
<b>BOS - Human Services</b>				
Council on Aging	289,530	315,913	331,759	5.0%
Fair Housing Committee	0	200	200	0.0%
West Suburban Veterans District	85,280	85,818	107,261	25.0%
Youth Commission	81,958	88,337	90,499	2.4%
<b>BOS - Other Services</b>				
Housing Development Corp	1,132	3,500	6,000	71.4%
Historical Commission	350	750	750	0.0%
Historical District Commission	91	250	250	0.0%
Memorial Day	1,545	2,500	2,500	0.0%
Celebrations Committee	4,700	4,700	4,700	0.0%
Zoning Board of Appeals	52,252	55,516	55,702	0.3%
<b>BOS - Shared Services</b>				
Law	250,718	272,360	300,000	10.1%
Audit Committee	56,250	56,250	56,250	0.0%
Risk Management (Including Police & Fire)	318,601	407,000	479,000	17.7%
Street Lighting	231,408	225,300	225,300	0.0%

\*FY12 figures have been restated to remove Utilities. For FY13 and FY14, Utilities are included in the Facilities Maintenance Department under Maintenance Services.

## **BOARD OF SELECTMEN - ADMINISTRATION<sup>3</sup>**

### **Executive Director's Office**

This budget funds the work of the Office of the Executive Director of General Government Services. The Executive Director serves as the senior executive for the Board of Selectmen. The Board of Selectmen has authority to appoint department heads to various Town offices, to issue permits and licenses and to administer and coordinate many Town-wide matters. The increase in funding for the Director's Office (+1.0%) is consistent with budget guidelines.

Currently, Executive Director's Office is reviewing a partial reorganization of personnel and positions to better meet the current workload and management requirements. It is anticipated that this reorganization will not impact the proposed budget.

### **Sustainable Energy**

The Sustainable Energy Committee (SEC) is charged with implementing Town-wide policies and initiatives regarding energy conservation and efficiency and the support of renewable energy. Activities of the SEC focus on reaching the goal established at the 2009 ATM to reduce the Town annual greenhouse gas emission equivalents to 10% below 2007 levels by 2013 and to reach the municipal goal of a 20% reduction over the same time period. To that end, the SEC recently launched the *Power to Save* campaign to encourage no-cost residential energy assessments by Mass Save and National Grid that can lead to energy efficiency conservation and reduced emissions.

From FY07 to FY12, the greenhouse gas emission equivalents in the municipal/school sector were reduced by 15%. An Energy Manager was hired by FMD in December 2012 to boost efforts to reach the 20% goal in FY13. More information on the progress of the SEC toward these two goals is provided in the *SEC Report* on page 217. The position of Sustainable Energy Coordinator was eliminated from the budget this year as a cost-saving measure.

### **Central Administrative Services**

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, fixed assets, 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 with the exception of the School's Apple-based academic platform. 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

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<sup>3</sup> For more detailed descriptions of the initiatives and accomplishments of the Boards, Committees and Town departments, please refer to the 2012 Annual Town Report at: [http://www.WellesleyMa.gov/Pages/WellesleyMA\\_Selectmen/townreport2012](http://www.WellesleyMa.gov/Pages/WellesleyMA_Selectmen/townreport2012)

addition, the NIS staff supports all Windows-based personal computers as well as 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 tax collection activities. 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. The Head of the Treasurer/Collector Department is currently also the Chair of the West Suburban Healthcare Board of Directors, the consortium through which the Town purchases health insurance.

## **BOARD OF SELECTMEN - HUMAN SERVICES**

### **Council on Aging**

The Council on Aging (COA) 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 COA is in the process of reassessing programs and services to accommodate not only the "older" seniors but also the baby-boomers or "new seniors." In order to evolve with the increasing numbers and diversity of the population, additional funding for staff and programming is being requested. The 5.0% increase over FY13 reflects five staffing/organizational changes, including a net increase of 0.9 FTE full time equivalent positions):

1. Re-classification of the position of Director during FY13; the attendant salary increase is reflected in the proposed FY14 budget;
2. Reclassification of Program and Office Assistant to reflect greater responsibilities;
3. New part-time position of *Volunteer Coordinator* – responsible for volunteer recruitment, placement, training and management of over 200 volunteers in FY13. These responsibilities are currently being handled by the Director with staff support; the new Coordinator will help management and growth of volunteer program as participation increases;
4. *Senior Activities Coordinator* increased from part time to full time as a result of growth in number of participants as well as expanded programming;
5. Inclusion of part-time salaries for *Volunteer Drivers Coordinator* and *Volunteer Drivers Scheduler*, a total of 0.3 FTE previously-funded by private sources.

### **West Suburban Veterans District**

Wellesley participates in an inter-municipal agreement with the Towns of Wayland, 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. Salary, employee benefits and other 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. The budget increase (+25%) results from an increase in Veterans' benefits due to the overall economy and the reduced budgets of other agencies that had been providing 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.

## **BOARD OF SELECTMEN - OTHER SERVICES**

### **Housing Development Corporation**

The increase in funding for the Housing Development Corporation results from an anticipated increase in IRS filings required and the attendant accounting services. There is no change in the budgets for the following: Historical Commission, Historical District Commission, Memorial Day Service and Celebrations Committee.

### **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.

## **BOARD OF SELECTMEN - SHARED SERVICES**

### **Law**

This budget funds legal services for Town boards and departments, including Town Counsel and outside counsel. It also includes recording fees, transcript 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.

The 10.1% increase (\$27,640) is in anticipation of additional expenses to be incurred during FY14, resulting from the amount of collective bargaining likely to be in progress.

### **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 FY12, the Audit Committee also initiated a review of the *School Business Office and Selected Revenue Programs of the Wellesley Public Schools* by the audit firm of Powers & Sullivan. Concerns raised in this audit have been addressed (or have plans in place to be addressed) by the new School Administration.

### **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. The significant increase in this budget (\$72,000 or +17.7% over FY13) is because of anticipated premium increases.

### **Street Lighting**

Funding of this program provides for the maintenance of a reliable electric street lighting system, providing for convenience, safety and security. The MLP provides the street lighting service.

## 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.

	FY12 Actual	FY13 Appropriation	FY14 Request	FY13-14 Change
Town Clerk/Election & Registration	\$259,637	\$300,286	\$274,970	-8.4%
Board of Assessors	384,598	327,806	331,546	1.1%
Planning Board	225,395	256,790	262,791	2.3%
Advisory Committee	13,033	22,782	22,782	0.0%
Advisory Reserve Fund	117,500	175,000	175,000	0.0%
Permanent Building Committee	12,859	19,284	21,524	11.6%
Human Resources Board	286,202	289,886	292,030	0.7%
HR Salary adjustments ( <i>Article 4</i> )	12,000	43,525	130,000	

### Town Clerk

The Town Clerk's office conducts all Federal, State and local elections in Town and maintains an accurate voting list. The office maintains vital records (e.g., births, deaths, and 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 as required by State law. Pay for all temporary workers varies from year to year depending on the number of regularly scheduled elections. For the next three years, the scheduled elections are as follows:

FY14 - 1 election	Annual Town
FY15 - 3 elections	State Primary, State Governors, Annual Town
FY16 - 2 elections	Presidential Primary, Annual Town

The budget does not include funds for unscheduled elections, such as for overrides or debt exclusions that are normally funded by a transfer request from the Advisory Reserve Fund. Please be aware that any special elections called by the BOS will be funded through such transfer requests as needed (at approximately \$20,000 per election).

The decrease in operating budget (-8.4%) is because there is only one scheduled election in FY14. The Town Clerk has included a request for cash capital funding of \$79,550, driven by the need to update election equipment and voting booths.

The Town Clerk's office generates approximately \$75,000 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. It 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 FY14 include a study of off-street parking regulations and Medical Marijuana Treatment Centers and associated zoning, as well as continued collaboration with the Wellesley commercial property owners and the Wellesley Square Initiative to pass new off-street parking regulations, establish Rules and Regulations for Cluster Zoning provisions and consider new lighting regulations.

### **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 with respect to 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.

### **Permanent Building Committee**

Currently, the Permanent Building Committee (PBC) oversees all construction projects for which the Town issues bonded debt and for projects that exceed \$25,000 in cost. (*Note: A proposed revision to the Town Bylaw on this threshold is the subject of Article 35 on page 141.*) 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 cost of services provided by the architects and engineering firms engaged by the PBC to execute projects, as well as most of the costs of the Project Administrator and Assistant Project Administrator, are included in the relevant project budgets. The budget funds the portion of support services to the PBC that are not charged to projects. The increase of \$2,240 includes the support services portion of the salary of the part-time Assistant Project Administrator and accounts for the 11.6% increase in the budget request.

### **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.

For details on the request for HR Salary Adjustments, please see the discussion under Article 4.

**BOARD OF SELECTMEN – FACILITIES MAINTENANCE SERVICES**

	FY12* Actual	FY13 Appropriation	FY14 Request	FY13-14 Change
FMD – Personal Services <i>Including hiring lag</i>	\$3,276,988*	\$3,276,988	\$3,465,927 <i>120,475</i>	5.8%
FMD – Expenses	2,456,278	2,909,685	2,923,068	0.5%
<b>FACILITIES MAINTENANCE - BOS</b>	<b><u>\$5,733,266</u></b>	<b><u>\$6,186,673</u></b>	<b><u>\$6,388,995</u></b>	<b>3.3%</b>

*\*FY12 figures have been restated from budgets under the previous organizational structure.*

The budget under Maintenance Services is managed by the Facilities Maintenance Department (FMD). The FMD has four core business areas: custodial, maintenance, energy, and capital projects, each of which is overseen by a professional manager who reports to the Facilities Director. The FMD staff includes both union and non-union members; at the time of the printing of this report, collective bargaining is in progress for the American Federation of State, County and Municipal Employees (AFSCME), representing school custodians and maintenance staff.

During FY13, the newly-formed FMD staffed all positions as presented at the 2012 ATM. The table above includes detail on the components of the increase in Personal Services. The primary driver of the FY14 increase is due to the hiring lag. The FY13 budget approved by 2012 ATM anticipated this lag and therefore included only partial salaries. The FMD is now fully staffed and the budget request reflects fully funded positions. Additionally, salary adjustments are included in the FY14 after a review of the organizational structure.

Expenses include Custodial, Maintenance, Utilities, Vehicle Maintenance and Central Office. Changes in Utilities costs in FY14 are as follows:

- Electrical, +2.5% (5% decline in cost offset by 2.5% premium for green power)
- Natural Gas, +2.0%
- Water and Sewage, 0% and +7%, respectively, per recommendation of the DPW
- Fuel Oil (Fells Library and back-up systems only), +5%

The FY14 FMD Operating Budget request is for a total of \$6,366,295 an increase in funding for Personal Services and Expenses of \$179,622.

**PUBLIC SAFETY – BOARD OF SELECTMEN**

	<b>FY12 Actual</b>	<b>FY13 Appropriation</b>	<b>FY14 Request</b>	<b>FY13-14 Change</b>
Police Department	\$5,260,998*	\$5,284,894	\$5,340,433	1.1%
Special School Police	72,750	101,895	102,876	1.0%
Fire Department	4,557,867*	4,711,118	4,832,756	2.6%
Radio Masterbox	109,366	92,423	0	-100.0%
Building Department	397,508	441,922	445,251	0.8%
Emergency Medical Services	80,000	0	0	0.0%
Sealer of Weights and Measures	11,857	18,460	18,460	0.0%

*\*FY12 figures have been restated to remove Utilities. For FY13 and FY14, Utilities are included in the new Facilities Maintenance Department under Maintenance Services.*

**Police Department**

The FY14 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.

The status of collective bargaining agreements is as follows: The Superior Officers’ (Lieutenants and Sergeants) and the Patrolmen’s agreements both expire June 30, 2013 (FY13). The Dispatcher’s agreement expires June 30, 2014 (FY14).

The FY14 budget request includes \$630,094 for expenses, specifically vehicle maintenance and replacement, other equipment and training and development costs. The Police Department anticipates approximately \$214,779 in revenue from fines and permit fees in FY14.

**Special School Police**

The school crossing guards provide safe passage for school children at busy intersections and thoroughfares. The FY14 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, five Captains, one mechanic, one secretary, one Deputy Chief, and the Fire Chief. A second Deputy Chief is also on staff only for the period necessary to convert the Town’s 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.

**Radio Masterbox Project**

The Town is nearing completion of the transition to a radio-based Master Fire Box, eliminating the residential fire alarm call-boxes and transitioning to radio-based technology. Institutional and commercial users of the fire alarm system pay a fee for service; Town buildings are connected to the alarm system without charge.

**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.

Last year, funding for an additional 0.5 FTE building inspector was included in the appropriation to the Building Department. Prior to hiring this additional position, the Board of Selectmen planned to perform an audit of Building Department staffing needs and an assessment of current permit fees to determine if further adjustments were required; to date this audit has not been done and is now planned for FY14.

**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>FY12 Actual</b>	<b>FY13 Appropriation</b>	<b>FY14 Request</b>	<b>FY13-14 Change</b>
Engineering	\$523,043	\$551,787	\$550,663	-0.2%
Highway	1,412,931	1,443,877	1,472,875	2.0%
Fleet Maintenance	185,469	187,404	190,023	1.4%
Park & Tree	1,294,933	1,314,468	1,358,359	3.3%
Recycling & Disposal	2,044,467	2,197,752	2,218,179	0.9%
Management	356,964	387,162	382,922	-1.1%
Winter Maintenance	348,703	348,703	348,703	0.0%
<b>Board of Public Works Total</b>	<b><u>\$6,166,509</u></b>	<b><u>\$6,431,153</u></b>	<b><u>\$6,521,724</u></b>	<b>1.4%</b>

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 11 and 12 on pages 91 and 93, respectively.

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 400,000 vehicle trips to this facility annually. The Engineering Division designs and provides project management services for all DPW projects. The Division also reviews private plans for conformance to Town standards for the Planning Board, Zoning Board of Appeals, and other Town departments. Other responsibilities include implementation of the storm water management plan and maintenance of Town plans and files related to deeds, easements, and construction.

The Board of Public Works is requesting an appropriation of \$6,521,724 from Town funds to pay operating expenditures in FY14. This request represents an increase of \$90,571, or 1.4%, over the FY13 budget. A portion of this appropriation, \$132,033, supports the RDF Business Initiatives program reviewed in more detail below.

The FY14 Budget projects a 2.0% increase in personal services, which reflects increased labor costs, largely driven by the terms of existing labor contracts. The budget projects a 0.4% increase in expenses, mostly a result of higher trash disposal costs.

The winter maintenance budget was level funded for FY14; at the time this book went to press, the DPW had requested a supplemental appropriation from the BOS and Advisory Committee of \$450,000 (see Article 7, Motion 1 on page 19). The initial FY14 budget of \$348,703 was below the four-year average of actual snow removal costs of \$747,266 and below actual snow removal costs in three of the last four years. Budgeting below the average cost of winter maintenance has been the Town's customary practice. When actual costs are greater than the budgeted amount, as was the case this year and in FY09, FY10 and FY11, the Town has the option, under Massachusetts law, of funding the overrun through a supplemental appropriation from Free Cash 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 been the Town's position, supported by Advisory, to budget snow removal costs at a level below the average cost of snow removal.

The DPW projects FY14 RDF revenues of approximately \$664,000, 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 \$132,033. Revenue from these business opportunities is projected to at least equal the \$132,033 cost. In every year since its inception in FY07, this program has generated net revenue for the Town. Since FY07, the total net revenue has been \$420,000.

### **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 FY14, the budget assumes that approximately \$884,000 in DPW personal services costs will be funded through other budgets. In some cases, the occurrence and timing of such work is controlled by other departments and, accordingly, the DPW might not be able to recover all of these projected costs in FY14 or subsequently.

### **FY14 DPW Program Budget**

Consistent with recent budget reporting practice, the DPW FY14 budget motion provides for an appropriation for Personal Services and an appropriation for Expenses, with *recommended* specific personal services and expense allocations made to each of the DPW programs. Appropriating aggregate funds for Personal Services and for Expenses with only a recommendation for the allocations allows the Board of Public Works the ability, if necessary and after voted approval by the Board, to transfer funds between the program allocations. As in the past, unused appropriations at year-end will go into the Town's General Fund. Funding for any deficiencies must be obtained from the Reserve Fund or approved by Town Meeting.

## BOARD OF LIBRARY TRUSTEES

	FY12 Actual	FY13 Appropriation	FY14 Request	FY13-14 Change
Circulation	\$411,542	\$414,190	\$418,139	1.0%
Children's	293,212	294,746	306,464	4.0%
Reference	502,525	516,510	526,230	1.9%
Technical Services	266,755	256,490	258,778	0.9%
Sunday Openings	44,804	45,963	48,491	5.5%
Administration	292,788	297,908	302,528	1.6%
Technology	174,422	180,729	191,638	6.0%
<b>BOARD OF LIBRARY TRUSTEES</b>	<b><u>\$1,986,048</u></b>	<b><u>\$2,006,536</u></b>	<b><u>\$2,052,268</u></b>	<b>2.3%</b>

*\*FY12 figures have been restated to remove Utilities. For FY13 and FY14, Utilities are included in the new Facilities Maintenance Department under Maintenance Services.*

The Board of Library Trustees is responsible for overseeing the management of the Wellesley Free Library (WFL) which includes the Main Library at 530 Washington Street and two branch libraries. The mission of the WFL is to serve as a community gathering place, a cultural destination and a gateway to ideas for residents of all ages and interests. Through books, media, technology and innovative programs, the WFL Library provides free and convenient access to information both within and beyond its walls.

WFL serves all ages and demographics, with a total of 17,895 Wellesley residents with active library cards. During the last fiscal year, 424,574 people visited the library and the WFL circulated 730,474 items, an increase of almost 9%. This translates to more than 1,000 additional items per week from the previous year. In the past five years, circulation has increased by more than 3,000 items per week. In addition to increased circulation, technology usage and expectations for services continue to be high.

The tax-impact WFL budget provides funding for all core services, primarily focused on staffing, collection and local technology. Enhancements in terms of programming, specialty collection items, and innovation initiatives are privately funded through private supporting organizations. The WFL collects fees and fines which are returned to the town General Fund and do not contribute to Library operations. In FY12, a total of \$79,965 was returned to the Town.

The union contract expired in FY11 and negotiations are ongoing. The FY12 budget, FY13 budget and the proposed FY14 budget do not include a cost of living increase. The personnel increases reflected in this proposed budget reflect flat staffing, step increases, longevity increases, and a 1% wage increase for the Town's Series 40 employees, meeting guidelines laid out by the BOS. Again this year, Trustees voted to close three Sundays in FY14 to maintain the budget cuts that were requested last fiscal year.

There are no overtime hours in the Library Operating budget. 78% of the budget covers salary for personnel, 15% pays for library materials, while 5% covers technology and 2% covers supplies. Key areas of budget increase include:

1. RFID Service contract: When the RFID system was implemented in FY11 with private funds, it included a service contract covering the warranty period which expires in FY14. The RFID system is a critical part of the WFL operations and has provided great efficiencies to the Circulation Department during a period of tremendous increases in

circulation and expansion of alternative formats of materials (audio books on CD, Large Print books, MP3, DVD, eBooks on devices, etc.) and the additional processing needs they entail. The service contract during FY14 will add \$6,000 to the technology budget.

2. Minuteman Library Network membership is anticipated to increase \$2,000 in FY14.
3. Website hosting/support is anticipated to increase \$500.

**Other Sources of Funding**

Private sources of funding accounted for 20% of the budget in FY12 and included the Friends of the Wellesley Free Libraries, the Centennial Fund, and the Wellesley Free Library Foundation. Privately-funded program offerings last year served more than 22,948 people of all ages.

**Branch Library Operations**

The annual operating expenses of the Fells and Hills branch libraries are funded with private monies (non-tax impact) and are therefore not included in the budget. Annual rental income of approximately \$8,000 is generated to the Branch Libraries Maintenance Revolving Fund.

**OTHER COMMISSIONS AND BOARDS**

	<b>FY12 Actual</b>	<b>FY13 Appropriation</b>	<b>FY14 Request</b>	<b>FY13-14 Change</b>
Recreation Commission	310,052*	\$308,238	\$317,937	3.1%
Board of Health (BOH)	351,756	408,335	412,224	1.0%
BOH – Mental Health Services	211,228	213,555	215,691	1.0%
Natural Resources Commission (NRC)	164,654	199,008	201,569	1.3%
Morses Pond Project (NRC/DPW/Rec)	149,615	160,370	160,415	0.0%

*\*FY12 figures have been restated to remove Utilities. For FY13 and FY14, Utilities are included under Maintenance Services.*

**Recreation Commission**

Consistent with its mission to provide recreational and educational opportunities to Wellesley residents in the most cost effective manner, the five permanent employees of the Recreation Department, headquartered in the Warren Building, conducted approximately 581 recreational programs serving 11,149 participants last year. Programs offered include cooking, summer camps, sports, technology, self-help, arts and crafts. Tennis court and all-purpose field lighting at Hunnewell Field is a Recreation Commission expense. The Summer Concert Series and free outdoor ice skating at Phillips Park were facilitated by the Commission. In addition, the Commission operates the Town facilities at Morses Pond where attendance in 2012 topped 41,762 visits.

The Recreation Commission FY14 operating budget includes only tax-impact costs (primarily salaries) of the Recreation Department. In addition, the Recreation Department has a non-tax impact program budget funded by fees charged to program participants. The competitively-priced program fees are intended to cover the actual costs of the programs and are deposited into the program revolving fund. The program surplus amounts for the past three years are:

FY10 - \$79,166                      FY11 - \$113,801                      FY12 - \$123,356

The return provided in the FY13 budget is \$93,573. The actual return will be determined at the end of July 2013. Based on the actual return for FY12, it is possible that this figure could be

revised upward to an amount approaching \$123,500. The budgeted return for FY14 is \$124,123. Beach attendance, which can be impacted by weather and Morses Pond water quality, are major factors affecting the amount of the surplus. The Recreation Department is planning to increase the admissions price and to extend the season at Morses Pond for an additional week this year, which should have a favorable impact on revenues. It is anticipated that the dredging project completed by NRC in the fall of 2012 will have a beneficial impact on overall water quality at the Pond.

### **Board of Health**

The Board of Health assesses the public health needs of the community, providing environmental health (sanitation) inspectional services, community health services, and emergency preparedness services. A core function of the Wellesley Health Department (WHD) is the enforcement of the Massachusetts State Sanitary Codes and Regulations pertaining to public health. These codes cover food establishments, housing, camps, swimming pools, tobacco control and medical waste. In fiscal year 2012, WHD inspected, enforced codes, and licensed 163 food services, 46 camps, 16 pools, and 9 tobacco vendors. Numerous housing and other complaints were handled by the WHD's certified Environmental Health Specialists.

Prevention and control of communicable diseases is a major departmental responsibility. WHD Public Health Nurses provide regular "Keep-Well" clinics at senior housing and other sites. The WHD budget also funds mental health counselors in the public schools, and subsidizes the Town's mental health service agency, Human Relations Services, as well as the Charles River Center, which provides services to children and adults with developmental disabilities.

### **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 pest 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 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.

## WELLESLEY PUBLIC SCHOOLS

**Important:** When considering historic comparisons regarding FY14 School Department budgets, please note two key reporting differences versus prior years: 1. All costs associated with facilities maintenance and utilities are now excluded from the School Department budgets and fall under the centralized Town-wide Facilities Maintenance Department (FMD). The table below reflects that change for both FY13 and FY14. 2. Special Education budgets and reporting have been comprehensively re-cast to distinguish between In-District and Out-of-District expenses, resulting in a reporting format which is more typical of other school districts nationwide, and more easily translatable to the required reporting for the Commonwealth’s Department of Elementary and Secondary Education (DESE). For this reporting year only, Special Education budget schedules and discussion will include an accounting “bridge” to the STTI categorization used in recent years.

	FY13 <sup>4</sup> Appropriation w/ Transfers	FY14 <sup>5</sup> Request	FY13-14 % Change
Instruction	\$38,086,513	\$39,827,819	4.57%
Administration	\$1,053,755	\$1,032,248	(2.04%)
Operations	\$991,505	\$1,098,942	10.84%
General Operating Total	\$40,131,773	\$41,959,009	4.55%
Special Education	\$17,983,350	\$18,174,149	1.06%
<b>TOTAL BUDGET</b>	<b><u>\$58,115,122</u></b>	<b><u>\$60,133,158</u></b>	<b>3.47%</b>

The Wellesley Public School (WPS) system is comprised of ten school facilities, approximately 726<sup>6</sup> full-time equivalent employees (FTE) and approximately 4,900 students. For fiscal year 2014 (FY14), the School Committee has approved a School Department request for a total budget appropriation of \$60,133,158, reflecting an increase of 3.5% over the FY13 budget appropriation. Personal Services comprise the most significant segment of the budget request at \$52,764,961, or 87.7%, of the projected total School Department spending. Expenses make up the balance of the budget request, totaling \$7,368,197. This budget request includes the complete Special Education budget request of \$18,174,149 which consists of \$12,591,277 of personal services and \$5,582,872 of net operating expenses. The complete details of the FY14 School Budget Request can be found on the Wellesley Public Schools website, [www.wellesley.k12.ma.us](http://www.wellesley.k12.ma.us).

The following sections provide a detailed discussion of the full 3.47% increase from FY13 to FY14. In order of descending significance, the primary drivers for the total increase include: anticipated contractual increases to teacher and staff salaries, new staff additions (categorized later within “Level Services,” “District Priorities,” and “Other Critical Needs”) and expenses

<sup>4</sup> FY13 total reflects the exclusion of schools-related Facilities Maintenance expenses (\$4,404,777) given the March, 2012 ATM authorization of a centralized Town-wide Facilities Maintenance Department. This column reflects some re-categorization of FY13 expenses approved by various School Committee votes to-date (i.e. authorized transfers), yet budget totals remain constant with ATM appropriation.

<sup>5</sup> FY14 totals reflect the re-categorization of Special Education into In-District and Out-of-District categories. The traditional categorization of STTI now resides within the Out-of-District category.

<sup>6</sup> FY14 FTEs reflect removal of headcounts now residing within the FMD.

related to those same categories. It should be noted that 88% of all FY14 increases are categorized within Personal Service increases.

Within the total FY14 budget, Special Education expenses show reasonable stability from FY13 levels. In-District Special Education includes the addition of 6.1 FTEs for FY14, categorized as Level Services, yet total Special Education spending increases are just 1.1%. The District continues to leverage the economic advantages made possible by the in-district programs established over the past several years, in lieu of paying out-of-district private school tuitions. A very modest increase to Circuit Breaker reimbursement dollars continues to provide important offsets to Special Education spending. A more detailed discussion follows in the Special Education section below.

The year-to-year percentage increases in the Wellesley Public Schools budget over the past several years are shown in the chart below. Note that this table illustrates recent trends in the complete Special Education budget, rather than just the STTI sub-total, reflecting the changes in reporting convention described above.

<b>% Change v. Prior</b>	<b>FY11 Actual</b>	<b>FY12 Actual</b>	<b>FY13 Budget<sup>7</sup></b>	<b>FY14 Request</b>
<b>TOTAL</b>	2.6%	4.2%	14.2%	3.5%
<b>Operating</b>	2.7%	4.0%	12.3%	4.6%
<b>Special Education</b>	2.6%	4.5%	18.8%	1.1%

#### **FY14 Guidelines and Budget Process**

FY14 budget guidelines were generated by the Board of Selectmen in consultation with the Advisory Committee during the fall of 2012. The guideline for the total School Department Operating Budget was set at a 2.8% increase. Additional elements of the guidelines included:

- Collective Bargaining Agreements in force through FY14 should include all contractual salary and wage increases.
- All non-union personnel salaries should be budgeted based on current salary, movement on steps as applicable, and a 1% COLA.
- Enrollment-related impacts (both expansions and contractions) and other related spending should be estimated to support a “Level Service” budget.
- Any planned program enhancements should be indicated separately to enable transparency and a constructive dialogue among the School Department, School Committee and the public.
- Cash Capital budget submissions were not to exceed the FY14 amount specified within the *Five Year Capital Budgeting Program* included with the *Town-wide Financial Plan*.

The School Department’s FY14 budget was initially approved by the School Committee on January 29, 2013 and a final amended version was approved on March 12, 2013. This final budget requests a total of \$60,133,158 (a 3.47% increase over FY13) with \$41,959,009 recommended for the general education operating budget and \$18,174,149 for Special Education. This approved budget was the outcome of extensive preparation, followed by rigorous deliberation and discussion involving the public, School Committee, School Administration and Advisory Committee. The School Department and School Committee believe

<sup>7</sup> The large percentage increases in FY13 reflect FY12 actual expenses which were favorably offset by using all of the then-current year circuit breaker in FY12. That action and other budget favorability resulted in a \$2.13 million turn-back to the town immediately following FY12.

the submitted budget reflects a careful balance between the needs of educational programs and current fiscal realities.

The FY14 School Department's Cash Capital budget was originally approved for \$881,804, and was subsequently amended and re-approved on January 29, 2013 at the reduced amount of \$803,134. Details of this budget can be found below.

### **The FY14 Budget Process**

*(For specific steps of the Superintendent's Budget process, refer to the "FY14 Budget Overview" document, posted as part of the FY14 budget package at [www.wellesley.k12.ma.us](http://www.wellesley.k12.ma.us).)*

The FY14 budget process took advantage of the progress accomplished in FY13. More importantly, this year's budget cycle benefited greatly from the leadership of the new Superintendent and Director of Finance & Business Operations. During the summer of 2012, this new team sought input from School Committee, Advisory Committee and the Town Finance Office regarding improvements in process, format, and approach to constructing a budget.

The Superintendent initiated the FY14 Budget process in August 2012, achieving meaningful contributions from school and curriculum leaders across the District, and orchestrating the process to meet every scheduled milestone. The Superintendent and Director of Finance & Business Operations involved school leadership and facilitated discussion across schools to inform their eventual prioritization of budget requests. Practically, while not all requests could be included in the final budget, this process allowed reasoned and informed choices as to those items to be retained.

The detailed FY14 School Budget emerging from this process reflects initiation or continuation of some of the following improvements:

- The use of a clear budget hierarchy wherein individual school's budgets were aggregated and summarized at various cost element levels, allowing "drill down" of significant line items for improved understanding of spending changes.
- Construction of the Personal Services budget via a zero-based method across all 700+ individual FTEs in the District. This included advancing existing positions through steps and lanes where appropriate, applying stipends and other compensation, and adding the requested funds for new FTE additions.
- The use of actual spending data from the most recently completed prior year to facilitate year-to-year comparisons. All schedules included FY12 Actual, FY13 Appropriated and FY14 Budget numbers.
- Projections of line-item spending at a gross level, and where appropriate, paired with explicit offsets, so that net budget expenses could be well understood
- A complete schedule of anticipated revenue sources, inclusive of State and Federal funds, various grants, and projected student fees
- A detailed review of the school revolving accounts, indicating fees and expenses, netted to surpluses or shortfalls as indicated
- The use of more "zero-based" budgeted lines, wherein projected spending was built "from the ground up" rather than by simply scaling prior years' figures
- Few spending contingencies ("buffers") in areas where spending projections were highly uncertain. The Administration discussed those contingencies broadly with stakeholders, sized the contingencies reasonably, and explicitly singled them out for discussion during submission and approval cycles with School Committee and Advisory Committee.

From this process emerged the budget request submitted by the School Department and School Committee on January 30, 2013, and the final budget as amended on March 12, 2013. We highlight and discuss various important elements below.

**Major Factors Affecting the School Budget**

<b>Personal Services (Total)</b>	<b>Increase of \$1,758,452</b>
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Personal Services for WPS includes all salaries for Instruction, Administration, Operations and Special Education. The FY14 Budget request encompassing Personal Services totals \$52,764,961 which represents 87.8% of the total school budget request. This represents an increase of \$1,758,452 (or 3.45%) over the FY13 budget.

<b>Department</b>	<b>Total FY14 Salaries</b>	<b>% of Total Salaries</b>	<b>FTEs</b>
320 Instruction	\$38,122,696	72.3%	468.97
330 Administration	\$894,780	1.7%	8.72
340 Operations	\$753,821	1.4%	10.65
360 Special Education	\$12,993,664	24.6%	237.00
<b>TOTAL</b>	<b><u>\$52,764,961</u></b>	<b>100.0%</b>	<b>725.34</b>

Personal Services increases are driven by the following factors:

- Assumed contractual obligations under collective bargaining for level service including salary increases for steps and lanes. The current contract expires June 30, 2013. Negotiations were still proceeding at the time the Advisory Book was printed.
- 1% Cost of Living Adjustment for all Union and Non-Union employees
- Enrollment increases
- Turnover offsets (estimated at \$350,000 for FY14)

The School Department currently negotiates with three collective bargaining units:

- 1) Unit A Teachers: includes classroom teachers, professional support and nurses, represents 469.57 FTEs
- 2) Unit B K-12: includes Directors and Department Heads (all of whom have teaching responsibilities), and Assistant Principals. This Unit represents 26.40 FTEs
- 3) Secretaries: representing 37.63 FTEs

The chart below highlights the components of the requested School Personal Services for FY13 and FY14:

	Description	FTE F13	FY13 Projected Actual Salaries	Projected FTE FY14	FY14 Projected Budget Salaries	% increase over FY13
Senior Supervisory	Central office administrators, principals & assistants, administrative time of department heads & directors	34.60	\$4,250,143	34.60	\$4,292,390	1.01%
Teachers	Classroom teachers, special educators	384.62	\$31,308,231	396.70	\$32,566,637	4.02%
Professional support <sup>8</sup>	Librarians, guidance counselors, nurses, therapists, psychiatrists, math, science and technology specialists, Out-of-District Coordinator	69.24	\$5,980,883	78.67	\$6,971,929	16.57%
Classroom and other teaching support <sup>9</sup>	Teaching & technology assistants, ELL tutors, paraprofessionals, computer technicians, student supervisors, athletic trainers	179.96	\$5,538,964	156.14	\$5,011,112	-9.53%
Administrative Support	Secretaries, clerks, administrative assistants	36.99	\$1,765,693	37.63	\$1,715,212	-2.90%
Operations <sup>10</sup>	Business office staff, van drivers & attendants	20.45	\$902,549	21.60	\$986,667	9.32%
On Call/ Temporary	Substitutes, tutors, part-time coaches, club advisers, etc.	N/A	\$1,260,045	N/A	\$1,221,014	-3.10%
<b>Sub-Total (tax impact)</b>		<b>725.86</b>	<b>\$51,006,508</b>	<b>725.34</b>	<b>\$52,764,961</b>	<b>3.45%</b>
Other (non-tax impact)	Positions funded by grants/ revolving funds	27.60	\$1,591,934	47.85	\$1,572,045	-1.25%
<b>TOTAL</b>		<b>753.46</b>	<b><u>\$52,598,442</u></b>	<b>773.19</b>	<b><u>\$54,337,006</u></b>	<b>3.30%</b>

Approximately 24.6% of the salaries fund positions that provide Special Education to students. As noted previously, the FY14 Budget reflects a reporting change by the School Department to provide information in line with State and other district reporting structures for Special Education. (More details regarding the reporting change are outlined in the Special Education

<sup>8</sup> The Out-of-District Coordinator is a professional staff member paid on the Teachers' salary schedule. This position was incorrectly classified in FY13 as "Administrative Support" and has been moved to "Professional Support." The FTE in FY13 was 0.70 (0.30 was grant-funded) and in FY14 the FTE is 1.0 in operating. In addition, the Administrative Support position for FMD is backed out of FY13.

<sup>9</sup> Category reflects changes in treatment of TA salaries from FY13. See "Classroom and other Teaching Support" section below.

<sup>10</sup> Operations included FMD in the FY13 Advisory Report version of this chart; FMD is now consolidated with the Town and is backed out of FY13 in order to compare to FY14.

section). This change will provide greater and clearer opportunity for comparison. This table reflects the new reporting structure that will be used starting in FY14.

<b>Special Education – Personal Services – New Reporting Model</b>					
	<b>FTEs FY13</b>	<b>FY13 Projected Actual Salaries</b>	<b>Projected FTEs FY14</b>	<b>FY14 Projected Budget Salaries</b>	<b>% Increase Over FY13</b>
Senior Supervisory	3.8	\$448,534	3.8	\$439,256	-2.1%
Teachers	57.87	\$4,674,512	59.5	\$4,784,729	2.4%
<i>Teachers (New)</i>			2.0	\$169,409	
Professional Support	35.74	\$3,172,032	42.47	\$3,787,607	19.4%
<i>Therapists (New)</i>			1.1	\$71,575	
Classroom and Other Teaching Support	135.31	\$3,795,168	108.75	\$3,061,685	-19.3%
<i>Para/TA (New)</i>			3.0	\$105,072	
Administrative Support	4.43	\$192,810	3.93	\$171,944	-10.8%
Operations	14.29	\$493,237	12.45	\$402,387	-18.4%
<b>TOTAL</b>	<b>251.44</b>	<b><u>\$12,776,293</u></b>	<b>237.0</b>	<b><u>\$12,993,664</u></b>	<b>1.7%</b>

**Senior Supervisory Salaries Increase of \$42,247**

The senior supervisory staff is the management team of the WPS. It includes the superintendent, the assistant superintendent, principals and assistant principals as well as the administrative (non-teaching) salary component of high school, middle school and system-wide department head salaries. Currently there are 34.6 FTEs in this category in FY13. Total compensation for senior supervisors will increase by \$42,247. Many employees in this group will receive step increases in FY14. The School Department has also budgeted the two open Principal positions in the elementary schools in this category.

**Teachers and Professional Support Salaries Increase \$2,249,452**

The largest budget driver in the Schools is the WTA (Wellesley Teachers Association Unit A contract). This contract represents Teachers and Professional Support totaling 469.57 FTEs. The majority of the increases in this category are due to Level Service and District Priority staffing needs.

Salary changes are determined by two components in the contract:

- 1) Steps and Lanes adjustments
- 2) Annual percentage increases applied to entire salary schedule

**Steps and Lane Increases**

In Wellesley, as in most Massachusetts public schools, the system of “steps and lanes” has been used to recognize experience (step) and educational accomplishment (lane). When a teacher is hired, compensation is based on the number of years of teaching experience (step), as well as the level of college or post-college training achieved (lane). Under the terms of the contract, which became effective on July 1, 2011 and expires June 30, 2013, there are 16 steps and four lanes.

Each year, a teacher advances to the next salary step until he or she reaches the top step, thereby receiving a pre-determined salary increase. Teachers who have attained a higher educational level by earning a sufficient number of credits and have notified the Superintendent

by November 1 of the prior school year of their intent to advance to higher educational level, receive a "lane" increase.

Both step and lane increases can be bargained as part of the contract negotiations. Beginning in FY10, there were 15 steps, with all step increases equalized at 4.17%. For the contract covering FY12 and FY13, a 16<sup>th</sup> step was added that has a value 1% higher than the salary at the 15<sup>th</sup> step.

### **Annual Percentage Increase**

Actual salary adjustments for FY14 for the majority of School Department personnel will be subject to Collective Bargaining. FY14 salary budgets have been prepared by simulating the continuation of the current steps and lanes system. All teachers moving up a step through Step 15 will receive an increase of 4.17%. Those teachers moving from Step 15 to Step 16 will receive a 1% step increase. Once a teacher has reached Step 16, the annual increase is equal to the negotiated annual Cost of Living increase.

Teachers that change lanes (i.e., advance in educational attainment) receive an increase according to length of time in the WPS and the level of the new degree.

### **Longevity and Stipends**

In FY14, Wellesley teachers who have completed 20 years of teaching in Wellesley and are therefore on the top step, will receive an annual "longevity stipend" of \$2663.00 or 3% of their base salary, whichever is less. The total spending for longevity stipends is effectively flat for FY14.

Stipends are payments to teachers for coaching a sport, running a student club, or serving as a curriculum grade level or team leader.

## Compensation

Below is the Bargaining Unit A salary schedule for FY13 with 16 steps and four lanes (+30 and +60 refer to the number of credit hours of additional education beyond degree level). Because the School Department is currently in contract negotiations, they used the FY13 salary schedule to create the FY14 budget for all teachers and staff in Unit A.

Step	WTA UNIT A SALARY SCHEDULE FY13			
	Bachelors	Masters	Masters+30	Masters+60/ Doctorate
1	44,351	48,895	52,670	56,353
2	46,198	50,932	54,864	58,700
3	48,123	53,054	57,150	61,146
4	50,128	55,265	59,531	63,695
5	52,217	57,568	62,011	66,349
6	54,393	59,967	64,596	69,113
7	56,658	62,465	67,286	71,994
8	59,018	65,068	70,089	74,995
9	61,478	67,780	73,009	78,118
10	64,040	70,604	76,051	81,374
11	66,708	73,545	79,220	84,763
12	69,488	76,610	82,521	88,295
13	72,383	79,801	85,960	91,974
14	75,399	83,126	89,542	95,807
15	78,541	86,589	93,272	99,799
16	79,326	87,455	94,205	100,797

This chart shows the estimated FY14 FTE Distribution of Bargaining Unit A for Steps 1-16 and by level of education:

Step	BA	MA	MA+30	MA+60/ PHD	TOTAL FTEs
1	2.00	3.00			5.00
2	3.00	9.40			12.40
3	3.00	3.00	0.70		6.70
4	1.30	7.00	3.00		11.30
5	1.00	4.00	1.00	1.90	7.90
6	0.90	7.60	7.00	2.00	17.50
7	1.00	10.90	3.00	0.80	15.70
8	2.00	20.45	9.00	2.38	33.83
9	1.00	10.80	8.00	3.00	22.80
10	2.10	6.00	5.00	6.00	19.10
11		9.30	17.40	7.00	33.70
12	1.00	6.20	6.00	7.00	20.20
13	2.10	13.40	8.90	7.60	32.00
14		4.00	7.70	5.80	17.50
15		11.57	4.70	7.70	23.97
16	11.00	39.95	50.05	88.97	189.97
<b>TOTAL</b>	<b>31.40</b>	<b>166.57</b>	<b>131.45</b>	<b>140.15</b>	<b>469.57</b>

Wellesley teachers are highly educated and very experienced. Under the Steps and Lanes system, 40.5% of all FTEs in Unit A have attained the top step (Step 16), and the balance (just under 60%) are granted the annual automatic increases driven by the Steps and Lanes system described above. Further, 63.5% of all teachers have attained an educational level of Masters Degree plus 30 hours or higher.

This table reflects the FTEs (469.57) in Unit A by Step and Lane and the total compensation breakdown, as estimated by advancing current staff through their anticipated FY14 Step and Lane assignments.<sup>11</sup>

Step	BA	MA	MA+30	MA+60/ PHD	TOTAL \$ COMPENSATION
1	88,702	146,685	0	0	235,387
2	138,594	478,761	0	0	617,355
3	144,369	159,162	40,005	0	343,536
4	65,166	386,855	178,593	0	630,614
5	52,217	230,272	62,011	126,063	470,563
6	48,954	455,749	452,172	138,226	1,095,101
7	56,658	680,869	201,858	57,595	996,980
8	118,036	1,330,641	630,801	178,488	2,257,966
9	61,478	732,024	584,072	234,354	1,611,928
10	134,484	423,624	380,255	488,244	1,426,607
11	0	683,969	1,378,428	593,341	2,655,738
12	69,488	474,982	495,126	618,065	1,657,661
13	152,004	1,069,333	765,044	699,002	2,685,384
14	0	332,504	689,473	555,681	1,577,658
15	0	1,001,835	438,378	768,452	2,208,665
16	872,586	3,493,827	4,714,960	8,967,909	18,049,283
<b>TOTAL</b>	<b><u>\$2,002,736</u></b>	<b><u>\$12,081,091</u></b>	<b><u>\$11,011,177</u></b>	<b><u>\$13,425,421</u></b>	<b><u>\$38,520,425</u></b>

The table below compares the profile of WPS teachers over a period of four years. With this level of experience and educational background, the cost of the Town's teaching staff is significant. Compensation for Unit A teachers, including classroom teachers, professional support and nurses equals \$38,520,425 which is 73.0% of FY14 Personal Service budget and 64.1% of the entire WPS FY14 Budget request.

<b>Wellesley Teacher Profile<sup>12</sup></b>					
<b>Years of Experience (Step)</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>
Steps 1 to 5	11%	9.5%	11.8%	10.4%	7.5%
Steps 6 to 12	37%	36.4%	35.4%	35.8%	32.1%
Steps ≥ 13	52%	54.1%	52.8%	53.8%	60.4%
Median Step	13	13	14	14	14
<b>Education</b>					
Bachelors	8%	7.6%	7%	6.6%	6.7%
Masters	42%	42.3%	36.8%	36.4%	35.5%
Masters+30 credits or Masters+60 Credits/Doctorate <sup>13</sup>	50%	50.1%	55.3%	55.9%	57.8%

<sup>11</sup> Table excludes any consideration of Cost of Living Adjustments (COLA).

<sup>12</sup> In FY10 and FY11, there were 15 steps. In FY12 and FY13, there were 16.

### Comparison to Teacher Salaries in Other Towns

Because of ongoing negotiations in Wellesley and other towns, we have no new information to present in this FY14 Advisory write up. Information from FY13 Advisory Book is still valuable and is reprinted here.

In the table below, Wellesley’s teachers’ salaries for FY13 are compared to seven similar towns by specific positions on the salary schedules. The Comparative Salary Schedules ranks salaries at the minimum and maximum step for three of Wellesley’s lanes: Masters, Masters plus 30 credits and Masters plus 60 credits or Doctorates. When comparing, it is important to recall that different contracts have been negotiated at different times and for different periods in each of these towns. The only Wellesley lane not included in the table is the Bachelors lane, which includes fewer than 10% of Wellesley teachers; also, this table excludes the effect of longevity stipends.

### Comparative Salary Schedules for FY13

Town	Masters				Master +30				Masters +60/Doctorate			
	Min. Step	Rank	Max. Step	Rank	Min. Step	Rank	Max. Step	Rank	Min. Step	Rank	Max. Step	Rank
Belmont	49,598	1	87,076	3	52,318	2	91,406	4	55,368	3	96,438	5
Needham	47,026	5	80,947	6	50,655	5	85,382	6	53,263	6	89,199	8
Newton	47,820	4	84,113	5	51,395	4	90,726	5	54,692	5	96,517	4
Wayland	46,602	6	86,629	4	48,717	7	95,306	1	50,770	8	101,223	1
Wellesley	48,895	3	87,455	2	52,670	1	94,205	3	56,353	1	100,797	2
Weston	49,467	2	88,505	1	52,260	3	94,367	2	54,792	4	98,618	3
Westwood	45,104	8	80,451	7	48,180	8	84,494	7	51,767	7	89,220	7
Winchester	45,875	7	73,261	8	50,213	6	80,538	8	55,751	2	86,279	6

The table demonstrates that a town’s ranking between its minimum and maximum steps can vary considerably, although Wellesley’s rankings are more consistent than those of other towns. Because 41% of Wellesley’s teachers are at the maximum step and only 2% are at the minimum step, the most relevant comparisons are at the top step. In the top steps in the three lanes under comparison, Wellesley has the 2<sup>nd</sup> highest Masters salary, the 3<sup>rd</sup> highest Masters +30 salary, and the 2<sup>nd</sup> highest Masters +60 salary.

On an aggregate basis, the Wellesley salary scale is most comparable to Wayland’s and Weston’s. Recent contracts have attempted to strike a balance between the need for controlling costs while allowing Wellesley to remain competitive with peer communities in terms of attracting and retaining the best teachers. However, with an eye to what contracts have been recently negotiated in other communities, it is critical that new contracts negotiated in Wellesley bear in mind the current fiscal realities facing the Town and the impact any negotiated contracts will have in the coming years.

<sup>13</sup> For FY14 the “Masters +30 credits” accounts for 48% of this teachers in this category; the “Masters+60 credits/PHD” accounts for the 52% of the teachers.

**Classroom and other Teaching Support****Decrease of \$527,852**

This category includes teaching and technology assistants, English Language Learners (ELL) tutors, paraprofessionals, computer technicians, student supervisors, and athletic trainers. The decrease is attributed almost entirely to a change in approach in the use of grant funding for TA's through the IDEA grant. The appropriated FY13 budget included the grant which covered 7.65 FTE's at \$211,878 in this category. For FY14 the grant instead will cover 37.77 FTE's at \$973,925, thus dramatically decreasing tax-impact budgeted salaries. Offset partially by the addition to the operating budget of 3.0 paraprofessionals for Special Education and 1.0 FTE in the Technology Department, the total net decrease is \$527,852.

The opposite effect however is seen in the Professionals category, in which a portion of the increase in budgeted salaries is driven by a return of some professional positions previously grant-funded in this category to the tax-impact budget. The net result of this change in the application of grant monies across the District's budget is a more productive use of grant funding, reflecting real savings in the tax-impact budget of \$64,575. The School Business Office (SBO) plan is to continue this approach to grant funding going forward since the IDEA is an entitlement grant that we receive each year and is expected to continue.

**Administrative Support****Decrease of \$50,481**

A FMD secretary, substitute teacher coordinator and a central office position were removed from this category. Lunch room aides, and increase in the Guidance Department account for the 0.64 FTE increase.

**Operations****Increase of \$84,118**

Salaries for Custodians have moved to the FMD Operating Budget. (The FY13 base was also adjusted for this change for this year-over-year percentage comparison.) This category now represents only business office staff, van drivers and attendants. The reorganization of the Business Office accounts for the 1.15 FTE increase. They will receive their applicable step increases and 1% Cost of Living Adjustment.

**On Call/Temporary****Decrease of \$39,031**

These are substitute teachers, tutors, coaches and others who work in the schools on a temporary or on-call basis. The WPS instituted a new system (AESOP) which will provide better tracking and projection of substitute costs in the future.

**A Note Regarding Turnover Assumptions**

Turnover is the salary savings, ultimately treated as a salary offset, that the School Department expects to realize from the replacement of departing current employees by new hires who tend to enter at the lower end of the salary schedule. This number has been budgeted for FY14 at \$350,000, reflecting \$50,000 in additional offset to salaries relative to FY13. The turnover assumptions are managed as a separate line item and have not been netted in the salary comparison tables in this section for either FY13 or FY14.

To estimate Turnover, the School Department has general criteria for placement of new hires on steps and lanes but can exercise some discretion during the hiring process as to the initial "step" and "lane" for newly hired teacher. Recent budgeting practice has been that the average cost of new hires is set at the midpoint of the salary schedule, which is a Masters degree, and eight years of experience. For FY14, the salary at this level is \$65,068. However, that number is merely an estimate, as different vacancies require teachers with different experience and educational levels.

In any given year, the average experience/education level of new hires, educational advancement of current employees, and the profile of retirements and other departures can change substantially, resulting in turnover savings either higher or lower than the steps and lanes increases would anticipate. Turnover savings would be highly predictable if pending retirements were announced well in advance of a new fiscal year. Practically however, the information becomes available only after the budget is prepared, so an allowance based on prior experience is incorporated into the budget.

**Enhancements**

<b>2014 Budget District Priorities + 4.45 FTE</b>	<b>Increase of \$300,053 in Personal Services Increase of \$156,720 in Expenses</b>
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The School Department has identified four areas of District need, particularly those reflected through analyses of student performance data and by assessing the needs and capacity of the WPS staff to meet evolving educational requirements. The staff was asked to prioritize these particular requests within the following four areas:

1. Math and Science
2. Narrowing the Achievement Gap
3. Professional Development
4. Implementing Educator Appraisal System

**Math and Science + 2.95 FTE Increase of \$202,451 in Personal Services  
Increase of \$22,213 in Expenses**

1.5 FTE Elementary Math Specialist \$97,602

1.0 FTE Middle School Math Specialist \$65,068

This proposal initiates the phase-in of elementary math specialists with the goal of having one per school. The Middle School Math Specialist would provide both direct instruction to students and serve as resource/coach for other staff members.

0.20 FTE High School additional math section \$13,014

0.25 FTE High School science section \$16,267

Because of enrollment increases at the High School, additional math and science sections are needed. These increases are categorized here as section size reduction also supports the District Priority of improvement in Math & Science education.

Middle School Science Summer Program \$10,500

A pilot program was started last summer on a voluntary basis by Middle School staff supporting rising Grade 7 Boston students. This program will be offered in both Wellesley and Boston, giving rising 7<sup>th</sup> and 8<sup>th</sup> graders opportunities to develop science skills that will support them in advanced high school courses. Title 1 grant funding will provide an additional \$10,000 towards the program. The continuity of the Summer Science program will depend on successful outcomes for participants, adequate enrollment in both locations, and continuation of adequate grant funding.

Expenses to support the Math and Science District Priority include textbooks for revised course, Science and Math materials for Special Education, Aleks Math Software, building blocks for Preschool Math curriculum.

**Narrowing the Achievement Gap + 1.5 FTE**

**\$97,602 Personal Services  
\$ 3,510 Expenses**

1.0 FTE Literacy Specialist \$65,068

An additional literacy specialist is being proposed at the elementary level which will continue to implement the plan to establish 1.0 FTE literacy specialists for each elementary school.

0.50 FTE Middle School Sections \$32,534

One section each in Social Studies and English are requested to address both the priority for Science instruction and to balance sections at 8<sup>th</sup> grade as well as a Communication Lab section at 0.10 FTE.

Expenses to support the “Achievement Gap” District Priority include support materials for ELL (English Language Learners) program, K-12 Model Assessment Kits, MS/HS Rosetta Stone Levels 1-5, K-5 Leveled Readers.

**Professional Development \$121,097 Expenses**

Professional Development offerings reflect District goals and student needs. This request is for conferences, support/mentoring for new principals, focused training opportunities in the areas of professional learning communities, differentiation and guided learning

**Educator Appraisal System \$9,900 Expenses**

The Educator Appraisal System will be implemented in all districts in Massachusetts during the 2013-2014 academic year. It will change the way staff and administrators will be evaluated in Wellesley. This funding will cover the cost for specialized software and staff training.

**Other Critical Needs + 2.04 FTE Increase in \$288,466 Personal Services**  
**(also includes + 2.0 Contingent Elementary Sections)**

The category “Other Critical Needs” includes requests that do not fit neatly into the definition of District Priorities but support student improvement and/or further progress towards longer term objectives.

**1.0 FTE Technology Department Reorganization \$96,553 Personal Services**

The proposed reorganization will build capacity to support existing and new systems, increase the technical expertise in the department and better align staffing with the technology needs of the District. The recommendation is to eliminate the Systems Manager and Assistant Systems Manager position and replace them with an IT Operations Director, and two System Administrators.

**0.8 FTE 1:1 Program Coordinator \$52,054 Personal Services**

The District is proposing an expansion of the 1:1 iPad tablet pilot to include all 5<sup>th</sup> grade students in the District. The .8 FTE program coordinator position will have two primary responsibilities: 1) Program logistics (including fee processing, repair/replacement coordination and license management) and 2) training and professional development for staff, students and parents.

**0.24 Centralized Student Registration** **\$9,723 Personal Services**

The Current Registration system requires parents to register each child in the family at the school where they will enroll. This request is to expand an existing position to work through the summer to be a point person for all registration, as well as during the school year.

**2.0 Elementary Sections** **\$130,136 Personal Services**

Rapidly changing enrollments, particularly at the Hardy School, have made it apparent that an imbalance in classroom size across the seven neighborhood schools necessitate a contingency plan for the addition of two addition elementary sections. For a more detailed discussion of elementary section counts, school, student enrollment trends, and plans to address the imbalances, see the Enrollment section below.

**MS/HS: Elimination of Fees for Workbooks** **No Change in Expenses**

This is the net budget impact driven by the elimination of these fees. The FY14 Budget impact for these workbooks is partially offset by revolving funds. This offset will not be available in future budget years.

<b>Enrollment Changes</b>	<b>Increase of \$517,785 in Personal Services</b> <b>Increase of \$125,541 in Expenses</b>
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*Note: As a reference for this section, the full Enrollment Report for Wellesley Public Schools (WPS) can be found on the WPS website, [www.wellesley.k12.ma.us](http://www.wellesley.k12.ma.us).*

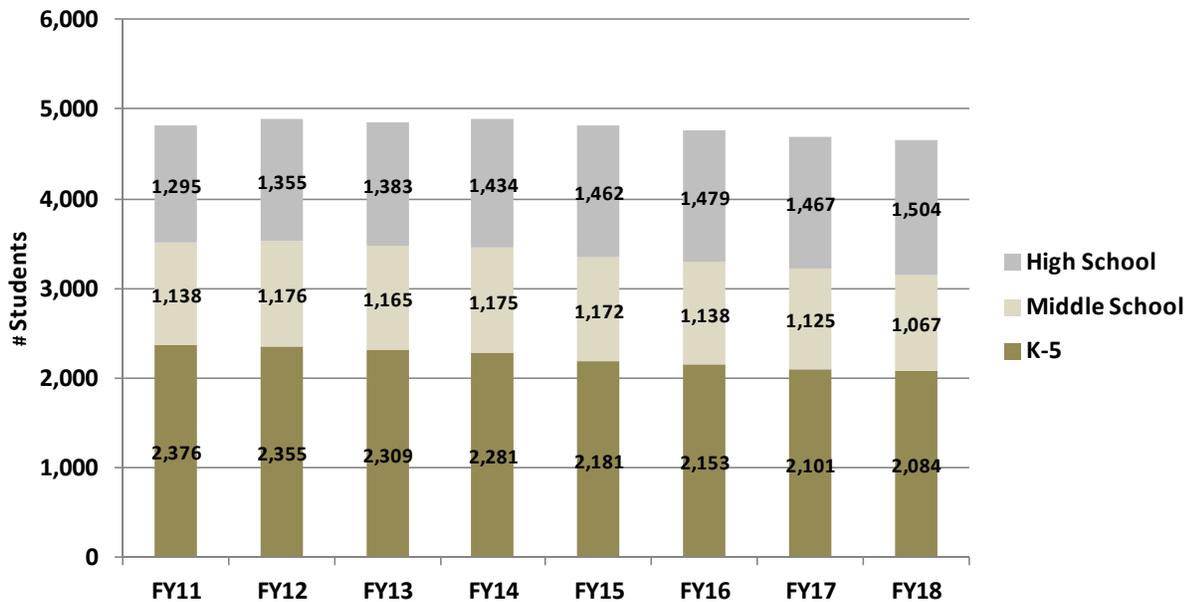
The increase in the FY14 budget to accommodate changing enrollment system-wide is \$643,326 comprised of \$517,785 in Personal Services and \$125,541 of Expenses. This is based on a system-wide increase of 8.7 FTE, with an overall projected increase of 33 students from 4,857 to 4,890. An analysis follows for the elementary, middle and high schools; proposed staff additions are detailed in each of those sections.

The table below presents the projected overall enrollment increase for FY14, as well as actual and projected enrollment for each of the last several years and the operating budget adjustment for each year. Actual enrollment growth is shown in bold.

ENROLLMENT PROJECTIONS AND BUDGET INCREASES <sup>14</sup>				
	Projected/ Actual Additional Students		Operating Budget Increase	
	Students	% Students	Costs	% of Total
<b>FY08</b>	+96 / <b>+146</b>	+2.1% / <b>+3.2%</b>	\$276,000	0.6%
<b>FY09</b>	+96 / <b>+121</b>	+2.1% / <b>+2.6%</b>	\$501,000	1.0%
<b>FY10</b>	+48 / <b>-21</b>	+1.0% / <b>-0.4%</b>	\$440,000	0.9%
<b>FY11</b>	+38 / <b>+31</b>	+0.8% / <b>+0.6%</b>	(\$11,399)	0.0%
<b>FY12</b>	+9 / <b>+77</b>	+0.2% / <b>+1.6%</b>	\$188,750	0.4%
<b>FY13</b>	-8 / <b>-29</b>	-0.2% / <b>-0.6%</b>	\$438,949	0.8%
<b>FY14</b>	+33 /	+0.7% /	\$517,785	0.9%
<i>Totals K to 12, not including Pre-K or Out-of-District students</i>				

The FY14 enrollment increase is driven by the Middle School and High School, while elementary school enrollment is expected to decrease by 28 in FY14 and by 225 total through FY18. The graph below shows how this decrease will work its way through the system, resulting in an overall enrollment decline starting in FY15.

### Enrollment Projection



FY11 – FY13 reflects actual enrollment; FY14 – FY18 reflects projected enrollment

<sup>14</sup> In October of each year, the School Department releases an enrollment report that studies enrollment trends and projects numbers for each grade level (K-12) running 10 years into the future. Each year's budget is built using the October actual and projected enrollment numbers. Enrollment can change during the year, and the School Committee does report updated numbers from time to time. For our purposes throughout this analysis, we are using the October enrollment report numbers that inform the budget decisions.

Historically, enrollment projections have been done by the School Administration using birth data by elementary enrollment area as well as all available information on existing students. The implications of the enrollment decline projected above are very serious, especially when the current variability in section size across the elementary schools is considered. As a result, the School Administration has commissioned a Population and Demographic study to create a comprehensive enrollment projection considering as many factors as possible. It will be completed in the spring of 2013 and will be a key input to the Administration's Strategic Plan which is expected to be completed this summer. A primary element of this plan will be a strategy to manage the long-term enrollment challenges to achieve a balance between educational policy, section sizes, and prudent economics.

The remainder of this section focuses solely on the plan to address FY14 enrollment issues with a minimum of disruption for students and staff.

**Pre-School Enrollment** **Increase of \$13,014**

0.2 FTE Nurse \$13,014

The increase in the number of students with complex and significant health needs in the PAWS preschool requires this increased level of nursing care. These health issues include heart conditions, life-threatening allergies, seizure disorders and asthma. In addition, a growing number of students come to the preschool for screenings, evaluations and community therapies.

**Elementary School Enrollment** **Increase of \$228,407**

Seven elementary schools comprise Wellesley's neighborhood-based elementary school system. The smallest has 12 sections and 226 students, while the largest has 19 sections and nearly 400 students. Under longstanding School Committee policy, elementary school class-size guidelines are 18-22 students for grades K-1, and 22-24 students for grades 2-5.

Current FY14 projections indicate that elementary enrollment will decline by a total of 200 students from FY09 levels as indicated in the following table. That level of decline should translate into a reduction in section count but the characteristics of a neighborhood school system, combined with a reluctance to increase class sizes, has limited the ability to capture potential economic efficiencies. Variability across schools is one contributing factor. Fiske and Hunnewell are each projected to decline by about 50 students over this five year time frame, while Bates and Hardy will maintain enrollment. Actual enrollment changes in FY13 (vs. FY12), shown in the last column of the table, were just as dramatic. While the overall decline was 46 students, Hardy increased by 17 and Fiske and Upham declined by 22 and 18 students, respectively. More important than the absolute enrollment changes may be the errors relative to the projections which were used to set staffing plans for the beginning of FY13. Upham and Fiske were 14 and 27 students below projections, respectively, while Hardy and Schofield were 9 and 13 students above projections, respectively.

Based on the original projections for FY13, the School Department planned for 114 sections. Even though overall elementary enrollment declined more than expected, projection errors for individual schools led to an increase of two sections to 116. With late summer enrollment deviations from projection, it was not possible to capture the net reductions in sections one might expect from the reduced overall enrollment.

<b>ELEMENTARY ENROLLMENT CHANGES</b>				
<b>School</b>	<b>FY09 Students</b>	<b>FY14 Students (projected)</b>	<b>5 Year Change</b>	<b>FY12 to FY13 Change</b>
Bates	393	390	-3	-9
Fiske	382	330	-52	-22
Hardy	313	313	0	+17
Hunnewell	334	284	-50	-4
Schofield	379	346	-33	-2
Sprague	422	389	-33	-8
Upham	258	229	-29	-18
Elementary	2481	2281	-200	-46

The table below further illustrates the difficult challenges to accurately project elementary enrollment, even at the aggregate level:

<b>ELEMENTARY ENROLLMENT AND SECTIONS</b>				
<b>Year</b>	<b>Actual Elementary Enrollment</b>	<b>Change from prior year Projected/Actual</b>	<b>Actual Sections</b>	<b>Average section size</b>
<b>FY08</b>	2,406	+21 / <b>+86</b>	115	20.9
<b>FY09</b>	2,481	+23 / <b>+75</b>	117	21.2
<b>FY10</b>	2,421	0 / <b>-60</b>	116	20.8
<b>FY11</b>	2,376	-16 / <b>-45</b>	113	21.0
<b>FY12</b>	2,355	-84 / <b>-21</b>	113	20.8
<b>FY13</b>	2,309	-25 / <b>-46</b>	116	19.9
<b>FY14*</b>	2,281	-28 /	117	19.5

*\*FY14 values are all projections*

The difficulty of predicting enrollments at the individual school level, and by grade within school, has limited the opportunity to reduce the variance in section size across the elementary system and limited the ability to create efficiencies. The current FY13 elementary enrollment profile is shown in the table below. The largest declines over the last five years have occurred at Fiske and Hunnewell and both schools have over 70% of sections under guidelines and no sections over guidelines. Partly because of the District's limited predictive ability and the constraints of neighborhood school districts, the Administration has not been able to capture potential efficiencies in those schools. Hardy has three sections over guidelines, almost half of the District total. In aggregate, 39% of the sections are at guidelines, 55% are below guidelines and 6% are over guidelines.

<b>FY13 Profile</b>	<b>BA</b>	<b>FI</b>	<b>HA</b>	<b>HU</b>	<b>SC</b>	<b>SP</b>	<b>UP</b>	<b># (%) District-wide</b>
Enrollment	387	335	328	298	341	394	226	<b>2309</b>
#Sections	19	18	15	16	17	19	12	<b>116</b>
# AT guidelines (%)	7 (37%)	5 (28%)	7 (47%)	4 (25%)	7 (41%)	12 (63%)	3 (25%)	<b>45 (39%)</b>
# UNDER guidelines (%)	12 (63%)	13 (72%)	5 (33%)	12 (75%)	8 (47%)	6 (32%)	8 (67%)	<b>64 (55%)</b>
# OVER guidelines (%)	0	0	3 (20%)	0	2 (12%)	1 (5%)	1 (8%)	<b>7 (6%)</b>

With a projected FY14 elementary enrollment reduction of 28 students from FY13 actual enrollments, the original goal was to reduce one elementary section. The FY14 elementary enrollment profile, shown below, was developed based on that goal.

<b>FY14 Profile</b>	<b>BA</b>	<b>FI</b>	<b>HA</b>	<b>HU</b>	<b>SC</b>	<b>SP</b>	<b>UP</b>	<b># (%) District-wide</b>
Enrollment	390	330	313	284	346	389	229	<b>2281</b>
#Sections	19	18	14	15	18	19	12	<b>115</b>
# AT guidelines (%)	8 (42%)	5 (28%)	7 (50%)	2 (13%)	5 (28%)	9 (47%)	4 (33%)	<b>40 (35%)</b>
# UNDER guidelines (%)	10 (53%)	13 (72%)	3 (21%)	11 (74%)	13 (72%)	9 (47%)	8 (67%)	<b>67 (58%)</b>
# OVER guidelines (%)	1 (5%)	0	4 (29%)	2 (13%)	0	1 (6%)	0	<b>8 (7%)</b>

The percentage of sections at guidelines declines to 35% while the percentage over guidelines increases to 7% and the percentage under guidelines increases to 58%. This profile shows an increase in section size variation with three sections previously at guidelines now falling under guidelines and one additional section now exceeding guidelines. Fiske, Hunnewell and Schofield all have over 70% of sections under guidelines, while the number of sections at Hardy over guidelines is projected to increase by one.

Enrollment data as of February 12, 2013 shows an increase of 15 elementary students District-wide since the October 1 reporting date with increases of nine at Fiske and six at Hardy, exacerbating the situation at Hardy and raising concern about the accuracy of FY14 enrollment projections. The Administration has closed Hardy K-3 enrollment for the remainder of the school year and added two teaching assistants to stabilize the situation. In addition, the Administration has added two sections as a contingency to the FY14 budget at a cost of \$130,136. At the time of the writing of this report, and in light of the most recent enrollment data, it is clear that the School Department intends to use this contingency for two additional sections. Conclusions from the forthcoming Population and Demographic Study will inform the decisions as to where to deploy these two sections to best address elementary section sizes across the District.

1.0 FTE Special Education Primary Skills Teacher	<b>\$65,068</b>
3.0 FTE Paraprofessionals	<b>\$91,764</b>

Massachusetts Special Education Regulations (603 CMR 28.00) mandate class size requirements for special education students when accessing services in a setting outside the general education classroom. For specialized, substantially-separate programs, the mandated class size cannot exceed twelve students. In the Primary Skills Class (a program for students

with autism), there are currently eleven students with three moving to the Intermediate Skills Program next school year. The projection for FY14 includes an increase of five students moving into the program from the preschool. This projection places the program's total over the mandated class size and results in noncompliance with state regulations. Without the additional section of the Skills Program, the school district would be forced to send some students to out-of-district placements, incurring significant incremental out-of-district tuitions.

0.1 FTE Occupational Therapist – Sprague \$6,507

Based on an analysis of students' Individualized Education Programs (IEPs) at Sprague and assessing the needs of incoming students from preschool, the District will be unable to meet the Occupational Therapy service delivery requirements without the addition of a 0.1 FTE therapist.

1.0 FTE Teacher – Schofield \$65,068

Grades K-4 at Schofield currently each have three sections. As the current 4<sup>th</sup> grade moves to 5<sup>th</sup> grade next year, it is projected at 62 students and will need three sections to keep class size at about 20. Projections for the incoming Kindergarten are for 53 students which will require maintaining three sections to stay at guidelines.

Teacher – Two Contingency Sections No Net Change

As indicated above, the original plan included a reduction of two sections based on the projected decline in elementary enrollment. Recent changes in enrollment and concerns about further enrollment increases resulted in the provision for two contingency sections, totaling \$130,136. Combined, the net result is likely to be no change relative to the FY13 budget. Assuming both contingency sections are used, the number of total elementary sections would rise to 117 in FY14.

Middle School Enrollment Increase of \$65,058

Current and Projected Middle School class size

Grade	FY12	FY13	FY14 Projection	FY13 to FY14 Change
6	410	381	391	10
7	382	411	374	-37
8	384	373	411	38
<b>TOTAL</b>	<b>1,176</b>	<b>1,165</b>	<b>1,175</b>	<b>10</b>

Projections for Wellesley Middle School (WMS) have been fairly accurate with an average absolute error of 8.6 students over the last 5 years and peak errors of +16 in FY11 and -11 in FY13. Section size guidelines are 22 students in core classes.

**Projected average section size for Grades 6 & 7 English, Social Studies, Math & Science**

Projections for 6<sup>th</sup> grade enrollments in these subjects are for FY13 average sections sizes to increase from 21.2 to 21.7 (at guidelines) for FY14. Projecting 7<sup>th</sup> grade enrollments for these same subjects results in FY13 average sections sizes to decrease from 22.8 to 20.8 (below guidelines) for FY14.

For the 8<sup>th</sup> grade, a projected increase of 38 students requires additional teachers to keep class sizes as close to guidelines as possible. These FTE additions are precisely targeted based on District Priorities and are detailed in that section. A math teacher/coach will be added to address the need for coaching teachers and also to support the addition of two sections of Algebra 8R.

This coupled with the addition of two sections of Math Workshop (discussed later) results in class size of 21.3 for FY14.

An addition of 0.5 FTE will also be made to increase 8<sup>th</sup> grade Social Studies and English by one section each and to add two Communications Lab classes. Class size impact is shown in the table below with the impact of the additional teachers in FY14 highlighted.

Average 8 <sup>th</sup> Grade Class Size		
	FY13	FY14
<b>English</b>	21.9	22.8
Communications Lab	26.6	25.6
<b>Social Studies</b>	21.2	22.8
<b>Math</b>		
Geometry	14.0	10.0
Algebra 8R	25.1	21.3
Algebra 8	20.3	22.4
Concepts	12.5	12.5
<b>Science</b>		
IPS	20.8	22.8
IPS Concepts	10.5	15.0

The additional Middle School enrollment also requires addition Special Education support.

1.0 FTE Special Education Teacher \$65,068

Currently the Middle School has a Language-Based Program for students who require a specialized program because of dyslexia. This program is in its second year and serves students in grades 6 and 7. Of the eleven students in the program, six will be going into Grade 8 in FY14, expanding the program across three grades and three different schedules. Six students will be entering Grade 6 from the Language-based Program at Schofield, exceeding the regulatory maximum class size requirement. In order to provide an appropriate specialized program that meets the state regulations for class size, an additional teacher is required.

The discussion above focuses on average class size. The table below indicates that in the current year, the Middle School is seeing 15% to 20% of classes two or more students above guidelines so the need for class size improvement continues.

Middle School Range of Class Sizes by Department in FY13						
Area	≥ 2 below	within 1 of guidelines	≥ 2 above	Total Classes	% ≥ 2 below	% ≥ 2 above
Math and Science	27	34	14	75	36%	19%
English & Social Studies	12	47	11	70	17%	16%
Other	94	67	42	203	46%	21%
<b>TOTAL</b>	<b>133</b>	<b>148</b>	<b>67</b>	<b>348</b>	<b>38%</b>	<b>19%</b>

**High School Enrollment****Increase of \$183,171**

Current and projected High School class size is:

<b>Grade</b>	<b>FY12</b>	<b>FY13</b>	<b>FY14 Projection</b>	<b>FY13 to FY14 Change</b>
9	346	383	362	-21
10	374	342	380	38
11	297	360	335	-25
12	338	298	357	59
<b>TOTAL</b>	<b>1,355</b>	<b>1,388</b>	<b>1,434</b>	<b>51</b>

FY14 projected enrollment is based on current enrollment and historical experience. Incoming Grade 9 enrollment is expected to exceed current Grade 12 enrollment by 64 students. Recent enrollment projections have been reasonably accurate with an average absolute error of 14.6 students over the last 5 years and peak errors of +12 in FY12 and -21 in FY09.

The class size guidelines for the High School are: 22 students for core academic Honors (Level 1) and Advanced College Preparatory (Level 2) classes, 15 for College Preparatory (Level 3) classes and 20 for Science project classes.

Average class size is shown below. College Prep courses are excluded from the calculation because they cap at 15 students and make the average look artificially low.

<b>High School Average Class Size in FY13 (excludes College Prep)</b>			
	<b># Students</b>	<b># Sections</b>	<b>Average Class Size</b>
English	1,228	59	20.8
Math	1,303	61	21.4
Science	1,037	48	21.6
Social Studies	1,212	61	19.9
Core Courses	4,780	229	20.9

The table below shows the range of class size for core and other subjects:

<b>High School Range of Class Sizes by Department in FY13</b>						
<b>Area</b>	<b>≥ 2 below</b>	<b>within 1 of guidelines</b>	<b>≥ 2 above</b>	<b>Total Classes</b>	<b>% ≥ 2 below</b>	<b>% ≥ 2 above</b>
Math and Science	53	55	30	138	38%	22%
English & Social Studies	69	46	31	146	47%	21%
Other	98	50	26	174	56%	15%
<b>TOTAL</b>	<b>220</b>	<b>151</b>	<b>87</b>	<b>458</b>	<b>48%</b>	<b>19%</b>

0.4 FTE Art Teacher \$26,027

0.2 FTE of this additional teaching resource will be used to increase the number of art electives to address overall increased enrollment. The other 0.2 FTE will be used to provide more opportunities for the increased population of special needs students to participate in the Arts curriculum.

0.2 FTE Fitness Teacher \$13,014

Complying with Massachusetts laws requires that students participate in physical education classes for at least one term in each of their four years. Previously Wellesley required four terms during the four years scheduled at the student's discretion. While the overall requirement has not increased, the High School will offer more and broader physical education courses to address the requirement.

1.0 FTE Speech / Language Therapist (SLP) \$65,068

Due to the increased level of need for speech/language therapy at Wellesley High School along with the addition of the Launch Program, the District is currently unable to meet the mandated services with the existing 1.0 FTE. In order to support the High School's speech/language therapy needs this school year, a Middle School speech/language therapist provides some service delivery time at the High School. This arrangement cannot be sustained into FY14 as the number of students will continue to increase at the High School, requiring more time than is currently provided by the Middle School therapist. Sixteen students with speech/language therapy services indicated on their IEPs are entering grade 9 next year with only six students receiving speech/language therapy exiting the High School. Ten of the entering 9<sup>th</sup> grade students have significant levels of speech/language services. The Middle School speech/language therapist will be unable to provide High School services in FY14 because of the expansion of specialized programs at the Middle School.

Special Education Summer Program \$52,581

Special education law and regulations mandate that extended school year services are required for students who are at-risk for substantial regression over an extended school break. For these students, summer services are indicated on their IEPs. As more significantly-impaired students are entering the High School from the Middle School, the need for summer programming has increased. The addition of these part-time teacher (\$39,273) and teacher assistant (\$13,308) positions is needed to fulfill the requirements of the IEPs.

0.3 FTE Nurse \$19,520

The High School population is over 1400 students, accounting for 20,847 health room visits in FY12. The National Association of School Nurses recommends a nurse-to-student ratio of 750:1 for all well children: 225:1 for children that require daily services and 125:1 for students with complex health care needs. This increase will bring direct nursing service to 2.0 FTE at the High School and will sustain the level of nursing care that is in place.

Nurse – Summer (High School & Middle School) \$6,961

Increased nursing coverage in the summer is required to review immunization records and physical examinations for students entering Grade 7 (374 students), to review physical examinations for student athletes (almost 500) and to manage care for athletes or students with medical challenges.

**Central Administration****Increase of \$28,125**0.5 FTE Business Office New Position to Full Year \$28,125

The reorganization plan approved by the School Committee in FY13 included the addition of a new position mid-year. The Level Service budget requires that the full FTE and its full year cost be included in FY14.

**Summary**

With an enrollment increase of 33 students, a Level Service staffing increase of 8.7 FTE at a cost of \$517,785 may appear excessive at first look. However, as explained in the Special Education section, 6.1 of those FTEs and 65% of the budget dollar increases are driven by costs to meet state mandates and to provide for specific IEP requirements.

**SPECIAL EDUCATION**

State and Federal law mandates that Wellesley provide Special Education services to eligible students, beginning at age three and continuing until age twenty-two or high school graduation, whichever occurs first. The law mandates that all Special Education children receive services that allow them to access and progress in public education in the least restrictive environment possible. Moreover, if a student's needs are such that a town cannot appropriately provide for them in a public setting, the law requires that the town find and pay for an Out-of-District, state-approved Special Education placement. Students are evaluated and, if eligible, an Individual Educational Program (IEP) is developed.

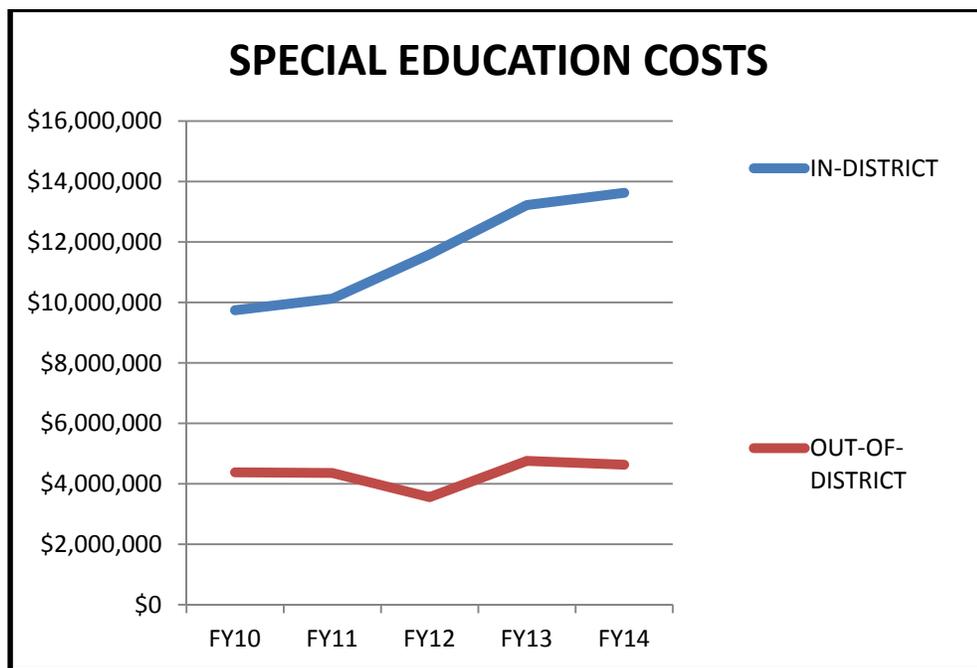
Each IEP represents a legal contract between the parents and the school district and outlines the specialized services that will be implemented. The Special Education budget is developed based upon each student's IEP and the requirements of that document. To build the Special Education budget, each IEP is assessed and the appropriate staffing is determined to ensure that the District can meet the level of mandated services outlined in the IEP. In addition, some students require specialized equipment, materials, and or low-incidence services (e.g., nursing, vision and/or hearing services/equipment) that result in a higher level of per-pupil expenditure than most special education students. These expenses are built into the budget on a student-by-student basis. Tuition and transportation expenses are also determined student-by-student and are based upon a student's current special education placement (where the IEP will be implemented) and reasonable predictions for the coming fiscal year.

The total Special Education portion of the general operating budget request is \$18,174,149, an increase of \$190,799, or 1.1%, from FY13.

<b>Category</b>	<b>FY10 Expended</b>	<b>FY11 Expended</b>	<b>FY12 Expended</b>	<b>FY13 Budget</b>	<b>FY14 Request</b>	<b>% Inc.</b>
Pers. Services	\$9,003,093	\$9,479,746	\$10,881,103	\$12,283,056	\$12,591,277	2.5%
Expenses	\$544,796	\$425,072	\$477,712	\$601,630	\$605,283	0.6%
Tuitions	\$4,487,415	\$5,007,903	\$6,209,504	\$6,303,008	\$6,319,579	0.3%
CB Offset	(\$658,792)	(\$1,165,067)	(\$3,202,923)	(\$2,213,558)	(\$2,321,779)	4.9%
ARRA Funds	(\$742,492)	(\$325,000)	(\$95,081)			
Transportation	\$748,292	\$737,690	\$766,945	\$1,009,214	\$979,789	-2.9%
<b>TOTAL</b>	<b><u>\$13,382,312</u></b>	<b><u>\$14,160,344</u></b>	<b><u>\$15,037,260</u></b>	<b><u>\$17,983,350</u></b>	<b><u>\$18,174,149</u></b>	<b>1.1%</b>

Personal Services is the majority of the increase in the FY14 Special Education proposed budget. This is driven by increased staff required for In-District programs because of additional students with intensive needs in specialized programs. More information is detailed in the In-District section below. Tuitions for Out-of-District students are expected to remain about flat based on the characteristics of the student population and efforts to educate as many students as possible through In-District programs. The Circuit Breaker (CB) offset is planned at 65% of eligible expenses, a conservative view based on current information that has a \$108,221 favorable impact on the budget.<sup>15</sup> Through some staffing changes and careful management of Wellesley-owned and contracted vehicles, transportation expenses are projected to decline by \$29,425.

To create greater transparency and to be more consistent with methodologies in other school districts, the Administration is revising the format of Special Education expense exhibits into two categories: In-District and Out-of-District. In-District expenditures include all Special Education costs incurred for students educated in the Wellesley Public Schools. Out-of-District expenditures include tuitions and transportation that Wellesley is required to pay for Special Education students educated at institutions outside the WPS system. **NOTE: Reconciliation to the FY13 budget format, indicating STTI, can be found in the Special Education Appendix.**



The graph above illustrates the total cost of Special Education broken out by those In-District and Out-of-District amounts. FY10 through FY12 reflect actual expenditures; FY13 and FY14 are budgeted costs. The Out-of-District costs for the tuitions of students are net of the Circuit Breaker reimbursement from the State. Circuit Breaker is a State program designed to assist school districts in managing the increasing and high costs associated with tuition, transportation and special services for the special education population. Circuit Breaker is calculated as a reimbursement of a portion of the expenditures incurred in the prior fiscal year.

<sup>15</sup> For more detailed information on the Circuit Breaker reimbursement mechanism, see the Special Education Appendix on page 220.

Increased In-District costs over the last three years result from the addition of In-District programs to control substantial growth in Out-of-District tuitions and from serving a growing Special Education population through WPS programs and services.

**In-District Budget**

**Increase of \$404,488**

Program	Category	FY10 Actual	FY11 Actual	FY12 Actual	FY13 Budget	FY14 Budget	Inc. or (Dec.)	% Inc.
Inclusion	Pers. Serv. Students	\$5,661,412	\$5,395,72	\$6,258,294	\$7,456,921	\$8,328,274	\$871,353	11.7%
						635		
Specialized Programs	Pers. Serv. Students	\$3,341,681	\$4,084,02	\$4,639,260	\$4,826,135	\$4,263,003	(\$563,132)	-11.7%
						137		
Expenses		\$121,522	\$87,35	\$110,956	\$126,480	\$149,183	\$22,703	17.9%
Student-Specific Costs		\$423,274	\$337,71	\$350,305	\$475,150	\$456,100	(\$19,050)	-4.0%
Transportation		\$194,693	\$221,60	\$233,149	\$339,746	\$358,853	\$19,107	5.6%
<b>Total In-District</b>	<b>Expenses</b>	<b>\$9,742,581</b>	<b>\$10,126,41</b>	<b>\$11,591,964</b>	<b>\$13,224,432</b>	<b>\$13,555,413</b>	<b>\$330,981</b>	<b>2.5%</b>
	<b>Students*</b>	<b>787</b>	<b>85</b>	<b>888</b>	<b>809</b>	<b>772</b>		

\*All student numbers are given as of October 1 for the actual or budget year

**Inclusion**

The federal special education law, IDEA, mandates that each special education student is to be educated in the Least Restrictive Environment (LRE) and within the general education classroom to the greatest extent appropriate. The term “Inclusion” represents the extent to which students with disabilities are provided their special education services within WPS’s general education classes. Most of our special education students are included in general education for more than 60% of their time at school.

**Specialized Programs<sup>16</sup>**

The Wellesley Public Schools is committed to providing special education services within the District. District programs have been developed when there exists a cohort of students with severe needs who require a higher level of specialized support than students with moderate needs. These specialized programs provide the majority of special education services in a substantially separate setting. The programs are staffed by specific personnel with experience in instructional methodologies specific to the cohort’s needs. Without in-district specialized programs, these students with severe needs would require an out-of-district placement.

Personal Services show a large increase for Inclusion and a large decrease for Specialized Programs. In both cases, the figures are net of grants. A significant part of the changes reflect the way grants will be used in FY14 with the goal of reducing overall cost. The combined increase in Personal Services for Inclusion and Specialized Programs is \$308,221 or 2.5% over the FY13 appropriation, driven primarily by the proposed 6.1 FTE additions detailed below.

**Student-Specific Costs**

There are some students with disabilities that require a higher level of specialized support in order to access and benefit from their educational experience. These costs may include contracted services (e.g., nursing care), specialized equipment/materials (e.g., vision enhancement equipment), or specialized evaluations (e.g., psychiatric). The development of this

<sup>16</sup> See the Special Education Appendix on page 220 for a more detailed description of the Specialized Programs.

portion of the budget is student-specific and may fluctuate year to year for an individual student. For example, a change in level (e.g., elementary to middle school) may result in an increase in cost that is specific to that transition year and not needed again until another transition occurs. In FY13, there were costs related to transitions that are no longer needed in FY14. An example of costs triggered by a transition year is the need for sound amplification systems in multiple classrooms instead of just one or two classrooms. The budget can change with a specific student's level of need or when a new student moves into the district.

**Expenses**

These costs represent the general operating expenses needed to implement our special education programs, e.g., instructional/curriculum materials and equipment maintenance. The budget request for expenses to support classroom activities and general program needs is a \$22,703 increase in FY14. The increase reflects the District Priorities for professional development and for instructional materials and textbooks to support the math curriculum needs for special education students; for the increasing need for special education evaluations of students; and for tutoring for students who are unable to attend school and/or who need additional support to make academic progress.

**Transportation**

Transportation is provided to students who attend an in-district specialized program housed at a school outside the boundaries of the student's neighborhood school. In addition, some students require special transportation resulting from the nature of their disability. For example, some students require a wheelchair van. Special transportation needs are indicated on the student's IEP. The transportation portion of the FY14 In-District budget is \$358,853, comprised of \$194,842 in personal services costs and \$164,011 in expenses, resulting in an increase of \$19,107 from the FY13 budget. The transportation program consists of 13 Town-owned vans which provide over 82% of the transportation for Wellesley's In-District Special Education students. District-operated vans are a more cost-effective means of transporting special education students in-district given the short distances, variability of student need and the flexibility to accommodate those needs. The District contracts vendors when a student has very specific needs that the District cannot meet with its own fleet and drivers.

**6.1 FTE Staff Additions \$293,475**

Proposed staff additions account for 88.6% of the total FY14 In-District appropriation increase. These additions are based on the growing needs of the Special Education student population, are primarily IEP driven, and are part of the proposed Level Service Increase. A description of the increased student need for each of these additions is included in the Enrollment section above, organized by elementary, middle and high school additions. In summary those positions are as follows:

- Special Education Primary Skills Teacher                      1.0 FTE
- Paraprofessionals    3.0 FTE
- Speech / Language Therapist    1.0 FTE
- Middle School Special Education Teacher                      1.0 FTE
- Sprague Occupational Therapist                                      0.1 FTE

Special Education Summer Program for High School Students \$52,581

A description of the need for this summer program is included in the Enrollment section above. It is included here for reference only.

**Out-of-District Budget** **Decrease of \$123,782**

Program	Category	FY10 Actual	FY11 Actual	FY12 Actual	FY13 Budget	FY14 Budget	Inc. or (Dec.)	% Inc.
Transportation	Expenses	\$553,599	\$516,091	\$533,796	\$669,468	\$620,936	(\$48,532)	-7.2%
Collaborative	Tuitions	\$630,245	\$649,322	\$718,209	\$678,370	\$622,954	(\$55,416)	-8.2%
	Students				12	12		
Private Day	Tuitions	\$2,738,645	\$3,645,363	\$3,091,988	\$2,815,451	\$2,601,557	(\$213,894)	-7.6%
	Students				49	41		
Private Residential	Tuitions	\$1,118,526	\$713,218	\$2,399,307	\$2,809,187	\$3,095,068	\$285,881	10.2%
	Students				14	12		
Circuit Breaker Offset		(\$658,792)	(\$1,165,067)	(\$3,202,923)	(\$2,213,558)	(\$2,321,779)	(\$108,221)	4.9%
ARRA Funds		(\$742,492)	(\$325,000)	(\$95,081)				
<b>Total</b>	<b>Expenses</b>	<b>\$3,639,731</b>	<b>\$4,033,926</b>	<b>\$3,445,297</b>	<b>\$4,758,918</b>	<b>\$4,618,736</b>	<b>(\$140,182)</b>	<b>-2.9%</b>
<b>Out-of-District</b>	<b>Students**</b>	<b>87*</b>	<b>84*</b>	<b>78*</b>	<b>75*</b>	<b>66*</b>		

\*Does not include unilateral placement of students by parents

\*\*All student numbers are given as of October 1 for the actual or budget year

The Out-of-District budget is comprised of the tuition costs for students who are placed in programs outside of the District where the students' specific disabilities can be addressed, the revenue offset from Circuit Breaker funds received from the State, and the transportation costs associated with those students who are placed in programs outside of the District.

**Collaborative**

In accordance with federal special education requirements, students are always placed in an educational setting that represents the Least Restrictive Environment from a continuum of least to most restrictive options. If a student requires an out-of-district placement, a collaborative placement would always be considered first because these programs are housed in public school buildings in other towns, so provide an environment similar to WPS.

**Private Day**

These special education schools are state-approved and provide special education services that are specialized and designed for cohorts with similar disability types.

**Private Residential**

A very few students have needs so severe and significant that they require a residential, state-approved special education school. Students in residential placements have global needs that require specialized instruction in all domains, including independent living skills. Some of these schools are located out of state but are approved by the State of Massachusetts because Massachusetts does not have any schools that provide the necessary programming for the specific nature of the students' disabilities.

Overall, tuition costs in FY14 appear to decrease by \$91,650. However, the tuition costs are almost flat compared to FY13. The increase in Circuit Breaker reimbursement revenue anticipated in FY14 causes a net decrease in the Out-of-District Tuition budget.

## **Transportation**

Out-of-District transportation services are provided by a combination of WPS vans and contracted vendors. The WPS vans cover about 55% of the Out-of-District transportation needs, and vendors provide the remaining 45%. The cost in FY14 is budgeted to be \$48,532 less than in FY13 primarily because of the reduction of two attendants at 0.69 FTE and 0.35 FTE, respectively. In FY14, one driving position is also reduced. This has been budgeted for several years for a spare driver but has never been filled. An increase for the lease/purchase of vans is budgeted to continue the replacement cycle that has been in place, and there is an increase in the contracted vendor routes based on estimated contract price increases. While some of the Out-of-District routes are scheduled for our van drivers, vendors are contracted to provide transportation to the more distant destinations, which is a more cost-effective and efficient way to schedule the District's resources.

## **Summary – Special Education**

Special Education services provided by WPS are legally mandated. The School District has undertaken several successful efforts to slow the rate of growth in Special Education spending: Specialized Programs in the WPS system, the ownership of the Special Transportation van program, the creation of the Out-of-District Coordinator role, and the retention of a Special Education attorney. These efforts have all had a positive impact on the Special Education budget. In addition, the District has been developing an effective Response to Intervention (RTI) program which provides support to students to avoid Special Education referrals.

Special Education federal law, IDEA, requires school districts to educate students in the Least Restrictive Environment (LRE). LRE is defined as provision of an appropriate education, to the greatest extent appropriate, with nondisabled peers. The goal of Specialized Programs within WPS is to create programs which meet this mandate while avoiding more costly out-of-district placements. Current Specialized Programs continue to expand as they move with student cohorts through each grade. At this point, the School District has not identified any additional cohort of students with critical mass to justify additional Specialized Programs. The focus over the next few years will be to continue to improve current programs along with more general Special Education services while effectively managing out-of-district placements.

## **Additional Observations – School Budget**

### **Looking Back – FY13**

Once again, Advisory believes it is useful to look back at the acknowledged deficiencies cited one year ago in the 2012 *Advisory Report to Annual Town Meeting*.

Many will recall that the senior management turnover in the fall of 2011 presented significant challenges to the FY13 budget process. Notwithstanding those challenges and a compressed schedule for preparation, Advisory and School Committee believed the FY13 budget was soundly prepared and prudent in its scope. But both Advisory and School Committee agreed that several important areas would require follow-up after the completion of the March, 2012 ATM. In that process, Advisory recorded the following observations last year (see "Looking Forward 1," pages 66-68; *verbatim excerpts below in italics*); an updated status is provided below each item.

*1. From 2012 Advisory Report to the Annual Town Meeting: Estimate of FY12 Turn-back. As discussed previously, FY12 results year-to-date indicate that a significant level of turn-back is anticipated from the School budget. Favorability in STTI spending appears to outweigh the unfavorable spending in Personal Services due to unanticipated headcount requirements. The post-ATM commitment is for the School Business Office, School Committee, Advisory Committee and Town Hall Finance staff to convene a session to review detailed year-to-date*

*spending for the first 9 months of FY12, project final quarter spending for the year, and estimate a value for turn-back. Subsequent efforts by the School District should be applied to manage remaining spending for the balance of the year to realize the estimated turn-back.*

**Update – March, 2013:**

Beginning in the fourth quarter of FY12, the new Director of Finance & Business Operations collaborated with School Committee to identify various favorable variances, along with assorted carry-forward or surplus positions from prior periods. The Director subsequently reviewed these results with Advisory and the Town's Director of Finance. All parties agreed that a turn-back of these funds made sense; this effort resulted in \$2.13 million turned back to the Town's General Fund during the accounting close for FY12.

*2. From 2012 Advisory Report to the Annual Town Meeting: Long-term Planning Options for Elementary Schools. With elementary enrollments declining since FY10 and those trends projected to continue, it becomes important for the Town's planning process to realistically and objectively consider options for contraction of elementary schools capacity. The Town's planning processes have effectively provided for increased enrollment in the past; an ability to adeptly plan for the opposite cycle is of equal importance to its fiscal health. The post-ATM commitment is for the School Committee to convene a formal process (including representatives from Advisory Committee) to consider and plan for the consequences of declining elementary enrollments, such as the reallocation of educational resources, the implications of redistricting or a possible school closure.*

**Update – March, 2013:**

The School Department's inability to reduce elementary school sections in light of declining enrollments remains perhaps the most vexing of planning problems facing the District, and ultimately impacting future budgets. As committed to in March, 2012, the School Committee, School Department and Advisory met multiple times through the FY14 budget cycle to discuss the planning of section counts for FY14. FY14 is projected to be the fifth consecutive year of declining elementary enrollments, yet there is no evidence that any elementary sections have been reduced over this period.

In early versions of the FY14 budget, the administration proposed a reduction of one section for the budget year, but acknowledged important class size imbalances among the neighborhood elementary schools. After further reflection and public discussion, the administration and School Committee have recommended that their approved budget carry a contingency to cover the possibility of adding back up to two sections. At the time of this writing, it is very likely that this contingency will be triggered and the total change in net sections for FY14 will be an increase of one section over FY13. For reference, FY09 records indicate a total elementary enrollment of 2,481 students in 117 sections. In FY14, the elementary enrollment is projected to be 2,271 students, also occupying 117 sections, inclusive of the two contingency sections.

The Superintendent has begun two integrated initiatives to strengthen the planning process as a result of these and other long term planning challenges for the District. With the agreement of the School Committee, he has begun two consulting engagements; one study covers demographic changes and enrollment projections for the town, and the second is a facilitated District-wide strategic planning process including all key stakeholder groups. Advisory agrees that this outside assistance, coupled with leadership from the School Committee and the Superintendent's team, is prudent and should result in a fact-based discussion of District options for education strategy and schools configurations for the long term.

However, Advisory also believes that a sense of urgency is important to drive changes to the planning processes based on these two initiatives. The ability to achieve a proper balance of elementary sections is important, with clear-cut educational and economic benefits. We think it is reasonable to insist that the FY15 budget process includes plans for implementation of the long-term plans that result from these engagements. Assuming elementary enrollments are projected to continue declining, section reductions should be realized in FY15.

**3. From 2012 Advisory Report to the Annual Town Meeting: Budget Process Improvements.**

*The compressed time frame following the departure of the SBO Director necessitated direct in-person processes and expedient analysis and decision-making. The result however, was improved transparency of the content of the School District's projections and an improved comprehension by those seeking to understand and support the schools plans for FY13. The post-ATM commitment is to find methods to institutionalize some of the more successful processes for future school budget cycles. The general improvement objectives of such a process remain the same as in prior cycles: Preparation of a budget document that is self-explanatory, "ties out" top-to-bottom with little difficulty, and provides data from prior years to facilitate year-to-year comparisons. Of course, such process improvements need to be considered within the context of new personnel in the Superintendent and Director of SBO roles.*

**Update – March, 2013:**

Advisory is confident that the addition of the new Superintendent and new Director of Finance & Business Operations has created a leadership group that possesses the same vision of what constitutes a comprehensive and transparent budget planning process. District leadership's engagement with both School Committee and Advisory throughout the budgeting processes assured that the expectations listed above were met and, in most cases, exceeded.

Of course we agree that long-term the responsibility lies with these two Town boards to assure that they articulate and receive the depth of information necessary for a strong budget process. District leadership, such as that in place currently, makes that process more likely.

**4. From 2012 Advisory Report to the Annual Town Meeting: Management of Spending vs. ATM Appropriation.**

*In preparation for the FY13 budget cycle, Advisory was surprised to learn of a significant level of unbudgeted spending for FY12 year-to-date. Specifically \$665,009 in unplanned Personal Services spending had been committed shortly after the start of the new fiscal year. This variance was of broad scope in terms of the hiring commitments made, inclusive of 18.9 Teaching Aids, 2.0 Elementary sections, originally slated for reduction but retained, and 1.55 various FTEs spread across WHS and WMS. Most importantly, no public discussion took place either prior to, or immediately following these decisions. It is Advisory's recommendation that the School Committee reconsider the process by which it oversees School Department expenditures and permits unbudgeted spending commitments. The School Committee should contemplate ways to include advance public disclosure and discussion regarding such decisions in an efficient process so as not to delay important day-to-day decision-making. When advance disclosure is not possible or practical, Advisory believes that routine (suggested quarterly) reviews of actual spending to budget as part of the regular public School Committee meeting agenda could also be effective.*

**Update – March, 2013:**

Beginning with the current fiscal year, the School Committee and Director of Finance & Business Operations have instituted a quarterly review of actual spending to budget during School Committee meetings. Those reviews thus far have resulted in discussions of observed or anticipated variances and necessary budgetary transfers. Advisory believes that this routine

forum to discuss actual-to-budget progress provides the transparency and rigor sought in our observations last March.

*5. From 2012 Advisory Report to the Annual Town Meeting: Response to Audit Activities. Two important reviews of the SBO and related processes were completed in FY12. The Town's Audit Committee commissioned a review of the "School Business Office and Selected Revenue Programs" by Powers & Sullivan which was completed in September, 2011. Subsequently the School Committee also commissioned the Massachusetts Association of School Business Offices (MASBO) to audit the SBO; this audit was completed in December, 2011. The Superintendent produced a written response to the Powers & Sullivan audit in October, articulating specific actions that could be taken in response to the findings. There has not, however been a similar written response crafted as a result of the MASBO audit, which is understandable given that the results coincided in time with the disruption in SBO staffing. However, little has been completed in the way of implementing corrective actions in the case of both reviews. Advisory recommends that the School Committee prioritize findings from both audits and direct the Superintendent's Office to execute the appropriate corrective actions on an agreed upon schedule. The School Committee should also insist upon a regular (suggested monthly) report from the Superintendent's Office, updating the Committee and the community on specific progress made with regards to the corrective actions.*

#### **Update – March, 2013:**

Based on the importance of this item as expressed by School Committee and Advisory, the Director of Finance & Business Operations began providing regular updates to School Committee on these findings immediately following the 2012 ATM. The Director has updated School Committee on multiple occasions in detail regarding the progress implementing corrective actions as a result of findings from both audits. It is the understanding of Advisory that the Town's Audit Committee has been satisfied with the Director's actions as a result of both MASBO and Powers & Sullivan findings. The MASBO audit has been formally "closed" and the Town's Audit Committee and Director of Finance now consider the School Business Office's response to the Powers and Sullivan audit also complete.

#### **Looking Forward – Sources of Uncertainty in FY14**

Given the complex nature of the School Department's budget, continued general economic uncertainty, and the assortment of important initiatives begun by the District, it is important that key areas of uncertainty are identified and monitored through the balance of FY13 and into FY14. While the list that follows is not all-inclusive, Advisory has identified several items which warrant careful monitoring; we summarize those here for consideration:

##### **1. Effective Integration and Coordination of Long-Term District Initiatives**

The Superintendent and School Committee have commissioned key initiatives with the intent of improving the quality of long-term planning for the District. As discussed earlier, the Demographic/Enrollment Study and the Strategic Planning processes will set important context for subsequent planning years. These processes need to remain in lockstep with the priorities of both the FMD and the School Facilities Master Plan Task Force. The synchrony and coordination of these efforts will be critical to the success and efficient economic support of the District's long term educational priorities.

##### **2. Scale & Complexity of School Facilities Master Planning Task Force**

In November 2012, the Schools Facility Master Plan (SFMP) was completed and began to be vetted town-wide. The plan defines a very ambitious undertaking to improve the physical plant of nearly all of the school buildings in the District. The SFMP Task Force was organized to

parse and prioritize the various initiatives into more manageable capital programs that could be phased over multiple fiscal years.

Given various states of need for the buildings, a “bundle” of the most urgent needs was conceived, for which the Task Force would seek FY14 approval through a Debt Exclusion vote. This would allow the urgent requirements to be met, while a more comprehensive schedule could be constructed. At the time of this writing, the mix of projects and total required FY14 investment remained undefined. Yet it is expected that a motion for design funds for early projects would move forward at the 2013 ATM.

### 3. Negotiation of Collective Bargaining Agreement (CBA) for Teachers

The current CBA expires at the close of FY13 and consequently the accuracy of the School District’s budget and the predictability of spending will depend upon successful and timely resolution of the CBA. Preferences are for the CBA to be settled by 2013 ATM, providing budget clarity for FY14 and further. However, the prospect of completion by ATM remains uncertain.

### 4. Special Education Expenses

As always, the magnitude of spending for the Special Education programs for the District warrants careful monitoring. There is excellent administrative understanding and management of controllable expenses, particularly those associated with In-District spending. But the uncertainties attendant with unanticipated changes in student population or with changes to the State’s support of the Circuit Breaker reimbursement can vary net expenses widely. As has been historical practice, budget figures for FY14 and earlier years are shown net of grants received, sometimes obscuring staffing and programmatic changes. Beginning with the FY15 cycle, the Administration is committed to providing future budgets with total anticipated Special Education spending, both before and after grants, to provide a clearer picture of year-to-year changes.

### 5. Revolving Accounts

The Superintendent and Director of Finance & Business Operations have both provided much-needed transparency into the various revolving funds, and the specifics of collections and disbursements across the District. They have also indicated that revolving accounts should be reviewed during FY14 to assure that the various student fees and other charges are reasonable and cover necessary expenses without building substantial surpluses. The Director has assured the School Committee that the review will be completed in the coming year and any policy changes reflecting revolving accounts will be included and quantified in the FY15 budget cycle.

### 6. Changes in State Funding

As in all prior years, changes to the state’s funding levels for the various educational programs will impact the School District ability to deliver the programs under the same School Appropriation requested here. Specific funding mechanisms such as Circuit Breaker (mentioned above) or Chapter 70 for general funding of the town expenses could feasibly impact delivery of educational services.

## FY14 Schools Cash Capital

The School Committee is requesting \$803,135 in cash capital covering Technology and Furniture, Fixtures and Equipment (FF&E) acquisitions. The Facilities cash capital request for schools, noted below, is part of the FMD cash capital request.

School-related cash capital is allocated as follows:

	<b>FY12 Actuals</b>	<b>FY13 Appropriated</b>	<b>FY14 estimated March '12 TWFP</b>	<b>FY14 Proposed</b>
Furniture/Furnishings	\$275,526	\$408,893	\$333,744	\$212,666
Technology	\$610,184	\$553,661	\$591,728	\$590,469
<b>Total Schools Responsibility</b>	<b>\$885,710</b>	<b>\$962,554</b>	<b>\$925,472</b>	<b>\$803,135</b>
Facilities	\$101,422	\$611,250	\$811,292	\$811,200
<b>Total</b>	<b>\$987,132</b>	<b>\$1,573,804</b>	<b>\$1,736,764</b>	<b>\$1,614,335</b>

### **Furniture, Fixtures and Equipment (FF&E) \$212,666**

Furniture represents over \$132,000, or about 60% of the total FF&E request. Included are almost 300 chairs and stools, approximately 60 desks and 20 area rugs. The administration has evaluated furniture across the District and is not satisfied with procurement and asset management processes. The Business Office will consolidate requirements across the District, standardizing where practical and establish quality and pricing goals. An asset tracking system will be implemented to provide better information on the quality and useful life of purchased furniture. All new furniture will be tagged as it is acquired. Ultimately all furniture currently in the system will also be tagged, a process which is estimated to take one year. The Business Office will also be responsible for redeployment of used furniture. Major proposed furniture purchases are \$39,000 at Schofield which includes replacing furniture in three Kindergarten classrooms (\$22,000) and furniture for one new section (\$11,000), \$25,000 at the Middle School, \$22,000 at the High School and \$19,000 at the district level.

#### **High School**

At the High School, the furniture and infrastructure request totals were \$22,719 and \$18,600, respectively. A number of these items were identified based on recent experience working in the new building. Some might have been captured as part of the construction project but were not identified in time to be included in the original project FF&E lists.

#### **Safety**

\$5,900 is budgeted for 27 Walkie-Talkies in the elementary schools. Other communications approaches have been explored but cellular and Wi-Fi based options don't offer the reliable connections that are needed.

	<b>FY14 Request</b>
Network Infrastructure	\$111,905
Replacement Computers	\$201,969
New Computers - Students	\$116,599
New Computers - Administration	\$19,529
1:1 Tablet Initiative	\$55,097
Other	\$85,370
<b>Total</b>	<b><u>\$590,469</u></b>

Network Infrastructure \$111,905

In FY13 and previously, fiber was installed to provide a wide area network across the District and local area networks were installed in all the school buildings. Wireless networks were installed in the High School as part of the construction project. In FY14, wireless networking projects are proposed for the Middle School and elementary schools. Phase I will consist of a new wireless controller and new access points at the Middle School and an upgrade from consumer-grade wireless routers at one elementary school to managed wireless access points. Phase II will add wireless access points at the Middle School and complete the process in the elementary schools in FY15 and FY16.

Replacement and new computers \$318,568

The laptop replacement cycle is currently five years. The replacement plan for FY14 is 186 laptops, about 11% of the total number of laptops currently in use across the District. The replacement plan has been reduced by 38 laptops reflecting the initial phase of the 1:1 tablet program. Continued reductions of new laptop purchases are expected in FY15 and beyond as the 1:1 tablet program grows.

Laptop expansion plans include 77 laptops and carts to reach the District goal of two laptop carts per elementary school (\$77,302), special education program growth, and larger sizes in Middle School robotics and High School business classes. Increased computer purchases for the administration support the main office and clerical activities and the new evaluation system.

1:1 Tablet Program \$55,907

Full implementation of this program over several years will include iPads for all students in the 5<sup>th</sup> through 8<sup>th</sup> grades. Goals for the program include individualized and differentiated instruction for students with more comprehensive and time-sensitive assessment and intervention by teachers. Built-in analytics will allow improved assessment across classrooms. Tablets will leverage applications aimed at specific subject areas. Improvement in science and math is a District-wide goal. Dreambox, an online math intervention application currently used in the District, will be available on iPad. In science classes, students use iPads for data collection and online research.

Tablet technology makes this approach practical with instant-on capability, all-day battery life and acceptable cost.

A pilot program was conducted in one Grade 5 classroom at Schofield using a WEF grant. Results were assessed through video and student surveys throughout the year with very positive feedback. The implementation plan has evolved as discussions have taken place in the

community. Concerns were raised about the original plan's financial model as well as its "take home" element. As a result, the plan was modified to slow the implementation thus allowing for more learning and evaluation during FY14. Key points of the modified program for FY14:

- iPads will be expanded across the entire 5<sup>th</sup> grade with the devices staying in school
- The District will assume the cost of the iPads; no parent funding is required
- These iPads will be used for the 5<sup>th</sup> grade for the next four years
- Funds planned for the lease-to-own startup costs will be shifted to fund a lease of the approximately 330 additional iPads needed to support the entire 5<sup>th</sup> grade
- The request to PTOs to support the initiative by funding secure charging carts and A/V improvements remains the same
- The request to WEF to provide funds for teacher iPads and summer professional development remains the same

While there is a shift in the funding, there is no change to operating and capital budget requests. Program experience will dictate plans for FY15 and beyond. The iPad lease cost is \$55,907 in FY14. However, the overall capital budget impact is \$18,541 because laptop purchases are reduced as they are effectively replaced by iPads.

**The two items that follow are not specifically included in the Schools' Cash Capital budget, but are accounted for in Article 17 on page 100. The items are referenced here because they represent important planned capital additions for the Schools in FY14.**

**Phone System \$411,000**

The proposed system replaces an analog system with one that is digitally based, resulting in improved reliability and reduced costs. Details of this important acquisition are covered under Article 17 (see page 102).

**Facilities-Related \$811,200**

The Facilities cash capital plan for Schools is addressed in the FMD section of Article 8 on page 37 along with the Facilities plan for the Town.

## BOARD OF SELECTMEN – EMPLOYEE BENEFITS

	FY12 Actual	FY13 Appropriation	FY14 Request	FY13-14 Change
Group Insurance	\$14,849,501	\$15,794,768	\$15,619,773	-1.1%
OPEB Liability Funding	\$3,000,000	3,000,000	3,000,000	0.0%
Retirement Contribution	\$2,630,273	3,209,844	5,008,205	56.0%
Unemployment Compensation	\$247,029	250,000	200,000	-20.0%
Compensated Absences	\$57,522	90,000	90,000	0.0%
Non-Contributory Pensions	\$23,461	30,905	16,700	-46.0%
<b>EMPLOYEE BENEFITS</b>	<b><u>\$20,807,786</u></b>	<b><u>\$22,375,517</u></b>	<b><u>\$23,934,678</u></b>	<b>7.0%</b>

The Town's Employee Benefits costs are appropriated and 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 costs. 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).

### Group Insurance

The Group Insurance budget covers the Town's share of FY14 health insurance premiums for active and retired employees. In addition, it includes worker's compensation, an employee assistance program, 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 Insurance benefits for active and retired Town employees continue to be a significant percentage of the total budget (\$15.6 million or 12.6% of the net revenue). Growth in premium cost has slowed over the last few years, as the benefits of conversion to the Rate Saver Plans are realized. Further, the Town is part of a health insurance collaborative, West Suburban Health Group (WSHG). Currently, WSHG has a \$21 million reserve which is recognized as being in excess of required reserves. In the coming fiscal year, WSHG will be determining how best to reduce this reserve possibly by rate reduction or a one-time dividend. This favorable status will minimize growth in the Group Insurance budget over the next few years.

### OPEB Liability Fund

Other Post-Employment Benefits (OPEB) liabilities are the actuarially-determined amount of the Town's obligation to subsidize a portion of the cost of medical insurance in future years for retired Town and School 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 \$3.0 million appropriation is intended to eliminate that unfunded liability by 2037, the valuation of which on June 30, 2012 was \$106.6 million. Of this \$3.0 million funding, \$1.2 million comes from within the tax levy and \$1.8 million comes from a ten-year exclusion voted in FY07. In addition, the Town's Electric, Water and Sewer enterprises fully fund their own share of the OPEB liability.

There is State legislation pending that would reduce this OPEB liability. As currently written, the legislation would increase the minimum years of service requirement from 10 to 20 years; increase the minimum age for eligibility to 60 for most employees; and prorate benefits on a scale from 50% premium contribution after 20 years to the maximum current retiree benefit – approximately 80% of premium for retirees with 30 years. These changes would effectively reduce the liability by as much as 15%. Until such legislation is passed, however, the current funding schedule will be followed.

### **Pension/Retirement Contribution**

The Town contributes to the Wellesley Contributory Retirement System (WCRS), a defined benefit pension plan for Town employees. Most Town employees are members of the WCRS, except for public school teachers and certain administrators who are members of the Massachusetts Teachers Retirement System to which the Town does not contribute. Plan members are required to contribute to the WCRS at rates that range from 5% to 11% of annual covered compensation. The Town is required to pay its share of the actuarially-determined contribution.

From FY97 until FY09, the Town did not make contributions to the WCRS, because it was fully funded and annual investment earnings were more than sufficient to cover the annual 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 \$1.0 million in funding for FY10, \$2.0 million for FY11, \$3.1 million for FY12, and \$3.8 million for FY13. Despite the recovery in global financial markets, a large unfunded pension liability still exists, necessitating a \$5,940,854 contribution for FY14 and higher contributions in future years to amortize the unfunded liability, in addition to paying the yearly normal cost for new growth. 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 FY14 of \$5,008,205.

The Town's contribution to the WCRS is expected to grow until 2030, although the annual increases will be significantly less than the increases planned for FY14 and FY15. The contribution is expected to increase steadily from \$5.9 million in FY14 to \$12.4 million in 2030. This schedule is designed to ensure that the Town's unfunded pension liability will be reduced to zero in 2030, at which time the contribution will decline significantly. The size of the contributions and the rate at which they increase may change, however, depending on the performance of financial markets and the Town's actuarial experience.

The current schedule is based on the assumption that the average annual investment return for the pension assets will be 7.75% and that the unfunded liability will be paid off by 2030 (10 years earlier than the law requires). The Retirement Board periodically reviews the investment return and all other assumptions in light of past experience and future economic and non-economic expectations, including expected investment returns in broader financial markets. The objective of the Retirement Board is to determine assumptions that are appropriate to ensure that WCRS has sufficient funds for the Town to meet its future obligations to current and retired employees. This fall, the Retirement Board initiated a review of the cost-of-living adjustment resulting in the proposed increase described in Article 6 on page 17. Further, the Retirement Board plans a comprehensive review of all economic and non-economic assumptions in the spring of 2013 and will likely recalibrate appropriations for FY15 and later years. In anticipation of a significant increase in contribution, the Town has added an incremental \$1.0 million in FY15.

### **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 primarily for 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 can be compensated for unused sick leave, subject to specific limitations, at their then-current rates of pay. For union employees, the details of such compensation are provided for under the provisions of collective bargaining. Under limited circumstances in union contracts, employees may be paid for unused sick time. These arrangements have been negotiated to reduce the use of sick time where an employee's absence results in additional cost to the Town from overtime coverage because of staffing needs (police and fire). Non-union employees are not paid for unused sick leave.

The Bylaw requires non-union employees to use their annual vacation time in the year in which it is granted, although the Human Resources Board is authorized by the Bylaw to grant exceptions to this rule for individual requests. In the instances where an employee is allowed to carryover vacation time, typically not more than 10 days, the carried-forward time must be used in the following year. Only the contract covering Library employees has any provision for limited carryover of vacation time.

### **Non-Contributory Pensions**

The Non-Contributory Pension budget provides retirement benefits for retired employees or their surviving spouses who elected not to become members of the WCRS 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.

## **CASH CAPITAL AND DEBT SERVICE**

**Cash capital** is the routine annual purchase of capital assets (such as equipment or furnishings) or minor construction and/or capital projects that, 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 2 ½, or "outside the levy," meaning it is debt service on projects that the voters have excluded from the limits of Proposition 2 ½.

Historically, the Town's general policy was 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 was 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 FY14 is projected to remain well below 7% for the sixth year in a row. This lower level of spending in part reflects the pressures on cash capital spending in favor of funding operating budgets during the economic downturn. But it also reflects the Town's policy of 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.

As can be seen in the table, however, outside-the-levy debt service continues to rise. For FY14, outside-the-levy debt service will make up 8.5% of total taxes. Much of this borrowing has been associated with school projects, specifically the new High School project.

<b>Trends in Wellesley Capital Costs (\$000s)</b>						
	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>
Cash Capital	2,826	2,787	2,757	3,008	3,526	3,869
<i>as % of Inside Levy Taxes plus Current Revenue*</i>	2.6%	2.5%	2.3%	2.4%	2.8%	2.9%
Inside Levy Debt Service	4,120	3,639	3,591	3,392	3,109	3,179
<i>as % of Inside Levy Taxes plus Current Revenue</i>	3.8%	3.2%	3.0%	2.7%	2.4%	2.4%
<i>Cash Capital + Inside Debt as % of Inside Levy Taxes plus Current Revenue</i>	6.8%	6.2%	5.9%	5.7%	5.7%	5.7%
Outside Levy Debt Service	5,687	7,200	9,688	10,816	11,059	9,563
<i>as % of Total Taxes plus Current Revenue</i>	5.2%	6.4%	8.2%	8.8%	8.6%	7.1%
Total Debt Service	9,807	10,839	13,279	14,461	14,168	14,629
<i>as % of Total Taxes plus Current Revenue</i>	9.0%	9.7%	11.2%	11.7%	11.1%	10.9%
Total Capital Costs	12,633	13,626	16,036	17,216	17,694	18,527
<i>as % of Total Taxes plus Current Revenue</i>	11.6%	12.2%	13.5%	13.9%	13.8%	13.8%
Inside Levy Taxes plus Current Revenue	101,802	103,815	107,978	111,670	115,771	122,982
Total Taxes plus Current Revenue	108,653	112,119	118,732	123,529	128,008	134,443
<i>Inside Levy as % Total Taxes</i>	94%	93%	91%	90%	90%	91%

\*Current revenue equals state aid plus local revenue

## DEPARTMENT CASH CAPITAL

	FY12 Actual	FY13 Appropriation	FY14 Request	FY13-14 Change
Public Works Capital	\$1,332,700	\$1,322,500	\$1,524,000	15.2%
School Capital	885,710	962,554	803,134	-16.6%
Facilities Capital- Schools	101,422	611,250	811,200	32.7%
Facilities Capital- Town	346,636	282,333	330,000	16.9%
Selectmen Capital	219,974	231,936	206,457	-11.0%
Library Capital	34,000	40,500	40,000	-1.2%
Town Clerk Capital	0	0	79,550	
NRC Capital	75,000	75,000	75,000	0%
Morses Pond Capital	0	0	0	0%
<b>DEPT CASH CAPITAL</b>	<b><u>2,995,442</u></b>	<b><u>3,526,073</u></b>	<b><u>3,869,341</u></b>	<b>9.7%</b>

\*FY12 Actual numbers were previously reported as School, Facilities, and Selectmen Capital

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

The complete *Five Year Capital Budgeting Program* is provided on page 164 and includes descriptions of each request.

### Facilities Maintenance Department Cash Capital

The 2012 ATM authorized and funded the formation of the Facilities Maintenance Department (FMD), consolidating a major portion of the maintenance of Town buildings under one department, including those buildings under the jurisdiction of the School Committee, the BOS and the Library Trustees. The goal of this new organizational and management structure was to encourage appropriate investment in and maintenance of a central Town asset: Town buildings. To this end, the FMD proposes to increase cash capital spending over the next four years as follows:

PROJECTED FMD CASH CAPITAL EXPENDITURES, FY14 – FY17					
	FY13	FY14	FY15	FY16	FY17
<b>Previously in 5 Year Plan</b>					
School Facilities	\$611,250	\$811,200	\$315,300	\$120,250	\$220,000
Town Facilities (non-school)	\$282,333	\$330,000	\$202,802	\$31,592	\$32,349
<b>Incremental increase</b>	0	0	\$981,898	\$1,848,158	\$1,747,651
<b>TOTAL</b>	<b><u>\$893,583</u></b>	<b><u>\$1,141,200</u></b>	<b><u>\$1,500,000</u></b>	<b><u>\$2,000,000</u></b>	<b><u>\$2,000,000</u></b>

However, this increased spending on maintenance is only a part of the bigger facilities picture. In 2011, the School Department commissioned a study by Symmes, Maini, McKee & Associates (SMMA) to provide a detailed review of all school facilities (with the exception of the new High School), including an assessment of the condition and status of all systems and their structural integrity. The results of this review, received in June 2012, were provided in the form of a comprehensive database, including schematics of all buildings, a room-by-room listing of

features and maintenance requirements, and a classification of all work by type and urgency. This study not only provides a detailed snapshot of the condition of school facilities today, but also a viable database for tracking facilities management going forward.

In September 2012, the BOS appointed a School Facilities Master Plan (SFMP) Task Force to use the SMMA study to identify short- and long-term capital needs, to prioritize the projects, and to develop a multi-year implementation and funding plan. The recommendation of the SFMP Task Force is provided in a report on page 189.

To further prioritize the short-term capital needs, the FMD worked with the SFMP Task Force and received input from school principals and department heads.

In addition to the FMD Cash Capital request, the FY14 plan includes a request for design funds for a number of capital projects (see Article 17 on page 100). These projects have been identified as priority needs in near term. The design funds will be financed through short-term borrowing under the levy and appropriated to the PBC. Following completion of the design work, the BOS will return to a subsequent Town Meeting for total project funds. It is anticipated that many, if not all, of the projects will be bundled together and funding sought by debt exclusion in a Town-wide vote.

**DEBT SERVICE**

This budget provides funds to pay the FY14 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.

<b>Inside the Levy</b>	<b>FY13 Tax-Impact</b>	<b>FY14 Request</b>
Debt Service on Existing Debt	\$2,903,335	\$2,796,845
Projected New Debt Service	205,800	382,620
<b>Total Inside Levy Debt Service</b>	<b><u>\$3,109,135</u></b>	<b><u>\$3,179,465</u></b>
<b>Outside the Levy</b>	<b>FY13 Tax-Impact</b>	<b>FY14 Request</b>
Debt Service on Existing Debt	\$9,877,968	\$9,106,389
Projected New Debt Service	0	456,131
<b>Total Outside Levy Debt Service</b>	<b><u>\$9,877,968</u></b>	<b><u>\$9,562,520</u></b>

New inside-the-levy debt is associated with motions under Articles 14 through 22 of this Town Meeting on pages 97 through 116.

## RECEIPTS RESERVED FOR APPROPRIATIONS

### Traffic and Parking

	FY12 Actual	FY13 Appropriation	FY14 Request	FY13-14 Change
Traffic & Parking Operations	\$620,233	\$833,864	\$843,846	1.2%

Funds for Traffic and Parking expenditures are provided by parking meter receipts, which are deposited into the Town Traffic and Parking Fund. The operating budget for the Traffic Fines Processing Department, formerly under General Government, has been moved to this non-tax impact budget.

This budget funds traffic and engineering services, meter maintenance, snow removal, sanding services for the Town's parking lots, parking lot repair and maintenance and now the Traffic Fines Processing Department. One Parking Clerk, five Parking Attendants and one Meter/Sign Repair person are included in the budget in addition to one part-time Administrator.

### CONCLUSIONS AND RECOMMENDATION – ARTICLE 8, MOTION 2

The FY14 budget request for operations, cash capital and debt service inside the levy limit is an increase of 3.3% over the FY13 appropriation. On the Personal Services side, there remains significant uncertainty as most of the major collective bargaining units are still deliberating. We are hopeful the results of collective bargaining for FY14 will be accommodated in the proposed budget or prove even more favorable to the Town. A 2% cost of living increase is provided for the Town's non-union, non-managerial staff, and a Merit Pay Plan is proposed to support performance-based increases for managerial personnel.

All funding obligations have been met in the FY14 budget, including a continuing commitment to fund both the Pension and OPEB liabilities. Additionally, the Town continues to raise the spending level of the Facilities Maintenance Department towards the current objective of spending approximately \$2 million per year through both Cash Capital and the long-term capital plan.

#### Primary Budget Drivers

Personal Services continues to be the largest driver of budget increase. While collective bargaining agreements remain open, it is difficult to provide commentary on the results. It is clear, however, that past levels of increases in Personal Services year-over-year (FY12 at 2.6%, FY13 at 5.7%, and FY14 at 3.1%) are unsustainable without other budget reductions or tax increases through an override of Proposition 2 ½. The increase in Personal Services, along with the necessary increase in Pension funding described below, consume the vast majority of the levy increase, making it difficult, if not impossible, to pursue growth opportunities or initiate innovative development. Fortunately, through some favorable one-time funding sources in recent years (stimulus funding in FY10 and FY11; larger than average turn-back in FY13), we have been able to avoid an override in FY14. However, at the current rate of year-over-year increase, the structural deficit will remain and will necessitate an increase in taxes next year through an override.

The contribution needed to fund the Pension liability has risen dramatically in FY14, with an increase of almost \$1.8 million over the FY13 amount. Another significant increase will be required in FY15, also upwards of \$1 million, as we continue to revise assumptions to reflect

current economic reality. Advisory supports this level of increase as we continue to re-fund the Pension liability through 2030.

The FY14 budget includes an increase of \$449,939 for Facilities Maintenance (Personal Services, Expenses and Cash Capital) to continue funding maintenance at a more appropriate and necessary level. This represents a significant additional commitment of resources which Advisory supports. Further, Advisory supports the commitment of FMD funds into the future to ensure that we are prudently managing our Town assets to provide the maximum value possible.

### **Long-term Capital Spending**

Despite the comprehensive information provided by the SMMA database, there remains significant uncertainty about the magnitude and timing of investments in school facilities that will be required over the course of the next 10 to 12 years. Planning will continue through FY14 and Advisory is hopeful that a comprehensive plan will be presented to Town Meeting in fall 2013 or shortly thereafter. Until such a plan is available and incorporated into our strategic plan, we view this as an unfunded liability of approximately \$85 million.

### **Use of Free Cash**

The use of Reserves in FY14 deserves attention again this year. Significant sums of Free Cash have been used to balance the budget in the three of the past four years. Last year, the FY13 budget was balanced with the use of over \$2.84 million of Free Cash, eliminating the need for an override as previously anticipated in the TWFP. In the FY14 proposed budget, Free Cash is used to offset a \$2.85 million budget deficit.

The Reserve balance as of June 30, 2012 was \$13.6 million, or 11.4% of net revenue. The use of Reserves to balance the FY14 budget will bring the level down to an estimated 9.3%. Although this is within the range approved by the BOS in their new Reserve Policy, presented in Appendix B on page 225, Advisory remains concerned about the use of such great levels of Free Cash to fund ongoing operations. Further, with reserves at 9.3%, the use of Free Cash *next year* will be severely limited. With this caution in mind, the majority Advisory supports the use of Free Cash to balance the FY14 budget.

Advisory continues to have a positive assessment of the Town's general financial health, including the adequacy of Reserves, the significant progress we have made toward funding Pension and Other Post-employment Benefits (OPEB) liabilities and the continued investment in facilities maintenance. The use of Free Cash as proposed does not change this assessment.

### **General Comments on Budget Process**

Advisory appreciates the time and effort the Office of Financial Services and the Town boards and staff have committed to the development of the annual budget.

Near- and long-term planning however continues to be a challenge. For the past three years, the assumptions used for assessing the financial picture in the out-years (two to five years in the future) have proven highly conservative; going into each of the last four planning years, the financial projection has predicted significant shortfalls, on the order of \$3-5 million. It continues to be a challenge to engage Town boards to provide multi-year forecasts based on probable trends and long-range planning at the Department level. This has led to generalized budget increases as opposed to informed projections at a more granular level.

Advisory urges Town Boards to include in their respective annual work plans a dedicated effort to provide thoughtful input to the Town Wide Financial Plan. Further, while Advisory appreciates fiscal caution, many fear the lack of an iterative process using more than one set of assumptions has yielded highly conservative projections ultimately stifling proactive budget development.

Advisory recalls a recent report authored by four former Advisory Committee Chairs that recommended that the Town employ multiple financial planning scenarios, one of which should be a no-override, balanced budget scenario. As stated in last year's report, Advisory strongly supports this approach and has concern that there is not a mechanism in place to enable this process. Further, there remains concern that the now-routine use of Free Cash is not a good trade-off against having a rigorous budgeting process.

**Advisory recommends favorable action, 11 to 0.**

### **ARTICLE 8, MOTION 3**

This Motion authorizes the Town to transfer the sum of \$2,852,956 from Free Cash to Available Funds in order to balance the FY14 tax-impact budget, and, in so doing, avoid balancing the budget with further tax increases by override. For this year and going forward, the Massachusetts Department of Revenue has requested this specific action when the use of Free Cash is proposed as part of the budget approval process.

The Town has transferred Free Cash to reduce the tax rate (i.e. to balance the budget) in three of the last four years:

FY13	\$2,837,757
FY12	\$1,041,064
FY11	\$0
FY10	\$1,029,353

A discussion of the use of Free Cash for this purpose is discussed above in the Advisory Conclusions and Recommendation. Advisory is aware that this transfer is necessary to adequately fund the budget proposed in Article 8, Motion 2 and therefore, a majority agree with the transfer.

**Advisory recommends favorable action, 11 to 0.**

**ARTICLE 9.** To see what sum of money the Town will raise and appropriate, or otherwise provide, for the town's Stabilization Funds 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 10.** 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, 2013, for payment of the MLP operating and capital expenditures in FY14.

### **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 8,875 residential customers and 1,175 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 from various related services including:

- Providing operations and maintenance services to the former Devens Army Base
- Providing fiber connectivity for a distributed antenna service for T-Mobile
- Providing fiber connectivity for high speed internet service for Lightower
- Providing streetlight maintenance for other towns

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 FY14 operating revenue to be \$30.5 million, a decrease of \$2.0 million (6.2%) from the FY13 budget. The MLP also expects to generate \$0.95 million in net non-operating revenue in FY14. The MLP reduced electric rates by 5% effective October 2012, resulting in electric rates that are approximately 25% below rates paid in surrounding communities. The MLP expects rates to remain among the lowest in the area.

### Operating Expenses

The MLP projects FY14 operating expenses of \$29.4 million, a decrease of \$0.52 million (1.7%) from the FY13 budget. Shown in the following table are the principal categories of MLP operating expenses for FY10 to FY14:

Operating Expenses	FY10 Actual	FY11 Actual	FY12 Actual	FY13 Appropriated	FY14 Proposed
Administrative & General	\$520,600	\$572,300	\$635,000	\$671,000	\$665,800
Purchased Power	23,039,100	21,180,800	19,649,600	20,830,000	19,681,200
Transmission	3,081,800	3,552,200	3,354,000	3,990,000	4,368,700
Distribution	1,032,100	984,100	1,024,700	1,035,000	1,028,700
Customer Service	457,600	489,800	513,000	610,800	620,400
Depreciation	2,419,900	2,541,900	2,690,100	2,771,000	3,027,000
<b>Total Operating Expenses</b>	<b><u>\$30,551,100</u></b>	<b><u>\$29,321,100</u></b>	<b><u>\$27,866,400</u></b>	<b><u>\$29,907,800</u></b>	<b><u>\$29,391,800</u></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, Motion 1 on page 21). From FY10 through FY14, the MLP's operating expenses are projected to decrease by \$1.2 million, an annual average of about 0.96% for this five-year period.

The MLP continues to use a layered and staggered energy portfolio. However, in order to take advantage of the current energy pricing, they have increased the portion of the portfolio which is hedged in future years, a strategy that has been effective in reducing purchased power costs. Reduction in Forward Capacity Market costs has allowed the MLP to absorb increased 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 are up over 42% from FY10 to FY14. The MLP continues to successfully manage its "delivery expenses" within the distribution, customer service and general & administrative categories. The MLP's FY14 budget includes \$122,218 to promote energy conservation in support of the Town's goal of reducing energy consumption. The MLP's day-to-day delivery costs are down \$1,900 (0.1%) from FY13. In addition, the MLP has experienced cost increases beyond its control. These include increased costs for health insurance, Other Post-Employment Benefits (OPEB) and pension-related funding requirements of \$77,000 (18.6%).

## Capital Expenditures

The FY14 MLP capital budget is \$3.1 million as follows:

Capital Budget	FY13	FY14
System Improvements	\$1,300,684	\$1,854,167
Replace G & W Switches	183,778	0
Upgrade Transformers	481,803	0
Overhead	123,750	123,750
Underground	148,750	123,750
Substation Upgrade Contingency	1,500,000	0
Customer Related Work	375,000	375,000
Provide 400/600 AMP Service	224,800	224,800
Replace Vehicles	230,000	275,000
Maintain General Plant	49,000	45,000
Improve Technology	30,000	30,000
Street Lights	64,600	64,600
<b>Total Capital Budget</b>	<b><u>\$4,712,165</u></b>	<b><u>\$3,116,067</u></b>

The MLP's FY14 capital budget is \$1.6 million below FY13 primarily because of the unused substation upgrade contingency (\$1,500,000); in fact, the FY14 capital budget is at its lowest level since 2007. The MLP's FY14 capital plan addresses the reliability, age and safety of the distribution infrastructure. These investments allow the MLP to provide Town residents and businesses with more reliable electric service. All of these capital projects will be paid from the MLP's operating profits and existing cash reserves.

## Outlook

Since the savings from natural gas reductions have been offset by increases in transmission costs, the MLP has been able to reduce electric rates through work force reductions, union concessions, and growth of external businesses. Examples include a 30% work force reduction since 1996 from 46 to 31 employees, combining underground and overhead line workers into one cross-trained department allowing for the elimination of four positions, and automated payment options allowing for savings in postage, stationery, and payment processing functions. 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 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. The MLP has net plant assets of \$52.1 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 partially hedged through FY17 should allow the MLP to operate without major rate increases despite annual increases in transmission costs. Based on the Forecast, Wellesley electric rates should remain among the lowest in New England.

Advisory believes the MLP's FY14 operating and capital budgets are appropriate.

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

**ARTICLE 11.** To see what sum of money the Town will raise and appropriate, or otherwise provide, including transfer from available funds, to the Board of Public Works for the Water Program; or take any other action relative thereto.

**(Board of Public Works)**

Under this Article, the Board of Public Works (BPW) requests the appropriation of the Water Enterprise Fund's (Water Fund) FY14 receipts and cash on hand as of June 30, 2013, for payment of the Water Division operating and capital expenditures in FY14, provided that the total amount of expenditures in FY14 shall not exceed \$8,030,848.

<b>Water Enterprise Fund</b>	<b>FY13 Plan</b>	<b>FY14 Plan</b>	<b>Change</b>
<b>Sources</b>			
Water Fund Receipts			
Water Charges	5,661,194	5,525,590	(135,604)
Other Charges	–	–	–
Subtotal - Operating Revenues	5,661,194	5,525,590	(135,604)
Other Cash Sources			
Depreciation (FY13 includes Op Exp Depr)	1,010,500	950,000	(60,500)
Non-Operating Income	220,000	220,000	–
Contribution in Aid of Construction	40,000	40,000	–
Loan Proceeds	335,000	350,000	15,000
Rate Stabilization	(218,790)	605,664	824,454
Contingency - From Available Cash	315,381	339,594	24,213
Subtotal - Other Cash Sources	1,702,091	2,505,258	803,167
<b>Total Sources</b>	<b><u>\$7,363,285</u></b>	<b><u>\$8,030,848</u></b>	<b><u>\$667,563</u></b>
<b>Uses</b>			
Operating Expenses (Personal Services & Expenses)	4,349,884	4,976,831	626,947
Non-Operating Expenses (Depreciation & Interest)	1,019,367	1,097,838	78,471
Other Non-Operating Expenses (House Service Connections)	220,000	220,000	–
Capital Expenses & Debt Obligations			
Capital Outlay*	693,000*	912,000	219,000
Expenditures of Contrib. in Aid of Construction	40,000	40,000	–
Debt (Principal)	725,653	444,585	(281,068)
Subtotal - Capital & Debt	1,458,653	1,396,585	(62,068)
Contingency	315,381	339,594	24,213
<b>Total Uses</b>	<b><u>\$7,363,285</u></b>	<b><u>\$8,030,848</u></b>	<b><u>\$667,563</u></b>

*\*Does not include \$1,680,000 for Morses Pond Wellfield Improvements included in the FY13 Plan. This work was appropriated at the 2012 ATM and was funded by borrowing.*

## **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, which can affect revenues and expenses. To offset this variability, the Water Division budget includes a substantial contingency. Overall, cash and equivalents in the Water Fund at the end of FY14 are projected to be \$1.6 million. Interest earned goes to the Town's General Fund.

## **FY14 Operating Budget**

The table above shows the Water Fund's anticipated sources and uses of funds for FY14. The Water Fund's receipts in FY14 from rate-payers are projected to be \$5.525 million. This revenue is based on an estimated annual usage of 1.089 million CCF (or 815 million gallons) of water. The BPW has not yet set water rates for FY 2014; the projected revenue assumes a 2% increase effective July 1, 2013.

Operating expenses in FY14 are projected to be \$4,976,831, which is an increase of \$626,947 compared to the FY13 budget. Personal service costs are projected to be \$1,691,225, an increase of \$75,641, or 4.7%, while the net increase for expenses is projected to be \$551,306, or 20.2%. MWRA charges account for \$465,000 of this increase, through a combination of higher water use and increased MWRA rates. Other (non-operating) charges are projected to increase by approximately \$78,471 from FY13 estimates, or 7.7%, due to a reallocation of depreciation expenses and increased interest expenses. Overall, total expenses are projected to be \$6,074,669, an increase of 13.1% relative to FY13.

## **FY14 Projected Capital Budget**

The Board of Public Works projects capital expenditures of \$912,000 in FY14. The FY14 capital program includes \$250,000 for water supply improvements; \$325,000 for distribution system improvements; \$50,000 for hydrants; \$70,000 for meter maintenance and meter improvements; \$197,000 for equipment maintenance and replacement; \$10,000 for building maintenance; and \$10,000 for GIS system mapping and modeling.

## **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, 14 to 0.**

**ARTICLE 12.** To see what sum of money the Town will raise and appropriate, or otherwise provide, including transfer from available funds, to the Board of Public Works for the Sewer Program; or take any other action relative thereto.

**(Board of Public Works)**

Under this Motion, the Board of Public Works (BPW) requests the appropriation of the Sewer Enterprise Fund's (Sewer Fund) FY14 receipts and cash on hand as of June 30, 2013, for payment of the Sewer Division operating and capital expenditures in FY14, provided that the total amount of expenditures in FY14 shall not exceed \$8,739,675.

<b>Sewer Enterprise Fund</b>	<b>FY13 Plan</b>	<b>FY14 Plan</b>	<b>Change</b>
<b>Sources</b>			
Sewer Fund Receipts			
Sewer Charges	\$6,683,866	\$6,910,156	\$226,290
Wellesley College	500,000	500,000	–
Other Charges	10,000	10,000	–
Subtotal - Operating Revenues	\$7,193,866	\$7,420,156	\$226,290
Other Cash Sources			
Depreciation	\$400,000	\$404,600	\$4,600
Non-Operating Income	50,000	50,000	–
Contribution in Aid of Construction	5,000	–	(5,000)
Grant Proceeds	171,000	144,000	(27,000)
Loan Proceeds	209,000	176,000	(33,000)
Rate Stabilization	(51,422)	59,462	110,884
Contingency - From Available Cash	469,352	485,457	16,105
Subtotal - Other Sources of Cash	\$1,252,930	\$1,319,519	\$66,589
<b>Total Sources</b>	<b><u>\$8,446,796</u></b>	<b><u>\$8,739,675</u></b>	<b><u>\$292,879</u></b>
<b>Uses</b>			
Operating Expenses - Non MWRA	\$1,292,385	\$1,347,378	\$54,993
Operating Expenses - MWRA Charges	5,173,300	5,300,000	126,700
	\$6,465,685	\$6,647,378	\$181,693
Non-Operating Expenses (Depreciation & Interest)	489,013	498,438	9,425
Other Non-Operating Expenses (House Service Connections)	50,000	50,000	–
Capital Expenses & Debt Obligations			
Capital Outlay	620,000	705,000	85,000
Expenditures of Contrib. in Aid of Construction	5,000	–	(5,000)
Debt (Principal)	347,746	353,402	5,656
Subtotal - Capital & Debt	\$972,746	\$1,058,402	\$85,656
Contingency	469,352	485,457	16,105
<b>Total Uses</b>	<b><u>\$8,446,796</u></b>	<b><u>\$8,739,675</u></b>	<b><u>\$292,879</u></b>

## **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 Wastewater Treatment Plant. MWRA charges represent 75% of the Sewer Division's expenses.

The expenses of the Sewer Division are funded through the Town's Sewer Enterprise Fund, which is non-tax impact. Revenues are received through rates charged to users. Customer charges are based on indoor water use, which is subject to variation. To offset the resulting variability in revenue, the Sewer Division budget includes a substantial contingency. Interest earned goes to the Town's General Fund.

## **FY14 Budget**

The table above shows the Sewer Division's anticipated sources and uses of funds for FY14. As shown, the Sewer Fund's receipts in FY14 are projected to be \$7,420,156. This includes an assumed rate increase of 9% as of July 1, 2013, which has not yet been approved by the BPW. Operating expenses in FY14 are projected to be \$6,647,378, an increase of \$181,693 or 2.8% from FY13. This increase is driven primarily by an increase in MWRA charges of \$126,700, or approximately 2.5% over FY13. Non-MWRA operating costs increased \$54,993 or 4.3%, due to an increase in the cost of benefits and insurance, offset by a decrease in personal services and a reallocation of depreciation expenses.

MWRA charges constitute approximately 80% 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 \$498,438, an increase of \$9,425 or 1.9%. The increase reflects the reallocation of some depreciation expenses from the operating budget as well as a slight decrease in interest.

## **Capital Budget**

Capital outlays for FY14 are projected to be \$705,000, an increase of \$85,000 or 13.7% from FY13. The FY14 capital program includes \$320,000 for rehabilitation of sewer mains, \$365,000 for ejector station improvements, \$10,000 for building maintenance and equipment replacement, and \$10,000 for GIS system mapping and modeling.

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

**Advisory recommends favorable action, 14 to 0.**

**ARTICLE 13.** To see if the Town will vote pursuant to Section 53E½ of Chapter 44 of the General Laws, as amended, to authorize/reauthorize the establishment of one or more revolving fund(s) for the purpose of funding the activities of certain departments of the Town; or take any other action relative thereto.

**(Board of Selectmen)**

This Motion requests the authorization/reauthorization pursuant to Section 53E½ of Chapter 44 of the General Laws, which requires that revolving funds – used without appropriation and established for particular uses by Town departments – must be authorized or reauthorized annually by vote of 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; any earnings on these funds is returned to the General Fund. A list of current Town revolving funds and the year each fund was authorized by ATM is given below:

<b>Revolving Fund</b>	<b>Expended by</b>	<b>ATM</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>
Street Opening Maintenance	DPW	2006	150,000	200,000	200,000	200,000
DPW Field Use	DPW	2006	200,000	200,000	200,000	200,000
Turf Field Fund	DPW	2011	---	25,000	25,000	25,000
Tree Bank	DPW	2011	---	75,000	75,000	75,000
Council on Aging Bus Fund	Council on Aging	2006	110,000	104,000	110,000	110,000
Council on Aging Social & Cultural Programs	Council on Aging	2006	45,000	45,000	45,000	70,000
Building Department Document Fees	Building Dept.	2006	50,000	50,000	50,000	50,000
Teen Center Program	Rec. Dept.	2006	35,000	35,000	35,000	40,000
Recreation Summertime	Rec. Dept.	2006	30,000	35,000	35,000	20,000
Recreation Scholarship	Rec. Dept.	2006	35,000	35,000	35,000	15,000
Library Room Rental	Library Trustees	2009	20,000	20,000	20,000	20,000
Branch Library Maintenance	Library/BOS*	2009	25,000	75,000	8,000	8,000
Brookside Gardens	NRC	2006	5,000	5,000	5,000	5,000

*\*This fund was expended under the direction of the Library Trustees in FY11, FY13, and FY14 and by the BOS in FY12*

The authorized expenditure limit for the Council on Aging Social & Cultural Programs has increased from \$45,000 in FY13 to \$70,000 in FY14 as a result of increased programming by the Council. The Teen Center Program expenditure limit has also increased modestly from \$35,000 to \$40,000. The Recreation Summertime Fund limit has decreased from \$35,000 to \$20,000 and the Recreation Scholarship Fund has decreased from \$35,000 to \$15,000. Both decreases reflect expected receipts, as prior estimates were higher than actual collections. All other fund limits remain the same and any increase in expenditure must be offset by an increase in receipts. The name and amounts of funds requiring authorization/reauthorization are as follows:

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

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

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

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

Council on Aging Social and Cultural Programs, said funds to be expended under the direction of the Council on Aging Department, annual expenditures not to exceed \$70,000;

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 \$40,000;

Recreation Summertime Revenues, said funds to be expended under the direction of the Recreation Department, annual expenditures not to exceed \$20,000;

Recreation Scholarship Revenues, said funds to be expended under the direction of the Recreation Department, annual expenditures not to exceed \$15,000;

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

Branch Library Maintenance, said funds to be expended under the direction of the Library Department, annual expenditures not to exceed \$8,000; 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. The total of all revolving funds may not exceed 10% of the prior fiscal year's tax levy. Advisory continues to support the management of these programs through revolving funds, as approved in 2006 and subsequent Town Meetings.

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

**ARTICLE 14.** To see what sum of money the Town will raise and appropriate, or otherwise provide, to the Permanent Building Committee for the cost of architectural, engineering and/or other services, for construction, reconstruction, remodeling, rehabilitation and/or modernization of the heating, ventilation, and air conditioning systems of the Department of Public Works Park/Highway Garages; 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 to borrow funds for the rehabilitation of the heating, ventilation and air conditioning (HVAC) systems in the DPW's Park/Highway Building. A review of the existing HVAC systems and a prioritized plan for repairs and improvements was developed in FY09, and FY13 funding is being used to prepare design specifications and bid documents for the proposed work.

In 2010, a consultant's study was performed on the HVAC systems of this building. At that time, a preliminary estimate, without the benefit of final bid documents, was given in the amount of \$749,000. The Town's *Five Year Capital Budgeting Program* presented at 2011 ATM included a \$1,000,000 placeholder to cover this work. In 2012, Town Meeting authorized under Article 19 the sum of \$75,000 for Design Services for the project. The project has proceeded through the design phase, is being overseen by the PBC, and a final contract is expected shortly.

The Park/Highway Building is the largest building on the DPW property. The building includes a large vehicle storage garage, wash bay, office space, Park and Tree conference room, sign shop/stock room, lunch room, men's and women's rest rooms, fleet repair area, boiler room, carpenter shop, and a small engine/welding fleet repair area.

Built in 1947, with a small garage bay added in 1990, the building consists of approximately 35,000 square feet. The Park/Highway Building's HVAC systems have had many operational problems in recent years. The boilers are over 25 years old and one of the boilers for the building is no longer operable and needs to be replaced. Some of the unit heaters in the garage areas were replaced in 1986 and their efficiency and overall condition will be evaluated. In addition to ongoing mechanical problems, building ventilation (particularly in the fleet maintenance garage area) is inadequate, air conditioning relies on inefficient window units in several locations, and the overall age of the heating system is cause for concern. Infiltration of exhaust into office and lunch room areas has been noted. Emergency repairs were made to the system through the 2011-2012 heating season and additional stop-gap fixes may be needed again this year.

Park and Highway personnel spend much of their day outside in all forms of weather and this building is their home base and office. This project is consistent with the Town's commitment to provide safe and comfortable working conditions for all its employees. Additionally, although not currently falling under the Facilities Maintenance Department's (FMD) purview, this project is consistent with the FMD's mission of maximizing the service life of the Town's facilities and protecting valuable town assets through regular preventive maintenance. This project has been on the Town's Five Year Capital Plan for several years.

Advisory agrees that the proposed improvements to the Park and Highway Building HVAC system are necessary and appropriate. It is Advisory's understanding that design plans for the HVAC rehabilitation of the Park/Highway building have been completed and bid documents have been received by the Board of Public Works. Before making a recommendation on this project, Advisory will await the awarding of the bid by the Board of Public Works and the opportunity to review the final cost estimates.

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

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

**ARTICLE 15.** To see what sum of money the Town will raise and appropriate, or otherwise provide, to the Board of Public Works, for the cost of architectural, engineering and/or other services, for preparation of plans and specifications, for construction, reconstruction, and/or rehabilitation of street, sidewalk, wall, foundation, supporting structures and/or drainage construction related to the Wales Street Bridge and approaches thereto; 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 Motion seeks to borrow \$400,000 for Wellesley's share of the cost of repairs to the Wales Street Bridge. This bridge is located at the end of Walnut Street and crosses the Charles River. The City of Newton and the Town of Wellesley share equally the cost of maintaining this bridge.

A routine inspection of the bridge arch conducted by Mass Highway (now Mass DOT) in August 2005 identified the need for improvements including the installation of approach guardrail and bridge railing transitions that meet current Mass Highway design criteria. Bridge railings must be raised to meet current safety standards and to match the proposed highway guardrail transitions that will be 3' 6" high. In addition, the existing bridge railings, which are simple stone parapets, do not meet current requirements for impact resistance. The bridge railings will be retrofitted to meet current height requirements as part of the height retrofit design.

Other project work will include the removal and replacement of concrete sidewalks on the bridge, the cold planing and overlay of the street surface approaches to the bridge, and the construction of about 100 feet of new bituminous concrete sidewalks on the west side of Walnut Street to fill a gap in the existing sidewalk network.

Advisory agrees that the repairs to the Wales Street Bridge are needed and that this appropriation to the BPW for Wellesley's share of the costs is appropriate.

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

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

**ARTICLE 16.** To see what sum of money the Town will raise and appropriate, or otherwise provide, for the cost of the following work at 900-910 Worcester Street, previously known and referred to as the Saint James The Great site: continuing due diligence investigation, demolition of existing structures and other site work, performing all necessary remediation, investigation of potential recreational uses of the site including performing program studies associated with the anticipated uses of the site, creating a master site plan, preparing applications to permit construction of the anticipated uses of the site, performing studies including architectural, engineering and/or other services, and conducting any other activities associated with the above listed tasks; to determine whether such sum shall be raised by taxation, borrowing and/or by transfer from available funds including Community Preservation Funds; or to take any other action relative thereto.

**(900 Worcester Committee)**

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

**ARTICLE 17.** To see what sum of money the Town will raise and appropriate, or otherwise provide, for architectural, engineering, and/or other services, for preparation of plans and specifications, for construction, reconstruction, remodeling, rehabilitation and/or modernization of;

- a) various Schools and other Town buildings; and
- b) former Municipal Light Plant substation (1 Municipal Way) for use as Facilities Maintenance Department offices;

to determine whether such sum shall be raised by taxation, through borrowing and/or by transfer from available funds including Community Preservation Funds; or take any other action relative thereto.

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

This Motion requests the authorization for the Town to borrow funds totaling approximately \$1,115,000 for the design development (total plus 15% contingency) of the projects listed below. Some estimates below are preliminary; the exact total funding request will be provided at or before Town Meeting.

FACILITY	PROJECT	AMOUNT
Fire Station #2	Floor Repair	\$28,000*
Fire Station #2	HVAC Renovation	\$84,000*
Police Station	HVAC Renovation	\$84,000*
Warren	Repairs	\$70,630
Middle School		
Donizetti Entry Plaza	Repair	\$41,400
Auditorium Seating/Flooring	Repair/replacement	\$39,500
Sprague School		
Roof	Replacement	\$55,500
Oak Street Entry Plaza	Repair	\$38,300
Hunnewell School	Roof Repairs	\$24,865
District-wide Security	Upgrade	\$146,325
VOIP Phone System ( <b>Full Project Cost</b> )	Replacement/upgrade	\$411,000

\*Estimated amount. Actual request will be provided at or before ATM.

**Project Descriptions**

The funding request under this Motion is for the design development for the following projects:

**Fire Station #2 floor repair** – The flooring in the apparatus/maintenance bays is in disrepair with cracking and peeling and has been cited by the Town’s insurance carrier as a safety issue. The project proposed includes new epoxy flooring.

**Fire Station #1 heating, ventilation, air conditioning (HVAC) renovation** – The 26-year old system is used continuously (24/7/365) and is beyond its service life.

**Police Station HVAC renovation** – The 18-year old system is used continuously (24/7/365) resulting in indoor air quality issues. It has also been cited by the Town's insurance carrier.

**Warren building repairs** – Multiple repairs are required, including areas of flooring, doors, roof and railings. HVAC and plumbing repairs are also included in this project.

**Middle School, Donizetti Street entry plaza repairs** – Ongoing water infiltration has caused deterioration of the concrete and structural integrity of the entry. The project proposed will rebuild the entry plaza, including the following: replacing waterproofing and concrete slab; repairing brick walls; adding fence/railing to side wall; and replacing ductwork.

**Middle School, auditorium seating replacement and floor repair** – The 50-year seating in the auditorium is beyond its service life, with many non-functioning and damaged seats. The project proposed will replace the 830 seats, replace carpeting, prepare and paint the concrete flooring, and include minor electrical work for aisle seat lighting. It is not anticipated that there would need to be structural work required such as a change in floor pitch.

**Sprague School, roof replacement** – The 89-year old slate roof is beyond its serviceable life and requires the replacement of loose/sliding and broken/missing slates and repair of known water leaks. The project as proposed assumes the replacement and repair will use slate tiles, consistent with the historical and architectural significance of the building. However, the use of alternative, less costly materials such as asphalt shingles will be reviewed during design.

**Sprague School, Oak Street entry plaza repair** – The Oak Street entry of Sprague School is the original front entrance of the building. Currently it is used only as an emergency exit. The entry plaza has incurred structural damage stemming from defects in the 2002 renovation. Apparent moisture infiltration has damaged the granite stairs and concrete handicapped ramp. The project as proposed includes investigating existing conditions and exploring possible solutions.

**Hunnewell School, roof repair** – The current condition of the roof requires several different types of repairs and upgrades, including additional drains to eliminate ponding around the building. The project proposed includes gutter replacement, copper flashing replacement, dormer/cupola repairs, and membrane seam repair.

**School District-wide security system** – The district-wide security system proposed includes surveillance cameras and card access at the Middle School and elementary schools (the High School has an existing system).

The funds for these projects will be financed through short-term borrowing under the levy and appropriated to the Permanent Building Committee (PBC). All of the above projects will be supervised by the PBC.

Following completion of the design work, the Board of Selectmen (BOS) will return to a subsequent Town Meeting for project construction funds. It is anticipated that many projects may be bundled together and funding sought outside the levy limit via a debt exclusion in a Town-wide vote. At that point, design costs will be folded into total project costs and included in

the debt exclusion request. The projects would then be completed over a three-year period, through FY16.

The funding request under this Motion also includes the **full cost** for the voice-over internet protocol (VOIP) phone system. The requested funds for the VOIP phone project include design, procurement and installation.

**VOIP phone system** – The current telephone system used by the School District is 15+ years old and is no longer supported with parts and service. The proposed system replaces an analog system with one that is digitally-based, resulting in improved reliability and reduced costs. The new fiber-based wide area network (already installed) will serve as the backbone for phone traffic across schools in the District, saving cost by eliminating the need to use external phone lines when calling from school to school. The proposed system is a hybrid system which provides advanced VOIP capability but can also provide analog phone service to take advantage of existing analog phone wiring in classrooms and offices where digital connectivity is not available. Cost savings are estimated at \$18,000 per year.

The full project costs for the VOIP phone system will be financed through short-term borrowing under the levy and appropriated to the PBC.

These projects were not included in the Five-Year Capital Budgeting Program as presented at the 2011 and 2012 Annual Town Meetings. The recent formation of the Facilities Maintenance Department (FMD) has enabled review and prioritization of the significant work required to adequately repair and maintain Town buildings. Similarly, the detailed information provided by Symmes, Maini & McKee Associates (SMMA) on the status of school buildings has enabled an equivalent process to be undertaken for the School buildings. The above list of projects is the result of this review and prioritization.

#### **Prioritization Process – Town Buildings**

The process to identify and prioritize Town facilities projects was initiated by the FMD in summer 2012, with:

- 1) A review of already-identified building concerns and maintenance needs;
- 2) Interviews with building “customers” (the management and custodians of each building);
- 3) A review of feasibility studies performed on these buildings.

#### **Prioritization Process – School Buildings**

The process to identify and prioritize School facilities projects was initiated in September 2012 after receiving the comprehensive online database prepared by SMMA. This database provides schematic floor and site plans of all ten school buildings (seven elementary, High School, Middle School, and PAWS), with a room-by-room listing of features and maintenance requirements and a classification of all work by type and urgency. This study not only provides a detailed snapshot of the condition of school facilities today, but also a useful database for tracking facilities management going forward.

In October 2012, the School Committee appointed a committee, the School Facilities Master Plan (SFMP) Task Force, to review the information in the SMMA database and propose short- and long-term plans to address the repair and maintenance of school buildings over the next ten years. A summary of the process and conclusions of the SFMP Task Force is provided in its report to Town Meeting on page 189.

### **Preliminary Estimate of Total Project Costs**

This article requests the authorization for borrowing to fund costs needed to prepare final design plans and specifications (Construction Phase Documents) and bidding assistance.<sup>17</sup> The objective will be to return to a subsequent Town Meeting with reliable cost estimates based on final design documents or, ideally, bids in hand.

### **Advisory Recommendation**

Advisory supports the approach of the BOS in bringing multiple projects together to fund design development using under the levy borrowing as opposed to cash capital. Doing so relieves pressure on the annual budget while funding the *design* of projects in a similar manner as the *construction* of projects: with debt.

One challenge with this approach has been the significant increase in project review work for the PBC in a very short time frame. Many priority projects have been deferred until future Town Meetings because of: 1) a lack of adequate time for review; and 2) a lack of information about long-term plans. Advisory supports the prioritization as presented, but is cognizant that significant issues, such as the renovation at Schofield School (partly to address indoor air quality issues), are still pending.

Advisory appreciates the challenge of prioritizing projects, particularly in light of the vast amount of information on school building conditions provided by the SMMA report. It is evident that significant work remains to address the major facilities issues facing the Town. The pending completion of the School Strategic Plan (September) and results from the commissioned enrollment and demographic study (mid-March) will help inform this process. At this point, however, the plan to move project prioritization forward remains unclear. In recent weeks, the School Administration and Town Officials have met with the Massachusetts School Building Authority (MSBA) to assess the possibility of gaining state support for projects under the MSBA's Accelerated Repair Program. If the Town were to gain MSBA participation on one or more projects, it is likely a School Building Committee would be formed for a specific set of projects.

Advisory has reviewed the list of projects presented in this Motion and agrees that they should be addressed at this time. Advisory supports the funding for design costs (and full project cost for the VOIP Phone System) as presented. Before making a final recommendation on this Motion, Advisory will review final cost estimates for the design development and the total amount requested under this Motion.

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

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

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<sup>17</sup> *The request for the VOIP phone system upgrade is an exception – the request is for the full project cost.*

**ARTICLE 18.** To see what sum of money the Town will raise and appropriate, or otherwise provide, in addition to the amount voted under Motion 2 of Article 20 of the Warrant for the 2009 Annual Town Meeting, for architectural, engineering and/or other services, for preparation of plans and specifications, for construction, reconstruction, remodeling, rehabilitation and/or design of the Tolles-Parsons Center (senior center) to be located at the Town owned site at 496 Washington Street (the former American Legion site) and for vehicular parking to be located on site or on other town controlled land; 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)**

Through this Motion, the Board of Selectmen (BOS) seeks an appropriation of \$165,313 to the Permanent Building Committee (PBC) to modify and update the building design and prepare construction documents for the Tolles-Parsons Center (formerly referred to as the "Senior Center") to be located on land controlled by the Town at 496 Washington Street which had been the site of the American Legion (AL). Following completion of the design and document preparation, the BOS will return to a subsequent Town Meeting with bids in-hand to seek funds for the final construction of the Tolles-Parsons Center (TPC). The *Report of the Board of Selectmen and Council on Aging: Status of Tolles-Parsons Center* is included on page 193. It lays out the chronology of the TPC from 2005 to the present.

### **Background**

At the 2009 Annual Town Meeting, \$600,000 was appropriated to develop the detailed design for the construction of the TPC. A Tolles-Parsons Building Committee (TPBC) was formed, Sterling Associates was engaged as the architect, and KV Associates was engaged as the Owner's Project Manager.

After the completion of the preliminary design and a Traffic and Parking Study, potential parking constraints were identified. A Town Development Review Team (TDRT) was created to assess the parking issues and make a recommendation to resolve them. Subsequently, the BOS sought ATM approval to acquire the adjacent property for \$1.25 million to enable more on-site parking. Town Meeting approval was limited to \$1 million to purchase the property which was insufficient for purchase. Subsequently, the TPBC performed a complete review of alternative sites in town for the TPC, ultimately concluding that there was not a viable alternative site.

With concerns remaining about parking, the TBPC reviewed other potential solutions:

- Off-site parking at neighboring lots;
- Use of remote parking and shuttles;
- Use of NRC land across the street for parking;
- Restricting hours to reduce parking need.

None of these options was determined to be viable.

In an effort to explore all alternatives, the TPBC proceeded to review potential partnerships with the Wellesley Community Center (WCC). The COA offices and programming are currently located in the WCC facility and the Town pays rent and custodial costs to the WCC for use of these facilities (approximately \$80,000 per year). The TPBC discussed many options with the WCC Board of Directors including Town-funded renovations and private-public partnerships. Ultimately, the parties agreed that they could not reach a resolution that was satisfactory to the

missions of both the COA and the WCC, and discussions were terminated.

With no viable alternative site, the BOS refocused efforts on 496 Washington Street. Additionally, there was newly-expressed concern that the original programmatic scope and design of the TPC, as presented at 2009 ATM, was not optimal today in light of the growing numbers and diversity of the senior population. In September 2012, the BOS reviewed the work completed to date and determined that enough time had elapsed since the original programming plan was developed to warrant a new review. To do so, they appointed the Tolles-Parsons Center Planning Committee (TPCPC) with the following charge:

- Review demographic trends, current research on senior centers, the mission and goals of the COA, and the services and programs currently provided.
- Create a new model for delivery of services and programs based on new findings.

The TPCPC completed a review and proposed the development of a revised programmatic model which would enhance and expand services and programming by creating a central location for the COA. Program delivery would be integrated with and supplemented by other Town departments in a collaborative process using multiple venues. An independent review committee, the Tolles-Parsons Review Committee (“Review Committee”) was formed to evaluate the Collaborative Model, review programming and space requirements needed to meet the current and future needs of seniors, and to assess the AL site. The Review Committee’s report is included on page 203. The Committee concluded that: 1) the need for community resources for seniors will only increase over the next two decades; 2) participation and programming are increasing; and 3) the AL site is adequate. They recommended the construction of a new senior center using the collaborative programming model to leverage other Town resources.

The Review Committee also specifically addressed the parking issues which have been a major concern at the 496 Washington Street site. Parking on site is available for 34 cars, including 2 handicapped spaces. There are plans to expand the police station parking lot which would add an additional 32 spaces, 20 dedicated to the TPC. Washington Street has spaces for 47 cars currently but it is anticipated that the number will be reduced to 41 to accommodate site lines, curb cuts and other site development issues. The Review Committee’s suggestions for mitigation included: 1) reconfiguring the parking spaces on Washington Street to make them deeper and hence safer for drivers entering or exiting their vehicles; 2) installing a pedestrian cross walk near the site; 3) providing shuttle service to the TPC; and 4) considering giving priority to seniors to some of the off-site spaces during hours of peak use at the TPC.

### **Proposed TPC Project**

The momentum for the Tolles-Parsons project began in 2005 with a gift from the estate of Mary Esther “Billie” Tolles for \$825,000 to found, construct and equip a free-standing senior center. The 2008 ATM appropriated \$50,000 to conduct a feasibility study at the American Legion site at 496 Washington Street, \$25,000 of which came from the Tolles gift and \$25,000 from Free Cash from the Town’s General Fund. After considering many other options and other locations for the TPC, the BOS chose the AL site for the TPC. The 2009 ATM appropriated an additional \$600,000 for a detailed building design at this site. Of this appropriation, \$255,159 has been expended to date on schematic design and design development. In order to modify the project design to accommodate revised programming and the diversity of the population, as well as develop plans for additional parking across the street at the police station, \$165,313 in additional design funds is needed.

The TPC design has a building footprint of 5,000 square feet. The building plan includes about 1161 square feet of office space for the Council on Aging (COA) on the first and second floors (approximately 23% of the TPC), a dining area, kitchen and a drop-in socialization/café area on the first floor and general meeting rooms on the second floor with movable partitions. The scope of the project has broadened since 2009 to include finishing the basement of the TPC for recreation and fitness uses. The project includes 4,765 square feet of floor space on the first floor; 4,908 square feet on the second floor; and a 4,563 square foot finished basement for a total of 14,236 square feet. The TPC is expected to be able to accommodate 130-150 visitors per day.

Proposed project design costs are summarized in the following table:

<b>Design Services</b>	<b>Amount Spent To Date</b>	<b>2009 Budget</b>	<b>2013 Budget</b>	<b>Proposed Cost Adjustments</b>
Architectural and Engineering	\$181,831	\$438,055	\$539,523	\$101,468
Other Professional Services	47,558	85,500	122,000	36,500
Other Project-Related Expenses	25,771	41,000	64,336	23,336
Contingency	0	35,445	39,454	4,009
<b>Total Budget</b>	<b><u>\$255,159</u></b>	<b><u>\$600,000</u></b>	<b><u>\$765,313</u></b>	<b><u>\$165,313</u></b>

The cost adjustment increases in design services result from design changes, a new traffic study, parking lot design and engineering, building code review, and revisions in the Project of Significant Impact (PSI) and architectural documents.

#### **New Proposal from Wellesley Community Center**

Recently, the Wellesley Community Center (WCC) came to the BOS with an alternate proposal for the TPC. In this new proposal, the WCC would construct the TPC adjacent to its current building at 219 Washington Street and connect it to the WCC building with a bridge that could include a café. Sixty-five additional parking spaces would be built on the 219 Washington Street property. WCC would own and control the building and lease it to the Town. The property is owned by the Wellesley Friendly Aid; WCC leases the property although it owns the WCC building.

The BOS met with the DPW Director, the Town Engineer, the Town's traffic consultant from Beta Engineering, Town Counsel, and the Planning Director to review this new option and consider how the TPC and additional parking would fit on the WCC site. After evaluating traffic, parking, site development, circulation and zoning issues, all of which posed significant challenges, the BOS voted not to move forward with the WCC proposal.

**Advisory Considerations**

Advisory is supportive of the Tolles-Parson Center, agreeing that the 60+ population in Wellesley is under-served by current COA facilities. Advisory believes that the need for a stand-alone facility has been carefully studied over a number of years, most recently by the TPC Planning Committee and Review Committee. The WCC site alternative has been thoroughly considered and correctly eliminated from consideration based on the increased traffic it would bring to the intersection of Routes 9 and 16, zoning considerations, and the desirability that the Town own the TPC site. Advisory agrees that the American Legion site is not a perfect location for a senior center but that it has been well vetted and that parking concerns have been adequately addressed.

There is some concern on Advisory that a the new Tolles-Parsons Center will require not only a capital appropriation but will also lead to increased operating costs in the COA and FMD budgets to support the Center after it is built. These costs are expected to be partly offset by the elimination of rental and custodial fees at the COA's current location. The majority of Advisory believes that on balance, the TPC will be an asset for Wellesley's growing population of 60+ individuals and will encourage them to "age in place." Advisory also supports the Collaborative Model and encourages the Town boards and committees to work together to provide 60+ programming without duplication, allowing the Town's 60+ residents to take increasing advantage of the resources at other Town locations.

Finally, Advisory observes that construction of the TPC has become more expensive over the past four years, primarily a result of 18% building cost escalation, changes in the building code, and secondarily because the project has a slightly bigger scope. Advisory is expecting to review a preliminary estimate of the hard and soft total project costs in advance of Town Meeting and plans to include this information in a supplement to this Report.

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

**ARTICLE 19.** To act on the report of the Community Preservation Committee on the fiscal year 2014 community preservation budget and, pursuant to the provisions of Chapter 44B of the General Laws, to appropriate or reserve for later appropriation monies from Community Preservation Fund annual revenues or available funds for the administrative expenses of the Community Preservation Committee, the payment of debt service, the undertaking of community preservation projects and all other necessary and proper expenses for the year; or take any other action relative thereto.

**(Community Preservation Committee)**

This Article contains three Motions which seek Town Meeting 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 (CPC Report)* on page 176. Please refer to the *CPC Report* for a more complete understanding of the Community Preservation Act and the proposals CPC recommends for approval.

Based on estimated FY14 revenues of \$1,350,592, the CPC requests the following:

- Motion 1. Appropriations of \$63,000 for administrative purposes and \$435,000 to designated reserves;
- Motion 2. An appropriation of \$225,000 for a grant to the Wellesley Housing Development Corporation (WHDC); and
- Motion 3. An appropriation of \$25,000 for the replacement of playground equipment at Perrin Park.

Favorable action under these Motions would have no tax impact but would reduce the balance in the Community Preservation Fund available for future projects. The net available fund balance, assuming appropriations recommended in these Motions are approved, is projected to be approximately \$2,832,567 as of June 30, 2013.

It is important to note that for planning purposes, the CPA Financial Plan for FY14 includes \$1,075,000 “placeholder appropriations” for projects that could arise during FY14. Expenditure of these amounts would be subject to future Town Meeting approval.

#### **ARTICLE 19, MOTION 1 - Administrative Expenses and Appropriations to Reserves**

- 1. Administrative Expenses.** The Community Preservation Act (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 \$63,000 (5% of estimated FY13 revenues) 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 FY14 annual revenues, the CPC has requested that \$145,000 (slightly more than 10% of estimated FY14 revenues) from the Community Preservation Fund be reserved for each of these three purposes, totaling \$435,000.

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

## **ARTICLE 19, MOTION 2 – Grant to Wellesley Housing Development Corporation**

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.

The CPC recommends that \$225,000 be appropriated from the Community Preservation Fund's Community Housing Reserve as an equity grant to the WHDC. The WHDC continues to seek new opportunities to purchase additional affordable units. In addition, the WHDC wishes to have the necessary funds available 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 which then 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 and the property can be offered at market rate. A June 2009 LDS Consulting Group Affordable Housing Market Study (a WHDC project funded by the Planning Board as recommended in the Town's Comprehensive Plan) showed an unmet housing need of 770 family units and 676 elderly units in Wellesley. 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.

Appropriations to the WHDC in FY06 through FY13 have totaled \$2,080,000. Following the purchase and redevelopment as affordable housing of two properties (three units) in FY11, there was a reserve balance of \$152,998. CPC's FY12 and FY13 appropriations of \$450,000 and \$330,000, respectively, brought the reserve balance to \$932,998, of which the WHDC is keeping available \$232,400 for the potential re-purchase of an *existing* affordable unit, leaving \$700,598 available for *new* affordable units.

### **Request for Funds**

This appropriation of \$225,000 would bring the WHDC's reserve to approximately \$1,157,998, allowing for the purchase and conversion of two market units to affordable (based on the total amount paid for the three units in FY11), the development of two new affordable units, and the repurchase of existing affordability-restricted units, if necessary.

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

## **ARTICLE 19, MOTION 3 - Appropriation for Perrin Playground Equipment Replacement**

The CPC recommends that \$25,000 be appropriated from balances on hand in the undesignated Community Preservation Fund for the replacement of playground equipment at Perrin Park. The DPW inspected older sections of the existing playground equipment, deemed it both unsafe and hazardous, and had it removed from the park. The \$25,000 will be applied toward the costs of replacing the equipment that was removed and installing new play structures that meet universal access requirements and applicable safety codes. Recent changes in the CPA legislation now permit the use of CPA funds to rehabilitate or restore recreational resources even when those resources were not initially acquired with CPA funds. The NRC requested \$30,000 to cover all of the anticipated costs; CPC agreed to fund \$25,000 and is expecting the NRC to raise the additional \$5,000 by fundraising among the neighbors and users of Perrin Park.

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

**ARTICLE 20.** To see what sum of money the Town will raise and appropriate, or otherwise provide, for architectural, engineering and/or other services for preparation of plans and specifications for renovation of the Hills Branch Library (210 Washington Street), including without limitation the chimney, 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 including Community Preservation Funds; or take any other action relative thereto.

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

Under this Motion, the Board of Selectmen (BOS) and the Board of Library Trustees ("Trustees") request an appropriation for the repair of the chimney at 210 Washington Street where the Hills Branch Library is located. The specific amount of the request will be provided at or before Annual Town Meeting.

### **Background**

In fall 2011, BOS contracted for the repair of the chimney and associated outer wall of the building at 210 Washington Street. The BOS paid the original contractor \$8,000 from the Town's Facilities Maintenance Department (FMD) budget for the initial work, which included preparation, staging and removal of some of the stones. Upon further investigation, it was determined the condition of the chimney was significantly worse than previously believed. In order to fully evaluate the condition of the structure and potential remedies, the PBC supervised a project to stabilize the chimney for one year. The stabilization project cost a total of \$35,000 (\$15,000 from the Branch Maintenance Revolving Fund ("Revolving Fund") and \$20,000 from the Advisory Committee Reserve Fund).

In January, 2012, Advisory Committee approved a transfer of \$10,000 from the Advisory Committee Reserve Fund, as requested by the BOS and the Trustees, for a design study to determine the scope and cost of repair. With these funds, the BOS and Trustees worked with the PBC to develop estimates to support a request for an appropriation of the total chimney repair.

Because 210 Washington Street has been listed on the *National Register of Historic Places* since 2007, the Wellesley Historical Commission (WHC) requested that the chimney be restored

to its original appearance and the fireplace restored to its original working condition. After consulting with historic preservationists, the cost for the design and estimates for the final repairs to the chimney were estimated to exceed \$100,000. A placeholder of \$100,000 was included in the FY13 Capital Program to be funded from Free Cash.

In 2012, new cost estimates on the repair of the chimney were solicited from Weston & Sampson. These ranged from less expensive, partial restorations that would be ineligible for CPC funding to significantly more expensive, full historical restorations. In early 2013, CPC granted \$7,500 to the Trustees for the purpose of hiring a historical preservationist, Preservation Technology Associates, to independently review the project with respect to the historical restoration and to provide additional cost information.

The options for review were as follows:

Scope	Description	Consultant	Estimate
Full Historical Restoration	To original appearance; working flue; categorize/re-use stones	Preservation Technology Associates, LLC	\$184,800*
Full Historical Restoration without working flue	To original appearance; non-working flue; categorize/re-use stones	Preservation Technology Associates, LLC	144,660*
Full Non-Historical Restoration	To original appearance; including new brick-lined flue & custom stone cap	Weston & Sampson	93,178
Partial Restoration – a	Chimney wall & roof re-shaped to delete flue, addition of new tile roof	Weston & Sampson	68,803
Partial Restoration – b	Chimney shortened; solid metal cap & flashing; non-working flue	Weston & Sampson	53,099

*\*Preliminary estimates only, representing the mid-point of the cost range. Costs not explicitly analyzed by the PBC.*

The PBC evaluated these options and in consultation with BOS, CPC, and the Trustees, and WHC, the decision was made to explore a full (non-historical) restoration to preserve the appearance of the chimney but omit a working flue. Fire safety officials have advised that using a fireplace would be unsafe in a library environment.

Given the extent of the work anticipated with the repair of the chimney, the PBC recommended an evaluation of the entire building envelope to determine if there were similar issues with the stone work in other areas of the building. The *Exterior Envelop Assessment Study* conducted by Weston & Sampson, provided details on the current condition and future maintenance needs of the building. In general, the building is in good condition and well maintained. Anticipated maintenance costs have been included in the Five-Year Capital Plan and will be included in the capital maintenance program managed by the FMD.

### Spending to Date

The funds expended on the chimney at 210 Washington Street to date are as follows:

Phase 1	Payment to contractor for initial work	BOS-FMD	\$8,000
	Stabilization	Branch Maintenance Revolving Fund	15,000
	Stabilization	Advisory Committee Reserve Fund	20,000
Phase 2	Design of repair, including cost estimates	Advisory Committee Reserve Fund	10,000
	Hiring of historic preservationist	CPC Funds	7,500
<b>TOTAL</b>			<b><u>\$60,500</u></b>

### Current Status

At its March 11, 2013 meeting, the Library Board of Trustees unanimously approved the following motion:

"As Library Trustees and custodians of the Hills branch library building, we support the restoration of the east facing chimney and wall of the building in a manner that maintains its historic designation to the degree that is fiscally responsible."

The PBC continues to review the information provided by the multiple studies and consultants in order to determine: 1) the option to be pursued; and 2) the costs associated with that option. The BOS and CPC continue to discuss how the project will be funded. The level of CPC funding is, in part, determined by the extent to which the Town is committed to a full historical restoration. A final determination on the approach to repair, associated costs and funding source(s) is expected prior to or at Town Meeting.

Advisory unanimously agrees that the current condition of the chimney at 210 Washington Street is unsafe and unacceptable. Without making repairs, there is concern that the chimney presents a liability to the Town and that further damage to the building interior could occur. However, Advisory is concerned that the full spectrum of options for the chimney repair have not been fully investigated. Without a greater understanding of the requirements for maintaining National Historic Register status, the degree of historic accuracy required for potential CPC funding, and a PBC cost-analysis of some of the non-historical options, Advisory cannot make an informed recommendation for this project as this book goes to print. Advisory hopes to receive this information in advance of Town Meeting and, if available, to include it in a supplement to this report.

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

**ARTICLE 21.** To see if the Town will direct whether or not future planning for capital needs shall include the needs of the branch libraries, a question implicitly raised by the voter results of the following question put to the voters by referendum on May 16, 2006, which was as follows:

Shall the Town of Wellesley be allowed to access an additional \$75,603 in real estate and personal property taxes for the purpose of funding its operating budget for the Hills Branch and Fells Branch of the Wellesley Free Library, for the fiscal year beginning July 1, 2006?

action on said referendum being 4,512, Yes, 4,927, No; the Library Trustees having largely covered the branches operating expenses by fundraising and other sources in the meantime; or take any other action relative thereto.

**(Board of Selectmen)**

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

**ARTICLE 22.** To see if the Town will vote to acquire by deed, eminent domain or otherwise, the most-westerly portion of the Cochituate Aqueduct, currently under control of DCAM of the Commonwealth of Massachusetts, said parcel of land comprising 5.59 acres running from the Natick Town Line to approximately 25' south of Dedham's Brook Waste Weir at which point said parcel meets the portion of the Aqueduct already owned by the Town; provided the Town pay the fair market value of said parcel to be determined by an independent appraisal, and also all other costs associated with the same as authorized by c. 267 of the Acts of 2002 and as may be further authorized by additional legislation to be proposed if necessary by DCAM or the Town, to appropriate a sum of money for the purpose, to be raised by taxation, through borrowing and/or by transfer from available funds; to authorize the Board of Selectmen to file Home Rule legislation regarding the same if necessary; to authorize the Board of Selectmen to enter into a lease of a portion of said property; or take any other action relative thereto.

**(Board of Selectmen)**

This Motion seeks Town Meeting approval to authorize the Board of Selectmen (BOS) to file special legislation with the Commonwealth to pursue the acquisition and subdivision of 5.59 acres comprising the western portion of the Cochituate Aqueduct. The 5.59 acres is potentially to be divided into two portions, labeled "Town Parcel" and "Dunkin' Donuts Parcel" ("DD Parcel") on the map on the following page.

### **Background**

In 2002, special legislation was enacted by the Massachusetts legislature to authorize the Town to purchase a 5.59 acre section of the Cochituate Aqueduct for general municipal use. This land is held by the Commonwealth under the care and control of the Metropolitan District Commission as successor to the Metropolitan Water Board and the Massachusetts Division of Capital Asset Management (DCAM) is charged with disposing of it. The Aqueduct was abandoned by the state in 1952 and the land is considered surplus property.

The Town pursued this acquisition ten years ago because the land is adjacent to the Crosstown Trail and connects with a similar trail in the Town of Natick. The aqueduct creates a natural buffer between the commercial properties along Route 9 and the residential neighborhoods near Overbrook Drive, South Woodside Avenue, Ottaway Circle and Beechwood Road.



Pursuant to the special legislation, the Town could have acquired the land for \$223,500. The Town had considered using a portion of the land for the development of affordable housing, but determined that it was unsuitable for this purpose. The BOS also considered the purchase price an excessive use of Town funds. Because it was likely the land would remain open space, the Town opted to not complete the purchase.

Since 2006, the Town has been repeatedly approached by Mr. Donovan, the owner of the Dunkin' Donuts (DD) franchise operating at 951 Worcester Street, to acquire or lease an 11,000 to 13,000 square foot (approximately  $\frac{1}{4}$  acre) parcel adjacent to 951 Worcester Street so he could provide a better lay-out of the site, improving access and parking.

The public safety and traffic problems caused by the existing small parking lot and exacerbated by the drive-thru lane are well known to the Town. At peak times of day, the drive-thru queue often backs up onto Route 9, impeding traffic flow. Currently, Mr. Donovan is operating under a Special Permit, renewable bi-annually by the Zoning Board of Appeals, which limits his menu offerings at the Drive-thru window at certain times of the day to help avoid traffic backups onto Route 9.

The franchisee requirements for operating a DD restaurant have changed significantly during the 26 years that the DD at 951 Worcester Street has been operating. The franchisee is contractually obligated to update the building to the new DD image standards and has been granted multiple extensions allowing him to enter into discussions with the Town and State to secure the DD Parcel. The facilities no longer conform to the requirements imposed by DD, the franchisor. Specifically, in addition to the safety issues mentioned above, the size of the building

is too small to accommodate the additional menu items offered by a modern DD. Mr. Donovan is on his last extension and should the proposal to acquire the DD Parcel fail, he will be required to remodel the existing building with today's image standards without delivering the benefits to the Town discussed below.

### **Discussion**

The proposed redevelopment of the 951 Worcester Street site would solve some significant safety concerns of the Town and provide additional Town-owned open space. A preliminary review of the proposed DD site redevelopment indicates that it would be subject to wetlands review and site plan approval. This would afford the Town and neighbors an opportunity to review traffic circulation, lighting, noise, architecture and landscaping, including screening of the DD from the abutting neighborhood.

If this Motion is approved, the BOS intends to file special legislation with the state so that sale or lease of the DD Parcel to Mr. Donovan is accomplished. Two options are being pursued. In Option 1, the Town will borrow funds to purchase the entire 5.59 acre parcel and then lease the DD Parcel to Mr. Donovan with lease terms to cover the Town's borrowing costs. In Option 2, DCAM will sell the DD Parcel directly to Mr. Donovan for the entire cost of the 5.59 acre parcel and then DCAM will deed the Town Parcel to the Town for \$1. In both scenarios, special legislation is required as the DD Parcel would not be intended for municipal use. The Town prefers Option 2 and is working with DCAM to facilitate it. If the Commonwealth grants the special legislation, it places no obligations on the Town to proceed with either alternative.

The previous appraisal anticipated that all the land would be used for general municipal purposes and the valuation reflected this use. Preliminary discussions with DCAM indicate that an updated appraisal will be required to determine the value of the DD Parcel as commercial land. All costs associated with the reappraisal and the increased purchase price will be paid for by Mr. Donovan if Option 2 above is pursued.

In Option 1, a special permit would be required for the entirely Town-owned aqueduct parcel to include parking on the leased DD Parcel. Option 2 would require future Town Meeting approval to rezone the DD Parcel as either Single Residence A (to allow parking) or Business (to allow increased building capabilities as well as parking). The Town Parcel would continue to be zoned as Single Residence.

Concurrently with the BOS filing the special legislation, Mr. Donovan will begin the redevelopment permit process. Mr. Donovan would not purchase the property until he received all required permits, the zoning map was amended, and the purchase price asked by DCAM was acceptable to him. If this Motion is unsuccessful, DCAM could move to sell the land to another buyer for commercial or residential use.

The costs to the Town of this purchase are not entirely known. Due diligence must be undertaken by the Town before agreeing to accept the ownership responsibility of the Town Parcel. The physical soundness of the aqueduct pipe must be evaluated. There are culverts and structures along the aqueduct including Dedmun's Brook waste-weir<sup>18</sup> and a stone conduit house which enables water from the aqueduct to be diverted into Moses Pond. These elements must be investigated to determine their structural integrity and the potential cost of future maintenance. The conduit house, the weir and the entire aqueduct are listed on the *National Register of Historic Places*. As with any site, the potential liability associated with past

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<sup>18</sup> A weir is a barrier designed to alter the flow characteristics in an aqueduct. It is commonly used to prevent flooding.

environmental contamination must be ruled out. Current work proposed by the state to correct drainage problems in this section of Route 9 should also be examined and any exposure should be fully understood.

The BOS has conducted a thorough analysis and has fully disclosed the procedural and regulatory hurdles presented by the DD proposal and has advised that it will not proceed with this project until it is satisfied the maintenance and liability issues have been resolved. Much of the information provided here describes potential future actions; this Town Meeting is being asked only to allow the special legislation to be filed. Even if this Motion is approved, a future Town Meeting would need to approve the appropriation of any funds for the acquisition of the land. In Option 1, any terms of a lease would also require Town Meeting approval. Finally, Town Meeting would need to approve any zoning changes.

Advisory believes that the benefits to the Town of this proposal are numerous. The public safety concerns regarding traffic and queuing at the drive-thru lane would be significantly remediated by this proposal. At little or no cost, the Town would be acquiring an additional parcel of open space that would not only connect to a proposed trail in Natick, but could also possibly provide pedestrian access to the Crosstown Trail and the proposed recreational complex at 900 Worcester Street. Other than the DD Parcel, the Town Parcel would be limited to open space uses so as to preserve the natural buffer between the residential and commercial districts along Route 9. The BOS has met with the Trails Committee which has expressed its interest in having Wellesley acquire the Town Parcel.

The DD site would be improved consistent with other projects proposed and recently completed in this gateway area of the Town. Tax revenues would be enhanced by the improvements and the transfer of a portion of the State-owned parcel onto the Town tax rolls. The Town would also retain a small business that has been operating for many years.

**Advisory recommends favorable action, 11 to 0.**

**ARTICLE 23.** 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 Motion 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 to connect utility services to their properties. 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 easements are ready to be presented at Town Meeting:

- 23-27 Washington Street – Egress, Pedestrian and Retaining Wall Easements
- Cochituate Aqueduct (Boston Gas Company) – 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
- 34 Eisenhower Circle – Utility Easement (Abandon)
- 42 Eisenhower Circle – Utility Easement (Abandon and Relocate)

The following easements may be ready to be presented to Town Meeting, but they are currently undergoing review:

- 5 Lake Road – Sewer Easement (Abandon and Relocate)
- 56 White Oak Road – Drainage Easement (Abandon and Relocate)
- 16 Albion Road – Drainage Easement
- 21 & 33-35 Pleasant Street – Sewer Easement

None of the easements described herein involve any expense to the Town. It is possible that additional easements will be presented to Town Meeting.

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

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

**ARTICLE 24.** 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 sums 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 Motion seeks authorization for the Sewer Fund to borrow up to \$271,700 from the Massachusetts Water Resources Authority (MWRA).

The MWRA Sewer Infiltration/Inflow Local Financial Assistance Program provides a combination of grants and interest-free loans for sewer rehabilitation work. The Town of Wellesley is eligible to receive \$222,300 in grants and \$271,700 in loans under the most recent phase of the MWRA's I/I financing program. The grant funding is available after the loan funding is expended. The loan is interest-free and to be repaid over five years. Actual borrowing would be in several stages, to coincide with the work schedule.

Funds from these MWRA loans and grants will be used for a multi-year sewer line rehabilitation project to reduce infiltration and inflow into the Town's sewer lines. Infiltration is water that seeps into the sewer lines due to cracks or unsealed joints; inflow is water that enters the sewer lines through direct connections (such as illegal sump pumps). Currently, infiltration/inflow is a major contributor to the Town's sewerage flow, upon which annual sewer charges from the MWRA are based.

Town Meeting has previously approved a total of \$1,960,055 of MWRA Sewer Infiltration/Inflow borrowing. The proposed borrowing from this authorization plus the earlier borrowings qualify the Town for a total of \$1,537,945 in grant funding. Funds from the borrowing under this Motion will be used after FY14, as the Sewer Fund in FY14 is using the proceeds of earlier borrowings.

Advisory believes that the benefits from these MWRA loans is very high, as they are interest free, trigger additional grant money, and the improvements they fund reduce the Town's sewage flow and hence MWRA charges.

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

**Advisory recommends favorable action, 14 to 0.**

**ARTICLE 25.** To see if the Town will vote to acquire, by gift, deed, eminent domain or otherwise, the following three parcels, abutting the existing Fuller Brook Park, to be joined to said park and thus under the jurisdiction of the Natural Resources Commission, to be held for Parkland purposes:

- a) 17R Seaver Street : Parcel No. 77 on Assessor's Map No. 76, containing 12,391 sq. ft., now or formerly owned by Babson College;
- b) 11R Seaver Street: Parcel No. 76 on Assessor's Map No. 76, containing 7,063 sq. ft., now or formerly owned by Heirs of Melvin and Mildred Morse;
- c) 21R Seaver Street: Parcel No. 78 on Assessor's Map No. 76, containing 11,395 sq. ft., now or formerly owned by Heirs of Melvin and Mildred Morse;

to appropriate a sum of money for said purpose and in order to provide proper recognition of the parcels' history and other costs incidental to the acquisition; take any other action relative thereto.

**(Board of Selectmen)**

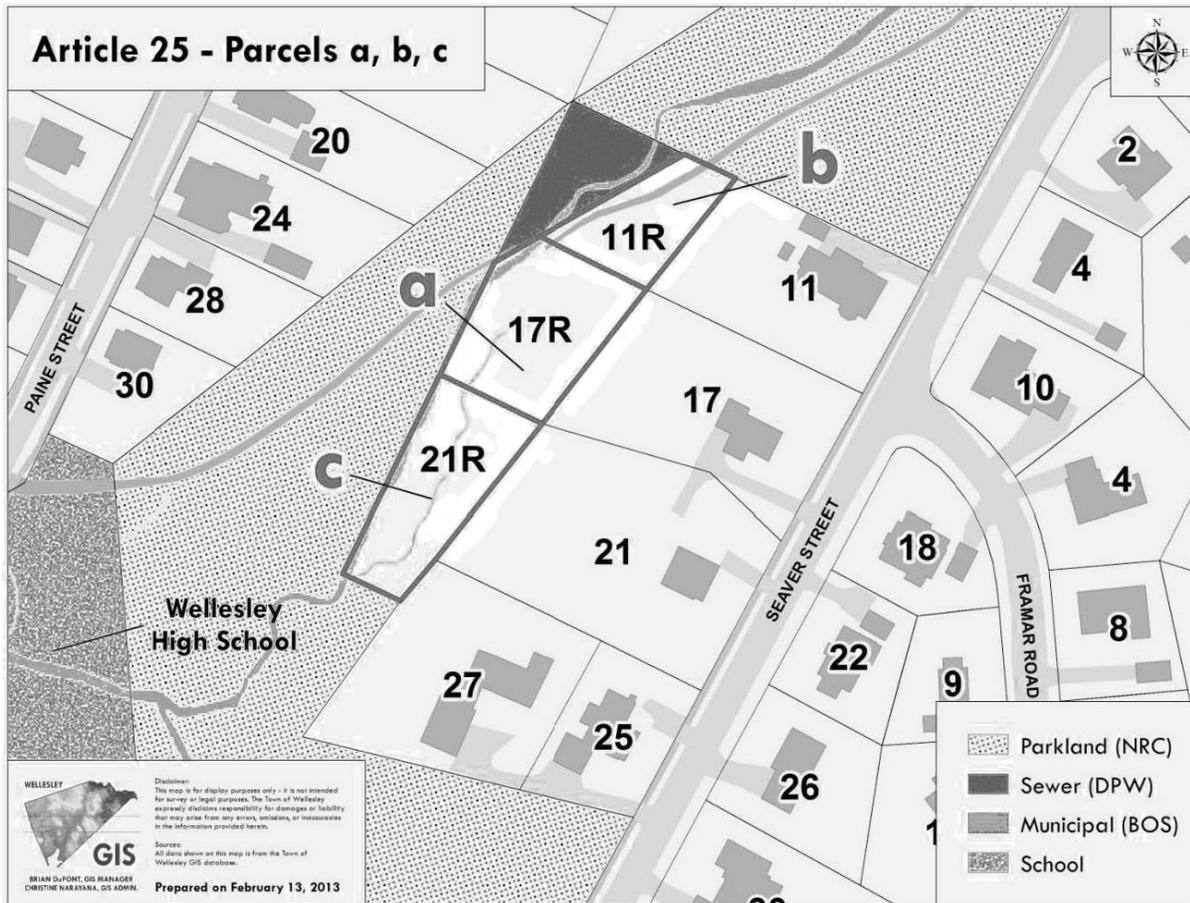
This Article asks for Town Meeting approval to acquire three parcels of land which abut the existing Fuller Brook Park. There will be three motions in this Article:

- Motion 1 will be to accept the gift of Parcel 17R from Babson College;
- Motion 2 will be to authorize the town to purchase Lots 11R and 21R from the heirs for the amount of outstanding taxes and accrued interest, as outlined above.
- Motion 3 will be to authorize the Town to exercise its power of eminent domain to take title to all three the parcels, as is consistent with Town policy with regard to any real estate acquisitions by the Town.

As part of the Fuller Brook Park Preservation Project, the Town surveyed the boundaries of the Park and discovered that it did not have title to three parcels of land which are currently being maintained as a part of the park. The three landlocked parcels are located in a wooded wetland lying between Seaver Street and the Fuller Brook Park in the section between Paine and Forest Streets. As illustrated in the map below, the current and/or proposed path runs across one parcel and along the edge of another.

17 Seaver Street is currently owned by Babson College and is used for faculty housing. Parcel 17R is a separate landlocked 12,400 square foot property. Even though the land is owned by an educational institution, 17R is not tax-exempt and is currently assessed for \$33,000. This assessment generated \$386 in tax revenue to the Town in FY13 and no taxes are currently owed on the property. Babson College has been approached by the Town and has agreed to deed the property to the Town. The current and/or proposed location of the Brook Path runs along the northeast corner of Parcel 17R.

Parcel 11R, which is located to the rear of 11 Seaver Street, is currently owned by the heirs of Melvin and Mildred Morse. The 7,000 square foot parcel is taxed and is currently assessed for \$19,000. This assessment generated a \$222 tax obligation to the Town in FY13. This parcel bisects the Fuller Brook Park so the current and/or proposed location of the Brook Path is an encroachment on Parcel 11R.



Parcel 21R which is located to the rear of 21 Seaver Street and partially to the rear of 27 Seaver Street is currently owned by heirs of Melvin and Mildred Morse. The 11,400 square foot parcel is taxed and is currently assessed for \$30,000. This assessment generated a \$351 tax obligation to the Town in FY13.

Taxes for Parcels 11R and 21R are delinquent and both were placed into “tax title” in 2008. Tax title is the process by which the tax collector may terminate the ownership rights of the property owner resulting from the owner’s failure to pay property taxes. The total property tax and interest on parcels 11R and 21R now total \$5,000.

Representatives of the Town have identified and contacted the 11 heirs of Melvin and Mildred Morse who hold interests in the property; in some cases as individuals and in some cases in trust. The heirs have proposed that in consideration of the Town agreeing to forego the unpaid taxes and interest now due, the heirs would deed both parcels to the Town. In addition, a public acknowledgement of the gift has been proposed, the form of which would be decided by the Board of Selectmen.

Advisory appreciates the town-wide benefit provided by the Fuller Brook Park and is generally supportive of the maintenance and protection of open space and wetlands. Preservation and restoration of the Fuller Brook Park has been a Town priority for over a decade and acquisition of these parcels will ensure unbroken parklands from Forest Street to Wellesley High School. Advisory believes that the relatively low value of the annual tax revenue derived by the Town as measured against the potential loss of the right to use these parcels for the Brook Path is a compelling reason to acquire these parcels. The willingness of the current owners to deed the properties at a very low cost to the town makes their acquisition even more favorable.

**On Article 25, Motion 1, Advisory recommends favorable action, 13 to 0.**

**On Article 25, Motion 2, Advisory recommends favorable action, 13 to 0.**

**On Article 25, Motion 3, Advisory recommends favorable action, 13 to 0.**

**ARTICLE 26.** To see if the Town will vote to approve amendments, as recommended by the Board of Selectmen, to the Development Agreement for Linden Square dated June 3, 2005, between the Town of Wellesley and Lindwell SC, Inc., Lindwell OP, Inc., and Lindwell Realty Trust, authorized by Town Meeting on June 13, 2005, as amended, relative to the continued use and operation of the VW parcel (as defined in the Development Agreement) as a car dealership and repair facility; or take any other action relative thereto.

**(Board of Selectmen)**

Through this Motion, the Board of Selectmen (BOS) seeks approval of an amendment to the existing Development Agreement between the Town and FR Linden Square, Inc. (FR), the owner of the Linden Square development, which would permit FR to continue to lease the parcel currently occupied by the Volkswagen dealership (the "VW Parcel") to the existing Volkswagen dealership or another Class 1 seller of motor vehicles<sup>19</sup> through December 31, 2033.

The Development Agreement was entered into in 2005 in connection with the Town's grant of permits to the original developer of Linden Square (the "Developer"). The original Development Agreement prohibited the extension of the lease with the existing Volkswagen dealership beyond its expiration date of December 30, 2010 and prohibited the Developer from permitting another automobile dealership on its property in Linden Square after such expiration. The original site plan for the Linden Square project included plans to redevelop the building on the VW Parcel as a two-story building containing approximately 20,000 square feet of retail and office space and to add a two-story 7,830 square foot bank on the eastern edge of the VW Parcel, to which the Developer would relocate one of the bank tenants at Linden Square.

In 2009, FR, as successor to the Developer, requested and was granted an amendment to the Development Agreement permitting FR to extend the term of the lease with the existing VW dealership through December 31, 2011. In exchange, FR agreed to certain concessions, including sidewalk improvements on the VW Parcel and a one-time \$50,000 payment to the Town. This amendment was approved at the 2009 ATM.

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<sup>19</sup> Class 1 sellers of motor vehicles must sell new vehicles, with used vehicle sales an incidental or secondary part of the business, and have repair facilities on site that allow repairs to vehicles under warranty.

In 2010, FR requested and was granted a further amendment to the Development Agreement permitting it to extend the lease with the existing Volkswagen dealership through December 31, 2013. In exchange, FR agreed to reconstruct the sidewalk in front of the dealership to be consistent in materials and dimensions with the sidewalk everywhere else in the Linden Square development and to pay an additional \$50,000 to the Town. This amendment was approved at the 2010 ATM. In the two years since this second amendment was approved, FR has completed some of the sidewalk improvements.

FR has now requested an additional amendment to the Development Agreement that would permit it to continue to lease the VW Parcel to a Class I seller of motor vehicles through December 21, 2033. In exchange, FR has agreed to apply for permits relating to the renovation of the building and to pay the Town \$20,000 each year that the VW Parcel continues to be occupied by a Class 1 seller of motor vehicles.

The first issue to be considered is whether the long term use of the VW Parcel as a car dealership is a desirable (or at least acceptable) use to the Town. The restriction prohibiting car dealerships was originally included in the Development Agreement at the suggestion of the Developer, in connection with its plans to redevelop the VW Parcel. At the time, the redevelopment of the VW parcel was a "given" and there does not appear to have been extensive discussion regarding this provision.

The BOS is not aware of any concerns regarding the current use of the VW Parcel as a car dealership, other than specific complaints regarding certain aspects of the current operation, including the traffic congestion associated with the unloading of vehicles and neighbor concerns regarding lighting, use of loudspeakers, the curb cut located directly opposite Hilltop Road and snow removal. The concerns regarding unloading of vehicles, the use of exterior loudspeakers, curb cuts and snow removal are addressed in the proposed Third Amendment to the satisfaction of the neighbors. It is anticipated that other concerns regarding lighting and landscaping will be addressed during the site plan and design review that would be triggered if FR submits plans to improve the building.

In addition, there are concerns that the redevelopment of the VW Parcel as initially planned could cause an increase in traffic beyond what the area can comfortably bear, and that it is therefore preferable to continue the current use.

Any evaluation of the desirability of continuing the current use must also include consideration of the consequences of discontinuing such use. Would the current economic climate support redevelopment of the site? What other uses would be appropriate for the site if the dealership was forced to vacate? Could the town reap the benefit of a higher tax value if the site were redeveloped? If the Development Agreement currently in effect remains in place, the VW Lease will expire at the end of 2013 and the VW dealership will be required to vacate. Under the Development Agreement and the existing site plan, FR would then be required to develop the property as initially planned. If FR failed to do so, the Town could bring an enforcement action and/or fine FR \$300 per day for zoning violations. Alternatively, FR could request a revision to the site plan. It is possible that the VW Parcel would remain vacant for some period of time while the future of the parcel was determined. This could have an adverse impact on tax revenues as well as the vitality of the area.

If it is determined that the continued use of the VW Parcel as a car dealership is acceptable to the Town, the next issue is whether the Town is receiving adequate consideration for its agreement to modify the existing Development Agreement. The ability to maintain the VW as a tenant is of substantial benefit to the Developer and comes at some cost to the Town. For

example, had the building been redeveloped as initially planned, it would likely produce significant additional tax revenues for the Town, because retail and office space are both assessed at a higher value than a car dealership. In addition, the redeveloped parcel would likely have been more aesthetically pleasing and more consistent with the rest of the Linden Square development. The proposed amendment provides for annual payments of \$20,000 to the Town, which will partially compensate the Town for lost tax revenues. Furthermore, it is anticipated that FR will make improvements to the VW Parcel that are consistent with the overall look of the Linden Square development and that may somewhat mitigate aesthetic concerns.

Advisory is pleased that neighborhood objections to previous development agreements appear to have been met, including traffic concerns resulting from the unloading of vehicles and termination of the use of exterior loudspeakers. Advisory agrees that the current property use, while not as aesthetically-pleasing as possible, is preferable to a vacant property. The originally-proposed retail project, while more compatible with the rest of Linden Square, could also have the undesired consequence of bringing more traffic to Linden Square. The Town will also have the ability exercise oversight over any modifications of the property through the zoning process. Advisory agrees that allowing the lease extension of the VW dealership is reasonable and appropriate.

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

**ARTICLE 27.** To see if the Town will vote to amend the Zoning Bylaw SECTION XVIII. AREA REGULATIONS by striking subsection B. Alternative Area Regulations in Subdivisions of Ten Acres or More (Cluster Residential Developments) in its entirety, and by adding a new section to the Zoning Bylaw to provide cluster development opportunities for innovative design of small subdivisions having 2 to 4 lots; the bylaw amendments currently being proposed to be available for inspection in the Planning Board office; or take any other action relative thereto.

**(Planning Board)**

This Motion asks Town Meeting to amend the current Zoning Bylaw by striking from SECTION XVIII. AREA REGULATIONS. Subsection B. Alternative Area Regulations in Subdivisions of Ten acres of More (Cluster Residential Developments) in its entirety and re-lettering the Subsections that follow within SECTION XVIII; and to insert a new SECTION XVIF. INNOVATIVE NEIGHBORHOOD DESIGN. that would create optional cluster development opportunities for innovative design of small subdivisions having 2 to 4 lots, following XVIIE. TREE PROTECTION AND PRESERVATION. The full language of this proposed new Zoning Bylaw SECTION XVIF will be finalized prior to Town Meeting and may be found in draft form on the Town website or at the Planning Board office.

The purpose of the Innovative Neighborhood Design (IND) Bylaw proposed in this Motion is to preserve small pockets of open space or cultural resources that are valuable to existing neighborhoods, to encourage design-based development appropriate to the site, and to provide access to and/or benefits from that open space or other public lands.

Cluster development is a planning technique that allows homes to be located within subdivisions on smaller lot sizes than those specified under traditional Single Family Residential zoning. While the total number of homes on the parcel (its density) may remain the same as in a traditional subdivision (or be modestly increased to provide incentive to developers), the Town and public benefit from lessened developmental impacts and increased open space protection. This proposed Bylaw would allow homes to be “clustered” on a smaller portion of the larger site, with the remaining land, normally allocated to individual home sites, now being converted into protected open space shared by the residents of the subdivision and possibly the entire community.

Cluster zoning provisions were added to Wellesley’s Zoning Bylaw in 1970 within Section XVIIIIB, but these alternative area regulations have never been used. The Planning Board identified several problems with prior cluster zoning provisions: (1) Cluster zoning required a special permit process, which lacks the simplicity of “by-right” zoning, wherein no special permit is required if the conditions in the Bylaw are met; (2) Little or no guidance was given as to how open space should be defined; (3) Subdivision design considerations were unclear; (4) Requirements for property buffers decreased the meaningful amount of open space left for the subdivision residents; and (5) The provisions in Section XVIIIIB applied only to parcels exceeding 10 acres in size, even though cluster zoning ideas might be applied to smaller land parcels.

In 2010, ATM approved a Cluster Zoning Bylaw study, using \$10,000 of CPC funds to analyze both traditional cluster and Open Space Residential Design (OSRD) methods. Ultimately, the Planning Board and its consultants decided to pursue different zoning strategies for small parcels yielding 2 to 4 lots (Article 27) and for larger parcels, yielding 5 or more lots (Article 28). Both proposed Bylaws incorporate many OSRD strategies that are required in comparable communities including Andover, Brookline, Belmont, Lexington and Winchester. The Planning Board held three public forums (December, 2011, December, 2012 and January, 2013) as well

as two public hearings on these Articles in February, 2013, to receive feedback about the proposed Bylaw changes.

Under this Motion, the developer of a parcel would evaluate the traditional “yield”, defined as the number of lots allowed under conventional zoning. If the yield is between two and four houses, the developer would have the *option* to design the subdivision with reduced lot sizes, thus allowing for the preservation of valued amenities such as specimen trees, topography, historical artifacts or easements.

OSRD follows a well-defined process that is incorporated into the Bylaw, including: (1) Identifying valuable resources and conservation priorities; (2) Placing houses so as to maximize access and marketability, paying attention to natural topography, and enhancing or preserving natural views; (3) Aligning roads and trails to improve pedestrian and vehicle access; and (4) Drawing lot lines to establish ownership and management of the preserved open space. The amount of open space is determined by OSRD and is not prescribed. Specific minimum dimensions of lot size, frontage, yard width, yard depth and setback are defined in the Bylaw, scaled to the size of the Single Residence District (SRD) containing the parcel to be divided. Shared driveways are permitted connecting a maximum of two houses and subject to strict requirements. The design plan must describe how amenities will be protected using natural boundaries, erosion/sediment control and so forth. Buildings are sited and scaled consistent with other structures in the neighborhood and consideration is given to the need for vegetated borders.

Advisory is generally supportive of this Planning Board initiative as it provides an additional tool for developers to use in designing small subdivisions. They may continue to utilize conventional zoning provisions that are consistent with the residential district in which the land falls, or they may create a cluster of houses with increased open space; the number of houses created with either option is the same in either case. If this Bylaw had been in effect, the developer of 17-23 Pembroke Road and the developer of Buckingham Terrace would have had the option to apply IND zoning to those parcels. Lots with difficult topography are also ideal candidates for IND zoning. Advisory shares the goal of preserving and protecting open space and agrees that this Bylaw provides useful zoning flexibility.

The Planning Board had not finalized the Bylaw language for the new SECTION XVIF. INNOVATIVE NEIGHBORHOOD DESIGN by the time this Report went to print. The final version of this Bylaw will be provided to Town Meeting in a supplementary Advisory Report.

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

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

**ARTICLE 28.** To see if the Town will vote to amend the Zoning Bylaw SECTION XVIII. AREA REGULATIONS by striking subsection B. Alternative Area Regulations in Subdivisions of Ten Acres or More (Cluster Residential Developments) in its entirety, and by adding a new section to allow innovative, context sensitive design of subdivisions having 5 or more lots where such cluster design shall achieve the protection of primary and secondary conservation resources that are protected through local, state or federal law including wetlands and regulated buffers, rivers and streams and regulated buffers, floodplains, and habitat for rare or endangered species, as well sites that contain valuable natural or cultural resources that are not regulated by local, state or federal law; the bylaw amendments currently being proposed to be available for inspection in the Planning Board office; or take any other action relative thereto.

**(Planning Board)**

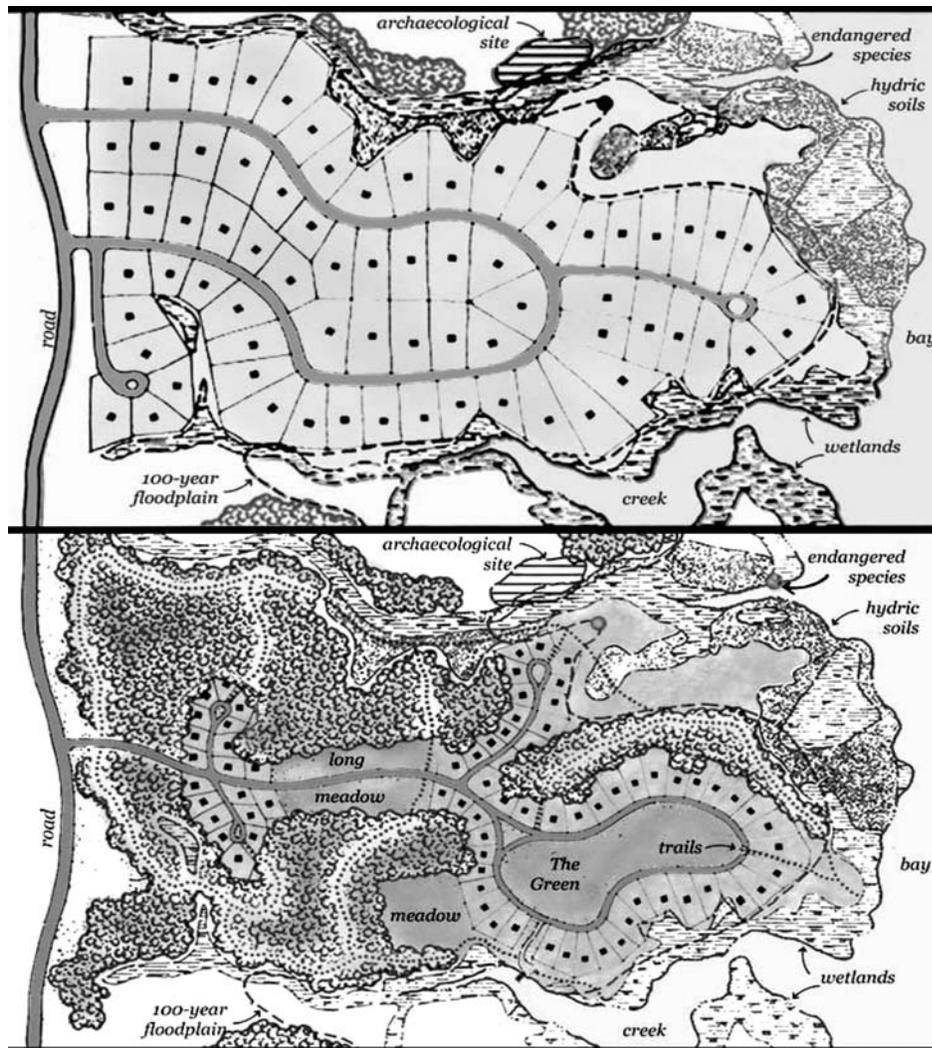
This Motion seeks Town Meeting approval to amend the current Zoning Bylaw by inserting a new SECTION XVIG. NATURAL RESOURCE PROTECTION (NRP) CLUSTER DEVELOPMENT following XVIF. INNOVATIVE NEIGHBORHOOD DESIGN (as amended under Article 27) that would **require** Natural Resource Protection (NRP) Cluster Zoning for all land parcels that would yield five or more single-family residences through the application of a formula that shelters primary and secondary conservation areas. The full language of this proposed new Zoning Bylaw SECTION XVIF will be finalized prior to Town Meeting and may be found in draft form on the Town website or at the Planning Board office.

The goal of this proposed Zoning Bylaw is to encourage the permanent preservation of open space, as it relates to large parcels of land that currently are not developed into residential property. It protects primary conservation areas, including wetlands, easements, land within the 100 Year Flood Plain, wildlife habitat and steep slopes and it also protects secondary conservation areas, including specimen trees, stone walls, significant landmarks, mature woodlands and scenic views.

If approved, this Bylaw would establish mandatory NRP Cluster Zoning for parcels of land that yield five or more single-family residences. The benefit to the Town would include the preservation of open space and the protection of natural resources. The benefit to the owner/developer would include flexibility in design and a reduction in site engineering, infrastructure and construction costs. As in Article 27, Open Space Residential Design (OSRD) principals would guide subdivision planning.

An illustration of OSRD is shown in the figure on the next page. The top scenario shows how a parcel of land with many topographical features and conservation resources might be subdivided into lots following a traditional zoning process, while the bottom scenario shows how the identical property might be subdivided using the NRP Cluster Zoning/OSRD approach.

Currently, the Town's approximately 6700 acres (10.49 square miles) contains almost 762 acres of protected open space (land owned by the Town or the Commonwealth, non-profit conservation organizations or land with conservations restrictions), 204 acres of temporarily protected open space (land in tax abatement for forestry, agriculture or recreation), 196 acres of unprotected open space that is Town- or State-owned (such as school playgrounds) and 213 acres of unprotected open space owned by various educational institutions or held privately. Major unprotected parcels include 43 acres adjacent to Centennial Park owned by the Commonwealth and the "North 40" acreage along Weston Road to the north of the commuter rail line and aqueduct owned by Wellesley College.



According to the build-out study prepared in 2001 by the Executive Office of Environmental Affairs through the Metropolitan Area Planning Council, existing zoning regulations potentially could allow approximately 851 acres of unprotected open space in Wellesley to be developed into more than 2,200 dwelling units. These would include single-family houses in the residential zones and academic housing in the educational zones. Also included in the build-out calculus were condominiums or apartments that might be built in the commercial districts. Development of the unprotected open-space parcels is not currently planned; however, future development could impact the residential character of the Town significantly.

The 2007-2017 Town of Wellesley Comprehensive Master Plan Update recommended the establishment of mandatory cluster zoning as a proactive measure. The key recommendation was:

**“Enact mandatory cluster zoning to maximize open space preservation and allow limited development if these properties cannot fully be protected.** Cluster zoning would ensure that a significant portion of the developed parcel will remain as private open space. This type of zoning would prevent a project from occupying the entire lot; instead, structures and paved areas would be grouped together at a higher density on one portion of the property, thus leaving part of the property as open space. In addition, the Planning Board should require that the Town’s open space goals are taken into

account when reviewing site plans and should encourage developers to use low-impact design strategies on these parcels.”

The current “Cluster Zoning” Bylaw (SECTION XVIII B) was added to the Zoning Bylaws in 1970, but the regulations have never been used; under its provisions, a minimum of ten acres determined the requirement for Cluster Zoning, *optional* under a special permit. In Article 27, the Planning Board proposes to delete SECTION XVIII B in its entirety. Article 28 creates a new Bylaw (SECTION XVIG), which **requires** cluster zoning of appropriately-sized parcels while increasing design flexibility through a Natural Resource Protection development process. Open space requirements are increased and open space protection is made permanent under this Bylaw. A basic summary of the similarities and differences between the current and proposed Bylaws is given below:

	<b>Bylaw XVIII B (to be deleted under Article 27)</b>	<b>Bylaw XVIG (proposed under Article 28)</b>
<b>Size of parcel affected</b>	10+ acres	Parcel would yield 5+ single family lots under proposed NRP Cluster Zoning
<b>Approvals</b>	Optional under Special Permit	Required
<b>Number of lots</b>	Yield is same as in traditional Single Residence District (SRD) zoning; wetlands excluded from calculation	Yield is calculated by a formula where the total property area less primary conservation areas x 0.9 (to allow for infrastructure) is divided by lot size
<b>Housing types</b>	Detached single family homes	Detached single family homes
<b>Lot sizes</b>	Half traditional zoning requirement of appropriate SRD	Minimum lot size is a percentage of the district regulation in which the parcel exists
<b>Open Space Required</b>	2 acre minimum; all lands in subdivision which are not lots nor roads must be set aside as open space	Half of the site if no primary conservation area; calculated by formula if there is primary conservation area
<b>Open Space Connectivity</b>		Should be contiguous to greatest extent possible and non-contiguous areas should be connected by trails or vegetated corridors
<b>Open Space Protection</b>		Permanent through Conservation Restriction or Restrictive Covenant in perpetuity
<b>Open Space Owner</b>	(1) Homeowner Association; (2) Non-profit trust/corporation which maintains open space as primary mission; (3) Town of Wellesley for Park land; (4) Wellesley Conservation Commission	(1) Homeowner Association; (2) Non-profit trust/corporation which maintains open space as primary mission; (3) Private owner for a purpose consistent with conservation restriction; (4) NRC Commission
<b>Open Space Uses/Restrictions</b>	Limited to open space uses; may be used for recreation; no motor vehicles; no buildings except those needed for recreation or maintenance equipment	Wildlife habitat, outdoor education, passive recreation, community gardens; vegetated storm water management (swales, rain gardens, constructed wetlands etc.); structures relevant to open space use permitted

NRP Cluster Zoning incorporates Open Space Residential Design (OSRD) goals in the Planning process. Only detached single family houses are allowed in the subdivision, with lot sizes that are determined as a percentage of the district regulation in which the parcel exists. Frontage, yard width, yard depth and setback are defined in the Bylaw, and homes may have frontage only on roads within the subdivision. Shared driveways are permitted connecting a maximum of three houses and subject to strict requirements. The design plan must preserve access to primary and secondary conservation resources, which will be preserved in perpetuity as protected open space. Ownership and control of the open space is defined in the Bylaw. Buildings are sited and scaled consistent with other structures in the vicinity and oriented to promote visual interest. The landscape would be preserved in its natural state as far as practical, minimizing tree and soil removal, and grade changes would be in keeping with neighboring areas.

Advisory recognizes that there is currently a Zoning Bylaw regulating Cluster Development that has been in effect since 1970 but has never been applied, both because there have been no parcels greater than ten acres available to develop and also because the Bylaw is merely an option available to developers. Although it is unlikely that institutional owners like Wellesley or Babson College will sell or develop portions of their land, there are existing subdivisions like Polaris Circle that might have had different lot configurations that were sensitive to natural resources protection and difficult topography if this proposed Bylaw had been in place. Advisory discussed whether the mandatory requirement of NRP Cluster Zoning would be unduly restrictive and deter development. However, the proposed Bylaw requires a developer to calculate the number of lots a parcel contains based on conventional zoning and then awards the developer that same yield (number of lots) with the reduced site and infrastructure costs that occur when clustering. Significant open space that may contain wetlands, meadows, mature woodlands, trails or wildlife habitat remains undisturbed. Advisory concurs with Planning that the preservation of open space in residential areas through NRP Cluster Zoning is a benefit to the character of the Town.

The Planning Board had not finalized the Bylaw language for the new SECTION XVIG. NATURAL RESOURCE PROTECTION (NRP) CLUSTER DEVELOPMENT by the time this Report went to print. The final version of this Bylaw will be provided to Town Meeting in a supplementary Advisory Report.

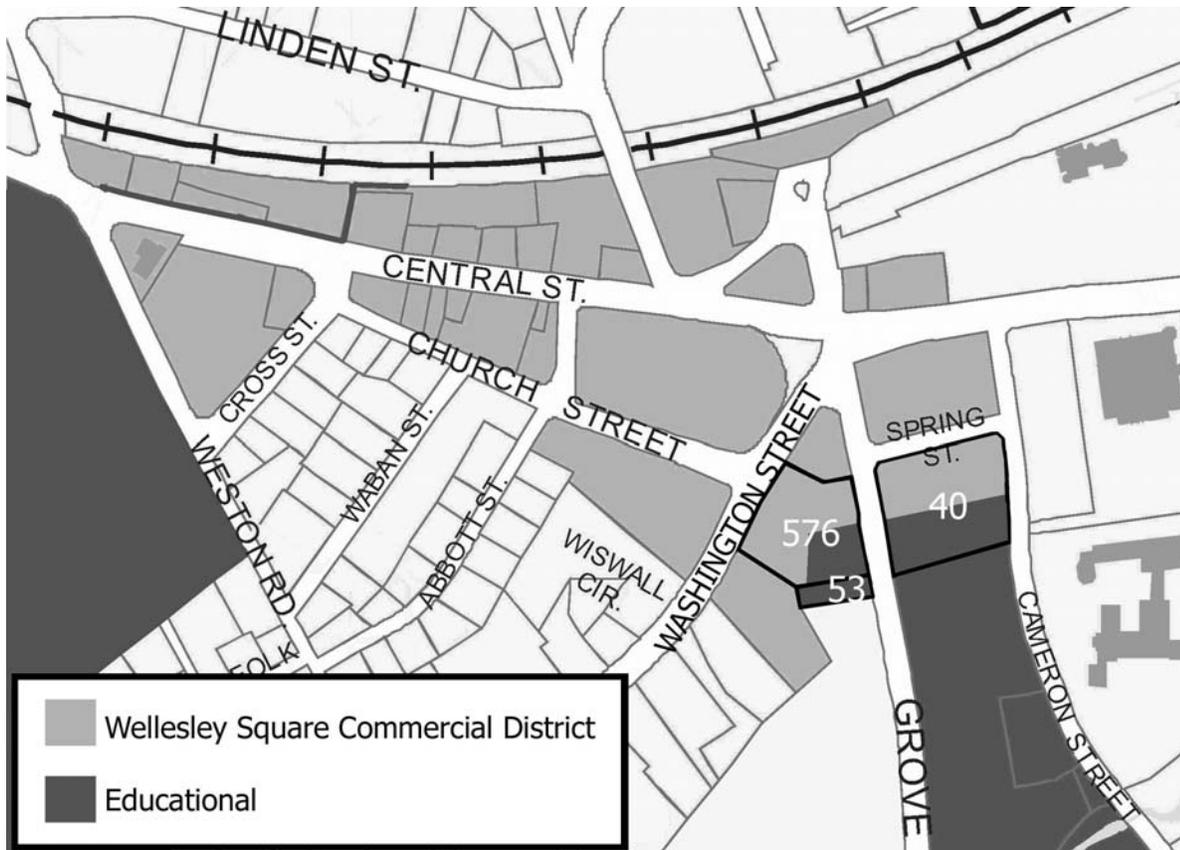
**Passage requires a 2/3 vote.**

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

**ARTICLE 29.** To see if the Town will vote to amend the Zoning Map by extending the Wellesley Square Commercial District to include those properties, or portions thereof that are currently zoned Educational and located at #40 Grove Street, #53 Grove Street and #576 Washington Street (Assessor's Parcels 112-37, 124-13 and 124-16); a plan of the proposed map amendment currently being proposed to be available for inspection in the Planning Board office; or take any other action relative thereto.

**(Planning Board/Board of Selectmen)**

This Motion seeks Town Meeting approval to amend the Zoning Map so that three parcels of land that are portions of properties that are within the Wellesley Square Commercial District (WSCD) and currently are zoned Educational can be rezoned WSCD to conform with this area. The parcels at 53 Grove Street and 576 Washington Street are part of the Wellesley Inn site. The parcel at 40 Grove Street is the parking lot for the office building at the corner of Grove and Spring Streets.



These parcels, along with other contiguous property, were zoned Educational in 1947 to give the Dana Hall Schools (one of which was Pine Manor Junior College) the same use rights as Wellesley College and Babson College. Portions of the land owned by Dana Hall were sold in 1965 and 1969 when Pine Manor moved to Newton, but were never rezoned.

The Planning Board considers the current zoning of these three parcels to be awkward because both Educational and WSCD zoning occur with the boundaries of properties that have singular ownership. The proposed amendment seeks to make zoning for each of these properties internally consistent and more comprehensible and also to define clearly the boundaries of the WSCD.

If the proposed zoning map amendment is approved, one of the benefits to the Town is that all land within these properties (the Wellesley Inn site and 40 Grove Street) may include uses allowed in the WSCD. Currently, 53 Grove Street and the portions of 576 Washington Street and 40 Grove Street that are zoned Educational may be used only for parking or for Single Residential District uses, which discourage coherent development in Wellesley Square. If these parcels are incorporated into the WSCD, the front setback for any structure on these properties would have a minimum of 5 feet with no side or rear setbacks required. However, even without any zoning map change, the land that makes up these three parcels still can be used to calculate lot area and Floor Area Ratio (FAR) for the property that owns each parcel.

Advisory agrees that the map change makes the WSCD boundaries more sensible and eliminates the split zoning of the Wellesley Inn and 40 Grove Street parcels.

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

**Advisory recommends favorable action, 11 to 0.**

**ARTICLE 30.** To see if the Town will vote to allow a reduction in the 2,500 square foot minimum lot area per family requirement for residential uses in the Wellesley Square Commercial District upon the issuance of a Special Permit by the Planning Board by amending the Zoning Bylaw SECTION XVIII. AREA REGULATIONS D.2 Ratio of Families to Lot Area; the bylaw amendments currently being proposed to be available for inspection in the Planning Board office; or take any other action relative thereto.

**(Planning Board/Board of Selectmen)**

This Motion seeks Town Meeting approval to amend the Zoning Bylaw to reduce the minimum lot area required per residential unit within the Wellesley Square Commercial District (WSCD) from 2,500 square feet to 1,800 square feet, subject to issuance of a Special Permit by the Planning Board. This amendment to the Zoning Bylaw would add a new Paragraph 3 after the existing Paragraph 2 in the new Subsection C.<sup>20</sup> Ratio of Families to Lot Area. to read as follows:

3. **In the Wellesley Square Commercial District, the 2,500 square foot minimum lot area requirement per family for whose habitation such building is designed, set forth in C.2 above, may be reduced to no less than 1,800 square feet for each family for whose habitation such building is designed or adapted subject to the terms of a special permit granted by the Planning Board, acting as the Special Permit Granting Authority, in accordance with the following performance standards:**
  - a. **A report shall have been received from the Design Review Board finding the proposed project is consistent with the design criteria listed in Section XXII. DESIGN REVIEW and that the project is an improvement of building facades to enhance the pedestrian experience and contribute toward the history and vitality of Wellesley Square; and**
  - b. **All whole Assisted Units required to comply with Section XVIB. INCLUSIONARY ZONING (excepting any fractional Assisted Unit) are to be constructed on the Development Area; and**
  - c. **There shall be provided for each project a minimum open space (as defined under Section IA. DEFINITIONS.), equal to at least twenty percent (20%) of the area of the Development Area; and**
  - d. **There shall be provided for each unit parking for two vehicles.**

If approved, this Bylaw change would increase the density of the residential component of mixed use buildings (having both residential and commercial space) in WSCD from the 17 units per acre that is currently allowed to up to 24 units per acre, but only by Special Permit if specific performance standards are met. Seventeen units per acre, or one unit for every 2,500 square feet of land area, is the maximum density allowable in the Lower Falls, Business, Business A,

<sup>20</sup> Note that the lettering scheme in Section XVIII given in this Article is contingent on the Zoning Bylaw being amended by Article 27, Motion 1. The lettering will be slightly different if the Zoning Bylaw is not amended.

Industrial and Industrial A Districts. In the Lower Falls, there is a Residential Incentive Overlay that allows for a similar special permit process as proposed for WSCD to increase the density up to 24 units per acre, or one unit for every 1,800 square feet of land area.

The Special Permit, which must have a finding from the Design Review Board that the proposed development is consistent with design criteria such as preserving and enhancing the existing landscaping, street façade and pedestrian experience, mandates that all whole affordable units triggered by the Inclusionary Zoning Bylaw must be built on site and that at least 20% of the site must be preserved as open space. Each unit must also include off-street parking for two vehicles.

### **Background**

In 1994, the Town of Wellesley's Comprehensive Plan recommended studying all of the Village Commercial Districts. In 1998, the Planning Board conducted a Vision Study for Wellesley Square that enumerated specific goals for the area: improving vitality and access, encouraging greater diversity in the retail mix, considering the possible inclusion of entertainment, and extending the hours for retail past 5:00 PM. The premise was to make Wellesley Square more user-friendly and the resulting plan recommended redeveloping certain key parcels, such as the Wellesley Inn, the Tailby Parking Lot and the Shattuck Block (8 Grove Street) at the corner of Grove and Washington Streets.

The Wellesley Zoning Study goals of 2002 refined these recommendations further by analyzing existing zoning, looking at the Wellesley Inn again and at the Taylor Block (with the Waban Block and the Norman Block, the buildings on Washington Street between Grove and Cameron Streets) to discover whether existing zoning discouraged upgrading these properties and, if so, to prepare specific zoning recommendations that would encourage improvements. Finally, the 2002 Study analyzed whether additional residential units should be promoted in the Square through zoning incentives.

The 2004 ATM approved the creation of the WSCD. A provision of the adopted Zoning Bylaw (SECTION IXC) allowed buildings in the District to be reconstructed with a maximum Floor Area Ratio (FAR) greater than 3.0, while grandfathering the existing square footage that was on-site as of 3/22/2004. In actuality, there are only two buildings in the WSCD that comply with the prescribed FAR: the Wellesley Square Post Office and the former service station (Peet's Coffee) at the corner of Central Street and Crest Road. All other properties exceed the density requirements because they have been grandfathered. Additionally, the creation of the WSCD permitted an exemption to the FAR requirement for housing on WSCD properties if the required number of inclusionary units were located on site.

The 2007-2017 Comprehensive Plan identified opportunities to create townhouses, condominiums and multi-family housing in commercial areas and encouraged housing development where feasible in commercial districts. Specifically, the Plan recommended eliminating zoning provisions that are "barriers to creation of mixed use and diversified housing in commercial districts."

### **Wellesley Square Revitalization Outlook**

Over the past two years, the BOS and Planning Board have worked with merchants and owners to promote vibrancy in the WSCD and to reduce vacancies in the Square. Initiatives have included promoting investment in building upgrades and improvements, studying off-street parking and, as voted at the November, 2011 STM, reducing the number of required seats in restaurants from 100 to 50 for the restaurant to apply for and be granted an alcohol license.

In 2006, the Wellesley Inn (which had been sold in 2004) was razed in preparation for a new four-story luxury condominium development with 19 units and approximately 9,000 square feet of retail space, with two affordable units in the existing “cottage” at 53 Grove Street. Four additional affordable units were to be built or financially-provided for elsewhere in the Town. Following the economic downturn in 2008, the project languished. In 2012, a new developer agreed to purchase the site and approached the Planning Board and BOS to consider appropriate ways to increase the number of dwelling units allowed in WSCD, decrease the square footage of the retail space, and make the project viable.

Although the rejuvenated Wellesley Inn project is a driving force behind the timing of this Zoning Bylaw amendment, the amendment would apply to any future development in the WSCD. The Planning Board acknowledges that there are a number of large parcels in WSCD that are potentially ready for ownership transfer or sale. Also, the Planning Board generally disapproves of “spot zoning,” wherein special zoning regulations are created for a single parcel of land. The Planning Board feels that this proposed Zoning Bylaw change is consistent with the Board’s goal of improving vitality and access within the WSCD and would increase the residential component within mixed use buildings while protecting Wellesley Square from being overbuilt.

Advisory agrees that this Bylaw promotes development within WSCD that is consistent with the BOS and Planning Board’s goals of revitalizing the Square. It increases the proportion of residential space as compared to commercial space, and positions inclusionary (affordable) units close to public transportation and shopping rather than set in outlying parts of town. The density proposed in this Bylaw is similar to what was permitted in the Residential Incentive Overlay that applied to the “Waterstone at Wellesley” complex in the Lower Falls. As parking for residential units would be on site, there should be minimal impact to metered parking on street or in the Town parking lots. Additionally, this Bylaw mandates that any development would be subject to the terms of a special permit, allowing for a public process to take place.

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

**Advisory recommends favorable action, 11 to 0.**

**ARTICLE 31.** To see if the Town will vote to amend the Zoning Bylaw SECTION XXIIA. SIGNS, to modify the required setback for “Standard Informational Signs”; the bylaw amendments currently being proposed to be available for inspection in the Planning Board office; or take any other action relative thereto.

(Planning Board)

This Motion seeks to amend the Zoning Bylaw so that the required 15 foot setback for “Standard Informational Signs” would be eliminated, as long as sign placement does not create a hazard for vehicular or pedestrian traffic. Examples of standard informational signs include political campaign signs, Realtor and tradesmen signs, and signs announcing upcoming events, all of which are considered temporary. This Motion would make a minor adjustment to the Sign Bylaw (SECTION XXIIA. SIGNS) by striking in its entirety Subsection K, Paragraph 1. Setback. and replacing it with a new Paragraph 1. Setback. that reads as follows:

**K. LOCATION CONSTRUCTION AND DESIGN STANDARDS**

1. Setback. Unless a more restrictive setback is specified in this Section, all Ground Signs, whether permanent or temporary, shall be set back at least fifteen (15) feet from the nearest property line, whether or not said line abuts a public or private street or way; **except Standard Informational Signs which may be located anywhere on the lot, but shall not create a traffic safety hazard by blocking visibility of traffic on a public street from a driveway and shall not overhang a public sidewalk.**

The Sign Bylaw was amended successfully at the 2010 ATM to clarify and codify existing regulations, both to simplify and articulate clearly the Town’s purpose for enacting the Bylaw and to include explicitly fair and consistent enforcement of sign standards. The intention of the 2010 amendment was to prevent temporary signs from becoming traffic safety hazards by blocking road or sidewalk visibility or by impeding pedestrian movement on Town sidewalks. Under that amendment, placement of all Ground Signs had to adhere to the 15 foot setback.

Following the November, 2012 election, a citizen alerted the Planning Board to the large number of misplaced political signs throughout the Town and requested additional clarification of the Zoning Bylaw. The citizen noted that the election season’s political signs exacerbated an ongoing issue that includes misplaced For Sale and other temporary signs. Additionally, many of the Town’s nonconforming properties would have difficulty meeting the 15 foot setback requirement that was stipulated in the 2010 amendment. The Planning Board considers this Article to be housekeeping, and that the removal of a defined setback for standard informational signs is reasonable, equitable and enforceable.

Advisory agrees that the previous Sign Bylaw setback was confusing and difficult to enforce. The amended Bylaw, with its functional description of how temporary signs should be placed, seems straightforward for a Town resident to interpret. Additionally, it enables property owners with non-conforming lots the ability to place temporary signs in their front yards without violating the Bylaw.

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

**Advisory recommends favorable action, 11 to 0.**

**ARTICLE 32.** To see if the Town will vote to amend the Zoning Bylaw SECTION IA. DEFINITIONS., SECTION XVI. RESTRICTIONS AFFECTING ALL DISTRICTS., and SECTION XXV. SPECIAL PERMIT GRANTING AUTHORITY. to define and regulate “medical marijuana treatment centers” (Marijuana Dispensaries); or to amend the Zoning Bylaw to otherwise define and establish a temporary moratorium on the location of “medical marijuana treatment centers” and the “medical use of marijuana” in the Town, for the purpose of providing an orderly period of time for the Town to investigate and analyze the town-wide impacts of authorizing, regulating, or locating such facilities at a time when the Department of Public Health of the Commonwealth of Massachusetts has not yet promulgated regulations on the implementation of said law; the proposed moratorium to remain in effect from April 1, 2013 to June 30, 2014 unless extended, continued or modified at a subsequent Town Meeting; to make any similar or other changes to the Zoning Bylaw which would have the same or substantially the same purpose; or take any other action relative thereto.

**(Board of Selectmen)**

If this Motion is approved, the establishment of Marijuana Dispensaries will be prohibited under a moratorium that will last at least until June 30, 2014, in order that the Town will have time to assess the possible effect of the Dispensaries on the Town. Any further action would be subject to Town Meeting approval.

In November 2012, Massachusetts voters passed Ballot Question 3, which legalized the use of marijuana for medicinal purposes within the state. The resulting law authorizes the registration of up to 35 dispensaries across the state after January 1, 2013. One dispensary must be located in each of the state’s 14 counties, but no county may have more than five. More dispensaries may be added in later years.

To purchase marijuana at a dispensary, a patient must obtain a medical marijuana registration card from the Massachusetts Department of Public Health. In order to obtain a registration card, the patient must submit a written certification from a physician that he or she has a debilitating medical condition. The law specifies cancer, glaucoma, AIDS, hepatitis C, amyotrophic lateral sclerosis (ALS), Crohn’s disease, Parkinson’s disease, multiple sclerosis, as well as other conditions that may be determined in writing by the patient’s physician. Patients with a registration card may possess a 60-day supply of marijuana for personal medical use.

The physician’s certification will state that in the physician’s professional opinion, the potential benefits of the medical use of marijuana would likely outweigh the health risks for the patient. The certification must be made in the course of a bona fide physician-patient relationship and shall specify the qualifying patient’s debilitating medical condition(s). The physician certificates will not be prescriptions, and insurance will not cover the use of medical marijuana because, in part, it is still illegal under federal law. No physician is obligated by the law to give such a certification.

Although the law allows dispensaries to open after January 1, 2013, the state’s Department of Public Health (DPH) has until May 1, 2013 to write regulations governing the dispensaries, which will be non-profit entities. The regulations will cover: setting of application fees for the dispensaries to fully cover the cost to the state; defining the quantity of marijuana that constitutes a 60-day supply; setting rules for cultivation and storage of marijuana, which will be allowed only in enclosed, locked facilities; creating registration cards for qualified patients; and defining rules around registration cards, personal caregivers, employees of medical marijuana treatment centers, and individuals who qualify for a hardship cultivation registration.

No individual registration cards will be issued and no dispensaries will be allowed to open until the regulations are in effect, according to the DPH. However, during the time the DPH is crafting its regulations, the law's "Hardship Provision" allows an individual who has a written recommendation from his or her physician to grow their own limited supply of marijuana at home. "Hardship" includes limited access to a treatment center for financial reasons, physical incapacity, or by living too far away from a center.

Some Massachusetts towns have voted to ban the dispensaries outright. Many communities are delaying action until the DPH issues its regulations. Any bylaws that are passed by towns must be approved by the state Attorney General's office, which has 90 days from submission to make a ruling.

Supporters of an outright ban on dispensaries argue that the dispensaries pose a threat to public health and safety. They note that despite the decision by Massachusetts voters to allow the dispensaries, and previously in 2009, to decriminalize marijuana, the substance continues to be illegal under federal law and therefore represents an impetus for criminal activity. Supporters of bans also are concerned that the dispensaries, despite regulation, will increase youth access to marijuana and will create an impression that smoking or selling marijuana is neither risky nor illegal.

Within Wellesley, supporters of a ban also note that the dispensaries are inconsistent with the town's longstanding prohibition on liquor stores.

Those who oppose an outright ban point out that the law authorizes the opening of at least 35 dispensaries within the state. Primarily for this reason, but also because a majority of voters in Wellesley, as in the state, supported the use of marijuana for medicinal purposes, an outright ban by the Town would likely be overturned by the state Attorney General's office.

In addition, if the Town were to ban dispensaries, caregivers or individuals with a registration card would still have the right to cultivate their own marijuana at home.

By voting for the moratorium, the Town will have the time to consider the regulations expected to be issued by the Department of Public Health on May 1, as well as to assess the results of actions taken by other Massachusetts communities. No further action on the dispensaries will be taken without the approval of the 2014 Town Meeting. At that time, the Town will have an opportunity to regulate the dispensaries by amending the Zoning Bylaw to impose conditions and safeguards that would minimize the risks associated with the dispensaries, while still complying with the outcome of the state's November 2012 vote in favor of the dispensaries.

Advisory recognizes that a number of Wellesley's voters would prefer an outright ban on the dispensaries for reasons described above. Advisory notes, however, that such a ban appears to be inconsistent with the views of a majority of Wellesley voters, who supported the establishment of the dispensaries in Massachusetts, and that an outright ban likely would be found unconstitutional by the state Attorney General's office. Advisory notes also that during the moratorium, no dispensaries can be established in Wellesley, and that any further action with respect to the dispensaries is subject to approval by the 2014 Town Meeting. At that time, the Town will be able to consider the dispensaries in light of the actual regulations issued by the Massachusetts Department of Public Health, as well as the outcome of any action taken by the state Attorney General with respect to implementation of the law in other Massachusetts communities.

Note: The day before this Advisory Report went to print, the Attorney General of the Commonwealth issued a decision stating that a municipality cannot completely ban a medical marijuana treatment center within its borders because the legislative purpose of the statute would not be served. The AG further stated that a municipality is not prohibited from adopting zoning by-laws to regulate medical marijuana treatment centers as long as the zoning by-laws do not conflict with the statute and are not arbitrary, unreasonable or have no substantial relation to the public health, safety, morals or general welfare.

In a separate decision, the Attorney General approved the Town of Burlington's temporary moratorium with the same June 30, 2014 time frame proposed in this Motion, considered to be consistent with the Town's authority temporarily to impose reasonable time limitations to await DPH regulations and to conduct its own evaluation.

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

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

**ARTICLE 33.** To see if the Town will vote to prohibit the smoking, ingesting, or otherwise consuming marijuana on any land owned or under control of the Town by amending Town Bylaws Article 49 Police Regulations to establish a new Section 49.19A Consumption of Marijuana Prohibited to read substantially as follows (said proposed version being subject to change before or at Town Meeting):

No person shall smoke, ingest, or otherwise use or consume marijuana or tetrahydrocannabinol (as defined in Massachusetts General Laws Chapter 94C, Section 1, as amended) while in or upon any street, sidewalk, public way, including any person, in a motor vehicle while it is in, on or upon any public way or any way to which the public has right of access within the limits of the Town of Wellesley, footway, passageway, stairs, bridge, park, playground, beach, recreation area, boat landing, public building, schoolhouse, school grounds, cemetery, parking lot, or any area owned by or under the control of the Town, or in or upon any bus or other passenger conveyance operated by a common carrier within the Town, or in any place to which the public has a right of access.

Violation of this Section is punishable by a fine of \$300, enforceable through criminal indictment or complaint under General Laws Chapter 40, Section 21 or by non-criminal disposition under General Laws Chapter 40, Section 41D. Any penalty imposed under this Bylaw shall be in addition to any civil penalty imposed under General Laws Chapter 94C, Section 32L.

Copies of any new version being proposed to be available for inspection in the Selectmen's office; or take any other action relative thereto.

**(Board of Selectmen)**

This Motion asks Town Meeting to approve a Town Bylaw amendment to prohibit smoking, ingesting or otherwise consuming marijuana on Town land.

In November 2008, Massachusetts voters approved a measure to decriminalize the possession of small amounts of marijuana. In Wellesley, 63% of thirteen thousand voters were in favor of decriminalization. Under the new law, possession of less than an ounce of marijuana became punishable as a civil rather than a criminal offense, subject to a citation and a \$100 fine.

Since decriminalization was approved by voters, individuals have been more open about their use of marijuana in the Town, according to the Wellesley Police. Incidents of marijuana possession at the high school have increased this year. Concern also exists that the November 2012 legalization of marijuana for medicinal purposes in Massachusetts may encourage public use of marijuana.

The language of the Motion, including the proposed \$300 fine to be added to the existing \$100 fine for marijuana possession, mirrors bylaws that have been adopted by approximately 80 Massachusetts towns in an effort to tighten regulations to prohibit consumption of marijuana in public. The proposed amendment is also similar to the prohibition against public consumption of alcoholic beverages in Section 49.19 of the Town Bylaw, punishable by a \$50 fine.

This motion, if approved, will serve to clarify Town Bylaws that consumption of marijuana in public remains prohibited in Wellesley. Public consumption of marijuana will also apply to those with marijuana registration cards. Advisory supports the proposed Bylaw amendment and agrees that the stated limitations are reasonable and appropriate.

**Advisory recommends favorable action, 11 to 0.**

**ARTICLE 34.** To see if the Town will vote to increase the fees to be charged for certain license applications, for certain licenses to be issued and fines for violations; to amend the Town Bylaws as necessary in this respect, including without limitation amending Town Bylaws, Article 49. Police Regulations, Section 49.2C, Preparation and/or retail sale of food or beverage, which currently provides that a fee of \$50. shall be charged for the required license; the bylaw amendments currently being proposed to be available for inspection in the Selectmen's office; or take any other action relative thereto.

**(Board of Selectmen)**

This Motion asks Town Meeting to allow the Board of Selectmen (BOS) to impose a license fee on mobile food vendors and to amend the Town Bylaw to allow fees on those retailers who sell food but are not licensed as common victuallers to be altered by the BOS after a public hearing.

The current Town Bylaw requires a \$50 annual license fee to be paid to the Town by persons whose principal business is to prepare and sell food or beverage at retail but who are not otherwise licensed as common victuallers. Examples include pizza and coffee shops which do not have table service. This Motion seeks to extend this licensing requirement to mobile food trucks which operate in the Town.

Additionally, this Motion allows the BOS to raise the license fees on mobile or non-mobile takeout food vendors after a public hearing rather than having to request Town Meeting approval to amend the Bylaw Section 49.2C each time the BOS seeks to change a takeout food license fee. Precedent for a Board to set fees without having to make Bylaw amendments already exists within the Town. The BOS and/or the Planning Board are empowered to set fees "from time to time" by the Sign Bylaw (Section XXIIA of the Zoning Bylaw). Similarly, the BOS sets the fee schedule for the Tree Bank Fund as specified in the Tree Bylaw Rules and Regulations. Other examples are the authorization of the Board of Health to annually establish fees for food establishment permits and of the BOS to change Building Department fees after a public hearing.

Advisory supports the efforts of the BOS to license mobile food vendors subject to the same \$50 fee as non-mobile food vendors. There was concern that the provision providing for the BOS to change the amount of the fees without the Town Meeting approval was unnecessary and that leaving the approval of changes to Town Meeting would be more democratic. However, the majority of Advisory felt that the process of setting fees was more efficient when handled by the BOS and that a public hearing before fee changes was sufficient oversight.

**Advisory recommends favorable action, 12 to 1.**

**ARTICLE 35.** To see if the Town will vote to redefine those building and other projects which shall be supervised by the Permanent Building Committee by amending the Town Bylaws, Article 14. Permanent Building Committee, Section 14.9. Supervision of Project Construction. with particular reference to debt (14.9.a) and cost (14.9.c), the bylaw amendments currently being proposed to be available for inspection in the Permanent Building and Selectmen's offices; or take any other action relative thereto.

**(Board of Selectmen/Permanent Building Committee)**

The Board of Selectmen (BOS) and the Permanent Building Committee (PBC) seek Town Meeting authorization to amend Town Bylaws, Article 14. Permanent Building Committee, Section 9.14. Supervision of Project Construction.

The request is to amend the Bylaw as follows:

**14.9. Supervision of Project Construction.** Prior to the initial funding of a project, the determination shall be made whether the Committee or the proposing board shall supervise the construction of a project as follows:

- a. The Committee, at its discretion, may elect to shall supervise the construction of ~~all~~ any projects for which the Town incurs bonded debt.
- b. The proposing board shall, after receiving design approval, supervise the construction of all projects within its maintenance or equivalent budget.
- c. Subject to clause (a) above, any Any proposing board, at its discretion, may elect to supervise the construction of any ~~other~~ project involving any one building and estimated to cost less than ~~\$25,000~~ \$100,000.
- d. The Committee shall supervise the construction of all other projects, unless the Committee and the board proposing the project agree that the proposing board shall supervise the construction.

There are two sub-sections affected by this authorization:

1. As currently written, Section 9.a mandates that the PBC supervise all projects that incur bonded debt. One concern is that it applies to *all* projects for which bonded debt is incurred, regardless of size or complexity. The proposed change allows the PBC to evaluate each project and elect either to retain supervision or delegate supervision to the proposing board.
2. As currently written, Section 9.c sets the threshold project cost under which a proposing board may elect to supervise a project involving any one building (currently \$25,000). This Motion seeks to increase this threshold from \$25,000 to \$100,000. Further, this section is being clarified to indicate that, with respect to bonded debt projects, the proposing board's rights are subject to the PBC's election under Section 9.a. For all non-bonded debt projects in excess of this threshold, the PBC has the option to supervise the construction or come to an agreement with the proposing board (as noted in Section 9.d).

## **Background**

The PBC initiated a Bylaw review as part of an overall review of processes and in light of the creation and expansion of the Facilities Maintenance Department (FMD) which increased the Town's capacity and expertise for building projects. The discretion being requested in Section 9.a and the increase in threshold in Section 9.c enables the PBC to continue thorough reviews of construction projects, but also allows PBC to delegate supervision to a greater extent when it is warranted and prudent.

In years prior to 1978, when this bylaw was last revised, some projects were determined to have been completed using substandard construction. It was concluded by the PBC, in consultation with others, that additional oversight was prudent. Further, projects that would require bonded debt were considered sufficiently significant to require supervision by a semi-professional committee with the understanding that if the project failed, it would affect the bonding capacity of the Town. It was agreed that the continuity and professionalism of the PBC met the level of good management expectations of bondholders.

## **Rationale**

The change in requirement for the supervision of projects that incur bonded debt is being requested in order to increase the flexibility of the PBC. Doing so provides the PBC the discretion to determine if the capacity and capability of the proposing board (or other body) is adequate and appropriate to assume that role.

The \$100,000 figure was selected because it is currently a trigger for other key project requirements as required by state law. State law requires projects with estimated construction costs in excess of \$100,000 conform to specified bidding requirements (Massachusetts General Laws Chapter 149, §44A-J and Chapter 149A):

- Must have Division of Capital Asset Management and Maintenance (DCAM) Prime Bidder Certification to Bid;
- Over 26 different categories (e.g., General Building Construction, HVAC), must be identified in ad and in bid documents;
- Must have DCAM Filed-Sub-bidder Certification to Bid Filed Sub-Bid Work/Construction Manager at Risk Trade if estimated construction cost for Trade \$20,000 or more
- 17 Categories of Filed Sub-bid Work in MGL Chapter 149, §44F.

It is also worth noting that the \$25,000 threshold approved in the Bylaw change of 1978 would be approximately \$92,000 in today's dollars.

Advisory supports the proposed amendment to the Town Bylaw which gives PBC discretion to allow other boards to supervise construction projects costing less than \$100,000. With the large number of Town and School building projects currently under evaluation, Advisory believes that allowing PBC to delegate some of its workload will lead to greater efficiencies in the Town's construction management process. The \$100,000 threshold is a reasonable increase from \$25,000 after 35 years without revision.

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

**ARTICLE 36.** To see if the Town will vote to permit the Board of Selectmen to issue one day special permits to allow alcoholic beverages to be served in public buildings other than school buildings upon such terms and conditions as the Board of Selectmen may specify; to amend the Town Bylaws, Article 49. Police Regulations, Section 49.19. Possession and Use of Alcoholic Beverages., to provide for the issuance of special permits for this purpose; the bylaw amendments currently being proposed to be available for inspection in the Selectmen's office; or take any other action relative thereto.

**(Library Trustees)**

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

**ARTICLE 37.** To see if the Town will vote to direct the Board of Selectmen to study the creation of bicycle lanes in Wellesley; to amend the Town of Wellesley Traffic Regulations, Section 7-18 Bicycles, to accomplish such bicycle lanes; to see what sum of money the Town will raise and appropriate, or otherwise provide, for architectural, engineering and/or other services for preparation of plans and specifications for the creation of bicycle lanes on appropriate roads 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.

**(Citizens' Petition)**

At this time, it is unclear if the proponent will be bringing a Motion under this Article.

**If a Motion is presented, Advisory will review and provide a recommendation to ATM.**

**ARTICLE 38.** To see if the Town will vote to permit students to ride bicycles on sidewalks on Weston Road for access and egress to/from Hardy School; or take any other action relative thereto.

**(Citizens' Petition)**

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

**ARTICLE 39.** To see if the Town will vote to authorize the Board of Selectmen to petition the General Court for special legislation authorizing the retail sale of wine and malt beverages in full service grocery stores for consumption off premises; or take any other action relative thereto.

**(Citizens' Petition)**

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

**ARTICLE 40.** 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)**

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

**ARTICLE 41.** 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 42.** 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, 2012; 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 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 44.** 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 45.** 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 Motion 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, 14 to 0.**



## TOWN-WIDE FINANCIAL PLAN FOR 2013 ANNUAL TOWN MEETING Submitted by the Board of Selectmen

March 11, 2013

Dear Town Meeting Members:

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 (FY13), the proposed budget for FY14, and projected financial information for the years FY15-17.

### **Overview**

The Board of Selectmen will present a balanced budget for FY14 at the upcoming Annual Town Meeting (see Exhibit A). This budget assumes the use of \$2.9 million of reserves, in lieu of a Proposition 2½ override as projected at Town Meeting last spring. In light of the leadership changes in the School Department and the continuing health of the Town's financial reserves, the Board decided to again constrain the growth in departmental budgets and use a higher level of reserves to balance the budget in order to defer an override request for another year. FY14 will be the seventh consecutive year without an operating budget override. (Wellesley voters approved six overrides during the period FY01-FY07.)

As this report goes to press, the Board of Selectmen and School Committee are negotiating contracts with several of the Town's largest collective bargaining units. The results of these negotiations will significantly impact the FY14 budget and future years' projections. The cost of employee benefits, including health insurance, other post-employment benefits (OPEB) and pension, continues to be the fastest growing component of the Town's budget. The actions being taken to mitigate the impact of these items are discussed later in this report.

The most significant capital appropriations envisioned in the Town's *Five Year Capital Budgeting Program* (immediately following this report) include:

- Tolles-Parsons Center (Senior Center)
- Fuller Brook Park
- Facilities renovation projects

Given the pressures on the Town's recurring budget, there is little flexibility to fund these items within the existing budget. Therefore, the TWFP continues to assume these items will be largely funded via Proposition 2½ debt exclusions.

The results of the assessment of the Town's school buildings performed by the firm Symmes Maini & McKee Associates ("SMMA") suggest that large-scale renovation work is required at five out of the seven elementary schools and the Middle School. It is expected that much of this work will be completed in a phased fashion over the next 10-15 years. The School Facilities Master Plan Task Force (see report elsewhere in this book), School Committee, Permanent Building Committee and Board of Selectmen are continuing to evaluate the scope, cost and timing of the initial phases of this work. We currently expect an appropriation request at Town

Meeting, primarily for design funds for a series of discrete maintenance projects to be undertaken in various schools and other Town buildings. Additional appropriations for the construction costs related to these projects will be sought at a subsequent Town Meeting(s). Further details regarding this request and preliminary estimates of the potential cost of the overall work will be presented at Town Meeting.

Looking forward, we are projecting deficits in the range of \$4.2 – 4.8 million in each of the years FY15-17, before consideration of any override(s). The 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 combination of override(s), efficiencies or cuts in services will be required.

We are continuing to refine the TWFP, as summarized in this report, and will provide further updates on these matters through the start of Town Meeting. Town Meeting feedback on the issues discussed in this report is critical to our ongoing planning process.

### **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

A short discussion of each of these items follows.

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

State aid (\$8.9 million) comprises approximately 6.5% of the Town's total sources of funds. The largest component is Chapter 70 Aid for Education. The proposed FY14 State budget recently submitted by Governor Patrick provides for a significant increase in Chapter 70 Aid for Wellesley. However, this increase is predicated on a 19% increase in the State income tax rate. Given the uncertainty associated with this increase, we consider it premature to rely on the figures contained in the Governor's proposed budget. Accordingly, we have assumed level funding in FY14.

#### **Growth in personnel costs**

The largest recurring 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. Only five of the Town's twelve union contracts are settled beyond June 30, 2013. Thus, the general wage increases applicable to a large portion of the Town's work force for the next fiscal year have not yet been determined. Of greater significance to the FY14 budget, however, are the cost of "step" increases for teachers and other employees who have not yet reached the top step and "lane" increases for teachers as they achieve additional academic degrees.

The following table illustrates the key variables for a sample of the Town's union contracts.

	<b>Superior</b>			<b>DPW</b>	
	<b><u>Patrolmen</u></b>	<b><u>Officers</u></b>	<b><u>Firefighters</u></b>	<b><u>Production</u></b>	<b><u>Teachers</u></b>
Budgeted positions	32	9	53	80	461
Steps	4	1	4	6	16
Average step value	5.6%	N/A	5.6%	5.3%	4.2%
% of employees on steps	28%	N/A	11%	6%	53%
FY14 Contract increase	TBD	TBD	2.0%	2.0%	TBD

For employees who are not yet at the top step, the total annual wage increase is the sum of the step increase, which ranges from 4.2% - 5.6% for the bargaining units summarized in the above chart, plus the contract increase. Thus, it is not unusual for employees who have not reached the top step to receive total annual wage increases in the range of 7-8%.

It is important to note that the cost of step increases is offset by the savings resulting from the retirement or termination of employees who are subsequently replaced by new employees at a lower step level. Thus, each department must have a clear understanding of the composition of its workforce when developing its budget. In the case of the School Department, the higher percentage of employees on steps has contributed to the greater growth of the School budget in relation to the other departments' budgets.

Continuing increases in employee benefit costs

Employee benefit costs total \$22.1 million in FY14 (18% 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 million
- Pension plan contribution - \$5 million
- Other Postemployment Benefits (OPEB) - \$3 million

**Health insurance:** The budgeted health insurance costs for FY14 reflect a 4% premium rate increase for employees and retirees enrolled in the "Rate Saver" plans and rate increases ranging from 6.2% - 19% for those enrolled in the older "Legacy" plans. Thus, the premium rates for the Rate Saver plans will be in the range of 18% - 36% lower than those for the Legacy plans in FY14. The only Town subscribers who remain enrolled in the Legacy plans are retirees who were grandfathered against the Section 18 election approved at the 2006 Annual Town Meeting and who are not eligible for Medicare. As required by the 2011 State health insurance legislation, the Town has transferred all retirees who are eligible for Medicare Part A onto Medicare supplement plans. The savings relating to these transfers is fully reflected in the FY14 budget request.

**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 2012 totaled \$3 million. These contributions are in addition to the Town's contribution, which is expected to be \$5 million in FY14. 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. 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:

	<u>Pension</u>	<u>OPEB</u>
<i>Valuation date</i>	<i>1/1/12</i>	<i>7/1/12</i>
Accrued liability	\$ 164,809,666	\$ 127,911,942
Actuarial value of assets	125,424,614	21,315,461
Unfunded liability	<u>\$ 39,385,052</u>	<u>\$ 106,596,481</u>

The actuarial funding schedule for the pension plan, which is intended to fully fund the plan by 2030, calls for a \$2.1 million increase in pension funding in FY14 (inclusive of enterprise funds) and more modest increases thereafter. The latest actuarial valuation of the pension plan (and thus, the current funding schedule) used an investment return assumption of 7.75%. The Retirement Board is performing a new actuarial valuation of the pension liability as of 1/1/13, which will provide a new funding schedule for FY15. As part of that valuation, the actuaries are reassessing all of the assumptions. We expect this will entail the lowering of the investment return assumption, which will result in an increase in the unfunded liability. In the event Town Meeting acts favorably on the proposed increase in the base used to determine cost of living adjustments to retirement allowances (see Article 6), it has been estimated the Town's annual contribution will also need to be increased by \$250,000. In anticipation of the new funding schedule reflecting all of these changes, we have added \$1 million to the previously approved schedule for FY15 and later years.

The actuarial funding schedule for the OPEB liability, which is intended to fully fund the plan by 2037, requires the Town to contribute \$3 million each year (funded currently by \$1.2 million inside the levy and a \$1.8 million Proposition 2½ funding exclusion authorized at the May 2007 Special Election) in addition to the increasing pay-as-you-go costs (i.e., the premium subsidies for current retirees). Despite this funding, the unfunded OPEB liability is projected to continue growing until 2019. Similar to the pension liability, future OPEB valuations may reflect a lower investment rate assumption (currently 7.5%). However, it is possible that the adverse impact of such a change will be offset by the impact of legislative initiatives at the State level to reform municipal obligations with respect to OPEB (see "An Act Providing Retiree Healthcare Benefits Reform" filed by Governor Deval Patrick February 12, 2013).

Facilities maintenance needs

The 2012 Annual Town Meeting approved the establishment of a Town-wide Facilities Maintenance Department and funding for 11.5 additional personnel (full-time equivalents) to bring staffing levels closer to industry benchmarks and execute a more rigorous maintenance program. The additional personnel are now in place and the new organization is maturing.

The firm Symmes Maini & McKee Associates ("SMMA") recently completed an assessment of the Town's school buildings, which identified the need for approximately \$86 million of

renovation work to such buildings. A Schools Facilities Master Plan Task Force (SFMP) was formed to review the results of SMMA's assessment and develop recommendations in terms of how to proceed with the further planning for such work. The SFMP initially proposed to seek an appropriation at the 2013 Annual Town Meeting for design funds related to a large-scale renovation of the Schofield and Fiske elementary schools. In light of the ongoing enrollment study and strategic planning work being undertaken by the School Department, a decision was made to defer consideration of this request to a subsequent Town Meeting.

As this report goes to press, the SFMP is continuing to work with the School Committee, PBC and Selectmen to develop a long-term plan for tackling the large scope of school renovation work called for by the SMMA assessment. The Town has initiated discussions with the Massachusetts School Building Authority (MSBA) regarding the availability of MSBA grants to fund a portion of the cost of this work. Given the perceived urgency of some elements of the proposed work, we expect a significant request for design funds will be made at a Special Town Meeting to be held later this fall.

We currently plan to fund the cost of much of this facilities work via debt exclusion(s). The first such exclusion might be timed to coincide with the next operating budget override discussed later in this report.

In the meantime, the Facilities Maintenance Department has worked with the School Committee and Board of Selectmen to develop a request, primarily for design funds, to be appropriated at the upcoming Town Meeting related to a series of smaller, discrete facilities projects including:

- Middle School – Donizetti entrance repairs and replacement of auditorium seating
- Sprague School – Partial roof replacement and repairs to Oak Street entrance
- Hunnewell School – Roof repairs
- Schools - District-wide security upgrades and phone system replacement
- Fire Station #2 – Resurfacing of apparatus floor and HVAC renovations
- Police Station – HVAC renovations
- Warren Building – Flooring replacement and other miscellaneous repairs

The current estimates of the cost of these projects total \$1,115,000, which includes \$704,000 for the design work on the various projects and \$411,000 for the actual replacement of the Schools' phone system. The PBC is continuing to evaluate the scope and estimated cost of these projects, and additional information will be provided at Town Meeting.

#### High School construction and related borrowing costs

The Permanent Building Committee is working to resolve the final punch list items for the High School project and finalize the related contractor invoices and Massachusetts School Building Authority (MSBA) reimbursement. Spending to-date on the project totals \$103.9 million and reimbursements from the MSBA total \$34.8 million (the total cost incurred to-date includes certain costs not eligible for MSBA reimbursement, such as the purchase of the Seaver Street properties). Borrowings to-date for this project total \$72 million, and we do not foresee a need to borrow any additional funds. This level of borrowing is approximately \$14.1 million lower than the amount originally approved by Town Meeting. In addition, the weighted average interest rate on the borrowings to-date is approximately 3.7%, which compares favorably to the 4.5% rate used in the original projections presented at Town Meeting. The debt service cost for the project is currently projected to peak in FY14, and decline each year thereafter. The budgeted FY14 and projected FY15 debt service cost related to the High School project are \$5.5 million and \$5.4 million, respectively.

### Funding of future capital projects

We continue to assume the following two projects will be at least partially funded via debt exclusions, subject to favorable action at Town Meeting:

- Tolles-Parsons Center (\$5.8 million) – Further planning with respect to the construction of a new Senior Center (the Tolles-Parsons Center) at 496 Washington Street, the site of the former American Legion building, has recently been completed. A preliminary plan for developing additional parking for the Center on Wellesley Housing Authority land adjacent to the Police Station has been prepared, and we expect a request at the upcoming Town Meeting for \$165,313 of additional funds to complete the design and permitting of this project. It is currently envisioned that an appropriation for construction costs will be requested at the 2014 Annual Town Meeting.
- Fuller Brook Park (\$6.0 million) – Considerable planning has been done on the Fuller Brook Park Preservation Project. No appropriation of funds will be sought for this project at the 2013 Annual Town Meeting. As seen in the *Five Year Capital Budgeting Program*, the total cost of this potential project is currently estimated to be \$6 million, with \$3.6 million of the cost to be funded with CPA funds, and the balance (\$2.4 million) to be funded by the Town. Similarly, it is envisioned that an appropriation of construction costs will be requested at the 2014 Annual Town Meeting.

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

- 900 Worcester Street – At the Special Town Meeting in June 2012, a total of \$4.16 million was appropriated to acquire this property, demolish the church and fund other costs incidental to the acquisition. \$2.6 million of this cost is to be funded by Community Preservation Act (CPA) funds and the balance of \$1.56 million is to be funded by a General Fund borrowing. Pending resolution of the ongoing canon law appeal, the Town's due diligence related to this acquisition is on-hold, and any action related to this project at the 2013 Annual Town Meeting is increasingly unlikely. The projected Sources & Uses of Funds shown elsewhere in this report includes the debt service associated with the funds appropriated to date. Otherwise, the *Five Year Capital Budgeting Program* does not include any estimate of additional costs to be incurred on this project.

### **The FY14 Budget**

At the 2012 Annual Town Meeting, we projected deficits of \$4.9 million and \$7 million in FY14 and FY15, respectively, and suggested an override of \$5 million in FY14 to offset these deficits. Less growth in the School budget and lower health insurance costs have reduced the projected deficits. In light of the leadership changes in the School Department, the current economic climate and the healthy condition of the Town's financial reserves, the Board chose to use reserves to offset this deficit and defer an override request to the following year.

The proposed FY14 budget is summarized in the following table (a more complete FY14 Sources & Uses is presented in Exhibit A).

	<b>FY13</b>	<b>FY14</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	\$ 97,314,836	\$ 101,297,707	\$ 3,982,871	4.1%
State Aid	8,872,646	8,872,646	-	0.0%
Local Revenue	9,913,713	10,339,123	425,410	4.3%
Free Cash	2,837,757	3,073,269	235,512	8.3%
Other Sources	1,674,310	1,730,303	55,993	3.3%
Exclusions & Exemptions	11,677,988	11,362,520	(315,468)	-2.7%
<b>Total Sources</b>	<b>\$ 132,291,250</b>	<b>\$ 136,675,568</b>	<b>\$ 4,384,318</b>	<b>3.3%</b>
<b>Uses of Funds</b>				
School	\$ 58,115,123	\$ 60,133,158	\$ 2,018,035	3.5%
Facility Maintenance	6,186,673	6,388,995	202,322	3.3%
Other Town Departments	25,517,269	25,984,234	466,965	1.8%
Employee Benefits	20,577,517	22,134,678	1,557,161	7.6%
Cash Capital	3,526,073	3,869,341	343,268	9.7%
Debt Service (inside Levy)	3,109,135	3,179,465	70,330	2.3%
Other Uses	3,581,472	3,623,177	41,705	1.2%
Exclusions & Exemptions	11,677,988	11,362,520	(315,468)	-2.7%
<b>Total Uses</b>	<b>\$ 132,291,250</b>	<b>\$ 136,675,568</b>	<b>\$ 4,384,318</b>	<b>3.3%</b>
<hr/>				
Surplus/(Deficit)	\$ -	\$ 0		

**Sources of Funds:** The 4.1% increase in Taxes reflects the allowed growth in the levy limit (2.5%) and \$1.55 million of new levy growth. The 4.3% increase in Local Revenue reflects modest increases in excise taxes and permit fees. The increase in Other Sources is due to increases in non-recurring sources. The decrease in Exclusions and Exemptions reflects the continuing pay down of the Town's excluded debt.

**Uses of Funds:** The 3.5% increase in the School budget primarily reflects the cost associated with contractual step and lane increases. The 3.3% increase in Facilities Maintenance and 1.8% increase for Other Town Departments reflect wage increases for non-union employees to be considered under Article 4 and increases in property and liability insurance premiums. The 7.6% increase in Employee Benefits is primarily due to a \$1.8 million increase in pension funding (excluding enterprise funds). Facilities maintenance accounts for \$248,000 (72%) of the increase in Cash Capital, consistent with the plan to raise the recurring level of facilities maintenance capital spending. Debt Service inside-the-levy is up modestly as a result of additional borrowing for previously approved projects. Other Uses include CPA fund requests and other self-funding items, as well as provisions for state and county assessments and property tax abatements.

The Town is also anticipating requests to fund the following additional amounts from Free Cash, subject to appropriation at Town Meeting:

- \$450,000 supplemental FY13 appropriation for Snow & Ice Removal costs (Article 7)
- \$165,313 for additional design costs related to the Tolles-Parsons Center (Article 18)
- \$55,000 for a portion of the cost of the Hills Branch Library chimney repair (Article 20)

## 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 2013 Annual Town Meeting:

- Park & Highway Garage HVAC repair - \$1,000,000 (Article 14)
- Wales Street Bridge improvements - \$400,000 (Article 15)
- School phone system replacement - \$411,000 (Article 17)
- Design costs for various facilities maintenance projects – Current estimate is \$704,000; the PBC is continuing to analyze the scope and cost of this work. (Article 17)

The debt service cost for these projects will first impact the Town budget in FY15.

## Reserves

Mindful of the need to maintain sufficient financial reserves to support the Town's favorable AAA bond rating, we continue to carefully monitor the level of revenues and expenses versus budget, and the resulting impact on reserve levels.

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 for any lawful purpose. 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, 2012 was \$3.1 million and we do not anticipate any requests for appropriations from this fund. The level of Free Cash, as certified by the DOR, was \$10.5 million as of July 1, 2012.

The following chart summarizes the changes in Free Cash for the years FY08-12:

<b>Free Cash</b>	<b>FY08</b>	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
<b>Beginning of year</b>	\$ 6,786,366	\$10,692,354	\$ 9,145,674	\$ 9,471,751	\$ 8,439,070
<b>Uses</b>	(2,475,512)	(4,007,626)	(982,734)	(3,715,184)	(3,112,757)
<b>Net Free Cash generated</b>	6,381,500	2,460,946	1,308,811	2,682,503	5,173,310
<b>End of year</b>	\$10,692,354	\$ 9,145,674	\$ 9,471,751	\$ 8,439,070	\$10,499,623

Free Cash is "generated" by revenues in excess of budget, budget "turn-back" (amounts budgeted but not spent), and other timing differences. The Town's ability to generate Free Cash has enabled the rebuilding of the Town's financial reserves, and funded a number of operating and capital investments, as reflected in the "Uses" quantified above. The potential for generating additional Free Cash in FY13 is an important factor in our evaluation of the proposed use of these reserves to balance the FY14 budget.

The following chart summarizes an initial projection of the Town's reserve balances at June 30, 2013:

<b>Reserve balances at June 30, 2012</b>	
Free Cash	\$10,499,623
Stabilization Fund	3,071,289
	<u>13,570,912</u>
<b>FY13 Revenue (calculated per policy)</b>	119,305,603
<b>Reserve %</b>	<b>11.37%</b>
<b>Projected FY13 changes in reserves</b>	
FY13 Budget turnback	1,000,000
2013 Annual Town Meeting appropriations	
- Snow & ice (Article 7)	(450,000)
- FY14 operating budget (Article 8)	(2,852,956)
- Tolles-Parsons Ctr. (Article 18)	(165,313)
- Hills Branch Chimney (Article 20)	(55,000)
	<u>(2,523,269)</u>
<b>Projected reserves at June 30, 2013</b>	<b>\$11,047,643</b>
<b>Reserve %</b>	<b>9.26%</b>

(Note: Amounts appropriated at the 2013 Annual Town Meeting for expenditure during FY14 will reduce the amount of Free Cash at June 30, 2013.)

During the past year, the Selectmen developed a new Financial Reserves Policy to establish guidelines regarding the appropriate level and use of financial reserves. The policy provides that the sum of the balance in the Stabilization Fund and Free Cash be maintained in the range of 8-12% of budgeted operating revenues. Generally speaking, reserves in excess of 8% but less than 12% may be used to stabilize tax rates, meet anticipated capital needs, and to avoid or defer an override. The Board believes the use of Free Cash in the proposed FY14 budget is consistent with this policy.

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%. Based on the above projection, Wellesley's reserves at June 30, 2013 would be approximately 9.26%. It is also important to note that the Town's financial position is reinforced by the Town's proactive approach to funding the pension and OPEB liabilities.

## Looking Ahead to FY14-17

For purposes of projecting the Town's Sources and Uses of funds for the years FY15-17, we have used the following annual growth rate assumptions:

- Levy growth 2.5% plus \$1.4 million of new growth
- State aid 2%
- Local revenue 2%
- Departmental budgets
  - Schools 4%
  - Other Town depts. 2%
- Pension Per approved funding schedule, as adjusted (see above)
- Health insurance 5%
- Other employee benefits 2.5%

Given the relative size of the School budget, the assumptions regarding the growth in School spending has the greatest impact. It is important to note that this assumption is contingent on the outcome of the current round of collective bargaining with the Teachers union and on the agreement by the School Committee to this number.

Based on these assumptions and assuming no overrides, the projected deficits for the years FY15-17 are summarized as follows:

	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>
<b><i>Projected Deficit</i></b>	\$ (4,232,228)	\$ (4,513,156)	\$ (4,766,457)

We will continue to refine these projections over the next few weeks and will provide an update at Town Meeting. Ultimately, the projected deficits underscore the need for further planning in order to balance service expectations against taxpayers' willingness to pay. They also provide a clear context for the current round of collective bargaining with several of the Town's large unions. Reducing or eliminating these deficits without an override would require some combination of the following:

- Lower rates of spending growth achieved through:
  - Service or staff reductions
  - Structural change in union salary or wage schedules; e.g., a reduction in the number or value of "step" wage increases
  - Operational efficiencies from outsourcing and/or consolidation
  - Further energy conservation measures
  - Deferral of planned capital projects
- Further growth in revenues, such as:
  - New and/or increased permit fees
  - Incremental payments in lieu of taxes (PILOT's)

Absent a significant reduction in the pace of spending growth, an override will be required next year. For initial discussion purposes only, the Board has discussed the possibility of \$3.5 million override in FY15 as one element of a broader plan for addressing the deficits.

The following table illustrates the potential impact of a \$3.5 million override in FY15 and the planned debt exclusions on the median tax bill (i.e., the tax bill for a home valued at \$844,000):

	<b>Median Tax Bill</b>			
	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>
Prior fiscal year	\$ 9,833	\$ 10,050	\$ 10,602	\$ 10,854
2.5% increase	246	251	265	271
\$3.5 million override	-	316	8	8
Decrease in excluded				
debt service	(28)	(15)	(21)	(46)
Facilities projects for				
2013 Annual Town Mtg.	-	13	62	(2)
Tolles-Parsons Center	-		40	(1)
Fuller Brook Park	-	-	30	(1)
	<u>\$ 10,050</u>	<u>\$ 10,602</u>	<u>\$ 10,854</u>	<u>\$ 11,087</u>
% Increase	2.2%	5.5%	2.4%	2.1%

Further details regarding the projections for FY15-17 inclusive of the potential override are provided in Exhibit C.

This Town-Wide Financial Plan is a continual work-in-progress. 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,

Terri Tsagaris, Chair  
 Ellen F. Gibbs, Vice Chair  
 Barbara D. Searle, Secretary  
 Katherine L. Babson, Jr.  
 Donald S. McCauley

Exhibits:

- A - FY14 Summary Sources & Uses of Funds
- B - FY14 Detail Sources & Uses of Funds
- C - Projected Sources & Uses of Funds

TOWN OF WELLESLEY- SOURCES AND USES OF FUNDS

Exhibit A

	FY2013 Tax Rate	FY2014 Request	% Change
<b>*** SOURCES OF FUNDS ***</b>			
Tax & Other Current Revenues			
Within Levy Limits			
Real Estate & Per. Prop. Tax	97,314,836	101,297,707	4%
From the Commonwealth	8,872,646	8,872,646	0%
Local Revenue	9,913,713	10,339,123	4%
<b>Sub-Total (Tax &amp; Cur. Rev.)</b>	<b>116,101,195</b>	<b>120,509,476</b>	<b>4%</b>
Outside Levy Limits			
Real Estate & Pers.Prop.Tax	9,877,988	9,562,520	-3%
OPEB	1,800,000	1,800,000	0%
Available Funds			
Parking Meter Receipts	833,864	855,846	3%
Appropriated/Reserved CPA Surcharge	765,446	748,000	-2%
Free Cash- balance budget	2,837,757	2,852,956	1%
Free Cash- Park Hwy HVAC	75,000	220,313	100%
Unencumbered/Transfers from other funds	-	126,457	
<b>Sub-Total (Available Funds)</b>	<b>4,512,067</b>	<b>4,803,572</b>	<b>6%</b>
<b>TOTAL SOURCES OF FUNDS</b>	<b>132,291,250</b>	<b>136,675,568</b>	<b>3%</b>
	<b>FY2013 Request</b>	<b>FY2014 Request</b>	<b>% Change</b>
<b>*** USE OF FUNDS ***</b>			
Personal Services (Non-School)	19,033,119	19,349,118	2%
Expenses (Non-School)	6,484,150	6,635,116	2%
Subtotal (Non-School)	25,517,269	25,984,234	2%
Personal Services (Facilities Maintenance)	3,276,988	3,465,927	6%
Expenses (Facilities Maintenance)	2,909,685	2,923,068	0%
Subtotal (Facilities Maintenance)	6,186,673	6,388,995	3%
Personal Services (School)	51,006,508	52,764,096	3%
Expenses (School)	7,108,615	7,369,062	4%
Subtotal (School)	58,115,123	60,133,158	3%
<b>Sub-Total (Pers. Svcs.&amp; Exp)</b>	<b>89,819,065</b>	<b>92,506,387</b>	<b>3%</b>
Capital & Debt:			
Within Levy Limits			
Capital/Extraord./Special Items	3,526,073	3,869,341	10%
Debt Service	3,109,135	3,179,465	2%
<b>Sub-Total (Within Levy Limits)</b>	<b>6,635,208</b>	<b>7,048,806</b>	<b>6%</b>
Outside Levy Limits			
Debt Service	9,877,988	9,562,520	-3%
<b>SUB-TOTAL (CAPITAL &amp; DEBT)</b>	<b>16,513,196</b>	<b>16,611,326</b>	<b>1%</b>
Employee Benefits:			
Ins./Group Ins., etc.	16,167,673	15,926,473	-1%
Pension Contribution	3,209,844	5,008,205	56%
OPEB Liability Fund	3,000,000	3,000,000	0%
<b>Sub-Total (Shared Costs)</b>	<b>22,377,517</b>	<b>23,934,678</b>	<b>7%</b>
<b>SUB-TOTAL (OPERATIONS)</b>	<b>128,709,778</b>	<b>133,052,391</b>	<b>3%</b>
Special Items:			
Traffic & Parking Management	833,864	843,846	1%
Appropriated/Reserved CPA Surcharge	765,446	748,000	-2%
State & County Assessments	1,153,350	1,211,018	5%
Property Tax Abatements	753,812	600,000	-20%
Free Cash- Park Hwy	75,000	220,313	100%
<b>Sub-Total (Special Items)</b>	<b>3,581,472</b>	<b>3,623,177</b>	<b>1%</b>
<b>TOTAL USE OF FUNDS</b>	<b>132,291,250</b>	<b>136,675,568</b>	<b>3%</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>132,291,250</b>	<b>136,675,568</b>	<b>3%</b>
<b>SURPLUS (DEFICIT)</b>	<b>-</b>	<b>(0)</b>	

TOWN OF WELLESLEY - TOWN MEETING APPROVED ALLOCATION OF FUNDS

<b>SOURCES OF FUNDS</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>\$ Change</b>	<b>% Change</b>
<b>Real Estate &amp; Personal Property Tax</b>				
Within the Levy Limit	97,314,836	101,297,707	3,982,871	4.1%
Outside the Levy Limit - OPEB	1,800,000	1,800,000	0	
Outside the Levy Limit	9,877,988	9,562,520	(315,468)	-3.2%
Subtotal	108,992,824	112,660,227	3,667,403	3.4%
<b>From the Commonwealth</b>				
Chapter 70 Aid	7,402,108	7,402,108	0	0.0%
Lottery Aid	1,095,717	1,095,717	0	0.0%
Regional Public Libraries	270,000	270,000	0	0.0%
Other Aid	104,821	104,821	0	0.0%
<b>Local Revenue</b>				
Motor Vehicle Excise	4,176,000	4,300,000	124,000	3.0%
Licenses and Permits	1,500,000	1,775,000	275,000	18.3%
MLP Payment in Lieu of Taxes	1,000,000	1,000,000	0	0.0%
Interest Earnings	325,300	275,000	(50,300)	-15.5%
RDF Revenue	800,000	664,000	(136,000)	-17.0%
Fines & forfeits	575,000	575,000	0	0.0%
Recreation	100,000	124,123	24,123	24.1%
Meals Tax	520,000	546,000	26,000	5.0%
Pilot Payments	270,083	270,000	(83)	0.0%
Other Local Revenues	647,330	810,000	162,670	25.1%
<b>Other Sources</b>				
Parking Meter Receipts	833,864	855,846	21,982	
Free Cash to balance budget	2,837,757	2,852,956	15,199	
Free Cash - (2013) Park Hwy design,(2104) Tolles Parsons design, Hill Ch	75,000	220,313	145,313	
Appropriated CPA Surcharge	765,446	748,000	(17,446)	
Police detail	0	126,457	126,457	
	<b>132,291,250</b>	<b>136,675,568</b>	<b>4,384,318</b>	<b>3.3%</b>

Exhibit B

Funding Item	FY13 USE OF FUNDS (Tax Rate)			FY14 USE OF FUNDS (Request)			CHANGE - FY13 to FY14			
	FY13 Pers Svcs	FY13 Expenses	FY13 Total Ops	FY14 Pers Svcs	FY14 Expenses	FY14 Total Ops	Variance Pers Svcs	Variance Expenses	Variance Total - \$	Variance Total - %
<b>USES OF FUNDS</b>										
<b>GENERAL GOVERNMENT</b>										
<b>Board of Selectmen - Administration</b>										
Executive Director's Office	402,331	30,250	432,581	406,257	30,550	436,807	3,926	300	4,226	1.0%
Sustainable Energy	18,960	6,000	24,960	0	15,033	15,033	(18,960)	9,033	(9,927)	-39.8%
Central Administrative Services	0	37,500	37,500	0	38,500	38,500	0	1,000	1,000	2.7%
Finance Department	350,834	9,125	359,959	356,878	8,000	364,878	6,044	(1,125)	4,919	1.4%
Network & Information Systems	460,925	214,127	675,052	460,950	215,563	676,513	25	1,436	1,461	0.2%
Treasurer & Collector	259,407	122,150	381,557	262,222	123,863	386,085	2,815	1,713	4,528	1.2%
Parking Fines Processing	0	4,000	4,000	Integrated with Traffic & Parking Operations	0	4,000	0	0	0	0.0%
Town Report	0	0	0	0	0	0	0	0	0	0.0%
<b>Board of Selectmen - Human Services</b>										
Council on Aging	181,595	134,318	315,913	219,226	112,533	331,759	37,631	(21,785)	15,846	5.0%
Fair Housing Committee	0	200	200	0	200	200	0	0	0	0.0%
West Suburban Veterans District	0	85,818	85,818	0	107,261	107,261	0	21,443	21,443	25.0%
Youth Commission	71,147	17,190	88,337	73,309	17,190	90,499	2,162	0	2,162	2.4%
<b>Board of Selectmen - Maintenance Services</b>										
Facilities Maintenance	3,276,988	2,909,685	6,186,673	3,465,927	2,923,068	6,388,995	188,939	13,383	202,322	3.3%
<b>Board of Selectmen - Other Services</b>										
Housing Development Corporation	0	3,500	3,500	0	6,000	6,000	0	2,500	2,500	71.4%
Historical Commission	0	750	750	0	750	750	0	0	0	0.0%
Historical District Commission	0	250	250	0	250	250	0	0	0	0.0%
Memorial Day	0	2,500	2,500	0	2,500	2,500	0	0	0	0.0%
Celebrations Committee	0	4,700	4,700	0	4,700	4,700	0	0	0	0.0%
Zoning Board of Appeals	48,401	7,115	55,516	48,587	7,115	55,702	186	0	186	0.3%
<b>Board of Selectmen - Shared Services</b>										
Law	0	272,360	272,360	0	300,000	300,000	0	27,640	27,640	10.1%
Audit Committee	0	56,250	56,250	0	56,250	56,250	0	0	0	0.0%
Risk Management	0	407,000	407,000	0	479,000	479,000	0	72,000	72,000	17.7%
Street Lighting	0	225,300	225,300	0	225,300	225,300	0	0	0	0.0%
<b>Subtotal - Board of Selectmen - General Government</b>	<b>5,070,568</b>	<b>4,550,088</b>	<b>9,620,676</b>	<b>5,293,356</b>	<b>4,677,626</b>	<b>9,970,982</b>	<b>222,768</b>	<b>127,538</b>	<b>350,306</b>	<b>3.6%</b>

Exhibit B

Funding Item	FY13 USE OF FUNDS (Tax Rate)			FY14 USE OF FUNDS (Request)			CHANGE - FY13 to FY14			
	FY13 Pers Svs	FY13 Expenses	FY13 Total Ops	FY14 Pers Svs	FY14 Expenses	FY14 Total Ops	Variance Pers Svs	Variance Expenses	Variance Total - \$	Variance Total - %
<b>USES OF FUNDS</b>										
<b>Other General Government</b>										
Town Clerk/Election & Registration	249,986	50,300	300,286	226,880	48,090	274,970	(23,106)	(2,210)	(25,316)	-8.4%
Board of Assessors	245,856	81,950	327,806	248,776	82,770	331,546	2,920	820	3,740	1.1%
Planning Board	214,190	42,600	256,790	220,191	42,600	262,791	6,001	0	6,001	2.3%
Advisory Committee	8,782	14,000	22,782	8,782	14,000	22,782	0	0	0	0.0%
Reserve Fund	0	175,000	175,000	0	175,000	175,000	0	0	0	0.0%
Permanent Building Committee	12,834	6,450	19,284	15,074	6,450	21,524	2,240	0	2,240	11.6%
Human Resources Board	270,236	19,650	289,886	273,227	18,803	292,030	2,991	(847)	2,144	0.7%
HR Salary adjustments	43,525	0	43,525	130,000	0	130,000	NA	NA	NA	NA
<b>Subtotal - Other General Government</b>	<b>1,045,409</b>	<b>389,950</b>	<b>1,435,359</b>	<b>1,122,930</b>	<b>387,713</b>	<b>1,510,643</b>	<b>(6,954)</b>	<b>(2,237)</b>	<b>(11,191)</b>	<b>-0.8%</b>
<b>GENERAL GOVERNMENT TOTAL</b>	<b>6,115,997</b>	<b>4,940,038</b>	<b>11,056,035</b>	<b>6,416,286</b>	<b>5,065,339</b>	<b>11,481,625</b>	<b>213,814</b>	<b>125,301</b>	<b>339,115</b>	<b>3.1%</b>
<b>PUBLIC SAFETY - BOARD OF SELECTMEN</b>										
Police Department	4,664,991	619,903	5,284,894	4,710,339	630,094	5,340,433	45,348	10,191	55,539	1.1%
Injured on Duty	see Risk Management Dept 945			see Risk Management Dept 945						
Special School Police	98,998	2,897	101,895	99,950	2,926	102,876	952	29	981	1.0%
Fire Department	4,451,006	260,112	4,711,118	4,570,007	262,749	4,832,756	119,001	2,637	121,638	2.6%
Radio Masterbox	92,423	0	92,423	0	0	0	(92,423)	0	(92,423)	-100.0%
Building Department	415,572	26,350	441,922	418,901	26,350	445,251	3,329	0	3,329	0.8%
Emergency Medical Services	0	0	0	0	0	0	0	0	0	0.0%
Sealer of Weights & Measures	15,660	2,800	18,460	15,660	2,800	18,460	0	0	0	0.0%
<b>PUBLIC SAFETY TOTAL - BOARD OF SELECTMEN</b>	<b>9,738,650</b>	<b>912,062</b>	<b>10,650,712</b>	<b>9,814,857</b>	<b>924,919</b>	<b>10,739,776</b>	<b>76,207</b>	<b>12,857</b>	<b>89,064</b>	<b>0.8%</b>
<b>DEPARTMENT OF PUBLIC WORKS</b>										
Engineering	471,999	79,788	551,787	483,024	67,639	550,663	11,025	(12,149)	(1,124)	-0.2%
Highway	997,675	446,202	1,443,877	1,017,113	455,762	1,472,875	19,438	9,560	28,998	2.0%
Fleet Maintenance	130,942	56,462	187,404	133,561	56,462	190,023	2,619	0	2,619	1.4%
Park	1,042,991	271,477	1,314,468	1,070,589	287,770	1,358,359	27,598	16,293	43,891	3.3%
Recycling & Disposal	936,859	1,260,893	2,197,752	948,486	1,269,693	2,218,179	11,627	8,800	20,427	0.9%
Management	334,249	52,913	387,162	343,169	39,753	382,922	8,920	(13,160)	(4,240)	-1.1%
Winter Maintenance	0	348,703	348,703	0	348,703	348,703	0	0	0	0.0%
<b>PUBLIC WORKS TOTAL</b>	<b>3,914,715</b>	<b>2,516,438</b>	<b>6,431,153</b>	<b>3,995,942</b>	<b>2,525,782</b>	<b>6,521,724</b>	<b>81,227</b>	<b>9,344</b>	<b>90,571</b>	<b>1.4%</b>
<b>WELLESLEY FREE LIBRARY</b>										
Library Trustees	1,576,538	429,998	2,006,536	1,593,711	458,557	2,052,268	17,173	28,559	45,732	2.3%
Regional Services (Non-Tax Impact)	157,889	112,111	270,000	157,889	112,111	270,000	0	0	0	0.0%
<b>LIBRARY TOTAL</b>	<b>1,734,427</b>	<b>542,109</b>	<b>2,276,536</b>	<b>1,751,600</b>	<b>570,668</b>	<b>2,322,268</b>	<b>17,173</b>	<b>28,559</b>	<b>45,732</b>	<b>2.0%</b>

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Exhibit B

USES OF FUNDS	FY13 USE OF FUNDS (Tax Rate)			FY14 USE OF FUNDS (Request)			CHANGE - FY13 to FY14			
	FY13 Pers Srvs	FY13 Expenses	FY13 Total Ops	FY14 Pers Srvs	FY14 Expenses	FY14 Total Ops	Variance Pers Srvs	Variance Expenses	Variance Total - \$	Variance Total - %
<b>RECREATION</b>										
Recreation Commission	284,438	23,800	308,238	297,937	20,000	317,937	13,499	(3,800)	9,699	3.1%
<b>RECREATION TOTAL</b>	<b>284,438</b>	<b>23,800</b>	<b>308,238</b>	<b>297,937</b>	<b>20,000</b>	<b>317,937</b>	<b>13,499</b>	<b>(3,800)</b>	<b>9,699</b>	<b>3.1%</b>
<b>HEALTH</b>										
Board of Health	341,497	66,838	408,335	343,684	68,540	412,224	2,187	1,702	3,889	1.0%
Mental Health Services	0	213,555	213,555	0	215,691	215,691	0	2,136	2,136	1.0%
<b>HEALTH TOTAL</b>	<b>341,497</b>	<b>280,393</b>	<b>621,890</b>	<b>343,684</b>	<b>284,231</b>	<b>627,915</b>	<b>2,187</b>	<b>3,838</b>	<b>6,025</b>	<b>1.0%</b>
<b>NATURAL RESOURCES</b>										
Natural Resources Commission	180,383	18,625	199,008	182,984	18,575	201,569	2,611	(50)	2,561	1.3%
Morses Pond Project - (NRC, DPW, Rec)	0	160,370	160,370	11,745	148,670	160,415	11,745	(11,700)	45	0.0%
<b>NATURAL RESOURCES TOTAL</b>	<b>180,383</b>	<b>178,995</b>	<b>359,378</b>	<b>194,739</b>	<b>167,245</b>	<b>361,984</b>	<b>14,356</b>	<b>(11,750)</b>	<b>2,606</b>	<b>0.7%</b>
<b>NON-SCHOOL TOTAL</b>	<b>22,310,107</b>	<b>9,393,835</b>	<b>31,703,942</b>	<b>22,815,045</b>	<b>9,558,184</b>	<b>32,373,229</b>	<b>418,463</b>	<b>164,349</b>	<b>582,812</b>	<b>1.8%</b>
<b>WELLESLEY PUBLIC SCHOOLS</b>										
Instruction	44,138,715	1,458,511	45,597,226	46,383,377	1,818,235	48,201,612	2,244,662	359,724	2,604,386	5.7%
Administration	891,418	147,700	1,039,118	894,780	149,168	1,043,948	3,362	1,468	4,830	0.5%
Operations	683,241	322,900	1,006,141	753,821	366,357	1,120,178	70,580	43,457	114,037	11.3%
Special Tuition/Transportation/Inclusion	5,293,134	5,179,504	10,472,638	4,732,118	5,035,302	9,767,420	(561,016)	(144,202)	(705,218)	-6.7%
<b>SCHOOL TOTAL</b>	<b>51,006,508</b>	<b>7,108,615</b>	<b>58,115,123</b>	<b>52,764,096</b>	<b>7,369,062</b>	<b>60,133,158</b>	<b>1,757,588</b>	<b>260,447</b>	<b>2,018,035</b>	<b>3.5%</b>
<b>EMPLOYEE BENEFITS</b>										
Group Insurance	0	15,796,768	15,796,768	0	15,619,773	15,619,773	0	(176,995)	(176,995)	-1.1%
OPEB Liability Fund	0	3,000,000	3,000,000	0	3,000,000	3,000,000	0	0	0	0.0%
Retirement Contribution	0	3,209,844	3,209,844	0	5,008,205	5,008,205	0	1,798,361	1,798,361	56.0%
Unemployment Compensation	0	250,000	250,000	0	200,000	200,000	0	(50,000)	(50,000)	-20.0%
Compensated Absences	0	90,000	90,000	0	90,000	90,000	0	0	0	0.0%
Non-Contributory Pensions	0	30,905	30,905	0	16,700	16,700	0	(14,205)	(14,205)	-46.0%
<b>EMPLOYEE BENEFITS TOTAL</b>	<b>-</b>	<b>22,377,517</b>	<b>22,377,517</b>	<b>0</b>	<b>23,934,678</b>	<b>23,934,678</b>	<b>0</b>	<b>1,557,161</b>	<b>1,557,161</b>	<b>7.0%</b>
<b>ALL PERSONAL SERVICES &amp; EXPENSES</b>	<b>73,316,615</b>	<b>38,879,967</b>	<b>112,196,582</b>	<b>75,579,141</b>	<b>40,861,924</b>	<b>116,441,065</b>	<b>2,262,526</b>	<b>1,981,957</b>	<b>4,244,483</b>	<b>3.8%</b>

Exhibit B

USES OF FUNDS	FY13 USE OF FUNDS (Tax Rate)			FY14 USE OF FUNDS (Request)			CHANGE - FY13 to FY14			
	FY13 Pers Svs	FY13 Expenses	FY13 Total Ops	FY14 Pers Svs	FY14 Expenses	FY14 Total Ops	Variance Pers Svs	Variance Expenses	Variance Total - \$	Variance Total - %
<b>CAPITAL &amp; DEBT</b>										
<b>Departmental Cash Capital</b>										
Public Works Capital	0	1,322,500	1,322,500	0	1,524,000	1,524,000	0	201,500	201,500	15.2%
School Capital	0	962,554	962,554	0	803,134	803,134	0	(159,420)	(159,420)	-16.6%
Facilities Capital - School	0	611,250	611,250	0	811,200	811,200	0	199,950	199,950	32.7%
Facilities Capital - Town	0	282,333	282,333	0	330,000	330,000	0	47,667	47,667	16.9%
Selectmen Capital	0	231,936	231,936	0	206,457	206,457	0	(25,479)	(25,479)	-11.0%
Library Capital	0	40,500	40,500	0	40,000	40,000	0	(500)	(500)	-1.2%
Town Clerk	0	0	0	0	79,550	79,550	0	79,550	79,550	100.0%
NRC Capital	0	75,000	75,000	0	75,000	75,000	0	0	0	0.0%
Morses Pond Capital	0	0	0	0	0	0	0	0	0	0.0%
<b>Subtotal - Cash Capital</b>	<b>0</b>	<b>3,526,073</b>	<b>3,526,073</b>	<b>0</b>	<b>3,869,341</b>	<b>3,869,341</b>	<b>0</b>	<b>343,268</b>	<b>343,268</b>	<b>9.7%</b>
<b>Debt Service</b>										
<b>Current Inside Levy Debt Service - Issued</b>										
New Debt Service - Inside Levy	0	2,903,335	2,903,335	0	2,796,845	2,796,845	0	(106,490)	(106,490)	-3.7%
<b>Current Outside Levy Debt Service - Issued</b>										
New Debt Service - Outside Levy	0	205,800	205,800	0	382,620	382,620	0	176,820	176,820	46.2%
	0	9,877,988	9,877,988	0	9,106,389	9,106,389	0	(771,599)	(771,599)	-7.8%
<b>Subtotal - Debt Service</b>	<b>0</b>	<b>12,987,123</b>	<b>12,987,123</b>	<b>0</b>	<b>12,741,985</b>	<b>12,741,985</b>	<b>0</b>	<b>(245,138)</b>	<b>(245,138)</b>	<b>-1.9%</b>
<b>CAPITAL &amp; DEBT TOTAL</b>	<b>0</b>	<b>16,513,196</b>	<b>16,513,196</b>	<b>0</b>	<b>16,611,326</b>	<b>16,611,326</b>	<b>0</b>	<b>98,130</b>	<b>98,130</b>	<b>0.6%</b>
<b>SPECIAL ITEMS</b>										
<b>Receipts Reserved for Appropriation</b>										
Traffic & Parking Operations	229,014	604,850	833,864	235,396	608,450	843,846	6,382	3,600	9,982	1.2%
Community Preservation Appropriated	0	765,446	765,446	0	748,000	748,000	0	(17,446)	(17,446)	-2.3%
Free Cash - (13) Park Hwy Design, (14) Tolles Parsons, (1)	0	75,000	75,000	0	220,313	220,313	0	145,313	145,313	
Property Tax Abatements	0	753,812	753,812	0	600,000	600,000	0	(153,812)	(153,812)	-20.4%
State & County Assessments	0	1,153,350	1,153,350	0	1,211,018	1,211,018	0	57,668	57,668	5.0%
<b>SPECIAL ITEMS TOTAL</b>	<b>229,014</b>	<b>3,352,458</b>	<b>3,581,472</b>	<b>235,396</b>	<b>3,387,781</b>	<b>3,623,177</b>	<b>6,382</b>	<b>35,323</b>	<b>41,705</b>	<b>1.2%</b>
<b>TOTAL USES OF FUNDS</b>										
			132,291,250			136,675,568			4,384,318	3.3%
<b>TOTAL SOURCES OF FUNDS</b>			132,291,250			136,675,568			4,384,318	3.3%
<b>SURPLUS (DEFICIT)</b>			0			(0)				

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## Projected Sources & Uses of Funds

Exhibit C

	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>
<b>Sources</b>				
Property Taxes	\$ 101,297,707	\$ 105,230,150	\$ 109,260,903	\$ 113,392,426
Override		<b>3,500,000</b>	<b>3,587,500</b>	<b>3,677,188</b>
State Aid	8,872,646	9,050,099	9,231,101	9,415,723
Local Revenue	10,339,123	10,545,905	10,756,824	10,971,960
Free Cash	3,073,269	-	-	-
Other	126,457	85,647	93,547	66,976
	<u>123,709,202</u>	<u>128,411,801</u>	<u>132,929,875</u>	<u>137,524,272</u>
<b>Uses</b>				
Schools	60,133,158	62,538,484	65,040,024	67,641,625
Facilities	6,388,995	6,516,775	6,647,110	6,780,053
Other Town Depts.	25,984,234	26,503,919	27,033,997	27,574,677
	<u>92,506,387</u>	<u>95,559,178</u>	<u>98,721,131</u>	<u>101,996,354</u>
Cash Capital	4,089,654	4,502,782	5,330,882	5,834,211
Debt Service (Inside)	3,167,465	3,329,050	2,918,256	2,634,494
Pension	5,008,205	6,040,398	6,361,546	6,775,982
Health Insurance	13,267,744	13,931,131	14,627,688	15,359,072
OPEB	1,200,000	1,200,000	1,200,000	1,200,000
Other Employee Benefits	2,658,729	2,725,197	2,793,327	2,863,160
State & County Assessments	1,211,018	1,241,293	1,272,326	1,304,134
Property Tax Abatements	600,000	615,000	630,375	646,134
Other				
	<u>123,709,202</u>	<u>129,144,029</u>	<u>133,855,531</u>	<u>138,613,542</u>
<b>Surplus/(Deficit)</b>	<u>\$ -</u>	<u>\$ (732,228)</u>	<u>\$ (925,656)</u>	<u>\$ (1,089,269)</u>
<b>Exclusions</b>				
High School	\$ 5,473,598	5,393,938	5,285,694	5,185,093
Other Existing Debt	3,632,791	3,491,380	3,378,629	2,978,909
Authorized Borrowings				
- Stormwater Drainage	49,000	111,440	108,216	104,992
- Morses Pond Dredging	75,000	73,440	71,280	69,120
- DPW Office Building	332,131	323,828	315,525	307,222
Projected Borrowings				
- Tolles-Parsons Center		441,000	431,200	421,400
- Fuller Brook Park			336,000	326,400
- Facilities		TBD	TBD	TBD
OPEB	1,800,000	1,800,000	1,800,000	1,800,000
Total Exclusions	<u>\$ 11,362,520</u>	<u>\$ 11,635,026</u>	<u>\$ 11,726,544</u>	<u>\$ 11,193,136</u>

**REPORT OF THE BOARD OF SELECTMEN ON THE  
FIVE YEAR CAPITAL BUDGETING PROGRAM**

March 8, 2013

**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 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 FY14 (i.e. the year ended June 30, 2014) by funding source:

<b>FY14 Recommended Capital Projects by Funding Source</b>		
<b>Department</b>	<b>Project</b>	<b>Amount</b>
<b>Cash Capital:</b>		
Fire	Radio system, Scott Air-Pak	<b>50,000</b>
NIS	MS Office Licenses	<b>20,000</b>
Police	Weapons, Uniform Shirts, Cruiser Hands Free, Automtd plate reader	<b>126,457</b>
COA	Online Registration Database	<b>10,000</b>
Library	Technology, Furnishings	<b>40,000</b>
NRC	Trees, Sidewalk/Paths, IPM Turf Mgmt, Encroachment Markers	<b>75,000</b>
Town Clerk	Voting machines and equipment	<b>79,550</b>
DPW	Vehicle/Equipt, Streets, Field/Playground, Sidewalks	<b>1,524,000</b>
Schools	Technology, furnishings	<b>803,135</b>
Facilities	Schools \$811,200; Town \$330,000	<b>1,141,200</b>
Total Cash Capital		<b>\$ 3,869,342</b>
<b>Other Funding Sources:</b>		
DPW	DPW Street Resurfacing (Chapter 90 Funds)	<b>907,300</b>
BOS	Hills Branch Library Chimney (Free Cash)	<b>55,000</b>
BOS	Hills Branch Library Chimney (CPC)	<b>75,000</b>
BOS	Tolles- Parsons Design	<b>165,313</b>
NRC	Perrin Park (CPC)	<b>25,000</b>
Total Other Sources		<b>\$ 1,227,613</b>
<b>Debt Capital Inside Levy:</b>		
DPW	Park Hwy HVAC	<b>1,000,000</b>
DPW	Wales Street Bridge	<b>400,000</b>
BOS/Schools	Design Funds; and Schools Phone system replacement	<b>1,115,000</b>
Total Borrowed Inside Levy		<b>\$ 2,515,000</b>
<b>Debt Capital Exclusion:</b>		
Possible Fall 2013 Special Town Meeting		<b>\$ -</b>
Grand Total		<b>\$ 7,611,955</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 FY14– FY18.

### **Cash Capital**

Cash capital is defined as investments, assets, or special studies 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, or a one-time analysis. Capital expenditures are by definition more "lumpy" than routine operating needs. Cash capital is not synonymous with fixed assets, because the Town does not capitalize items under \$25,000 (such as computers). Police vehicles are a notable exception: these are budgeted in the Police operating budget because they have been deemed critical and the Town has elected to fund them in this fashion for many years.

#### **DPW FY14**

The Board of Public Works has recommended a FY14 cash capital budget of \$1,524,000. Highlights of the DPW FY14 capital requests are as follows:

- Replacement or refurbishment of thirteen vehicles including Highway Maintenance trucks, Park Maintenance trucks and other equipment - \$718,800.
- Street Improvements - \$457,700
- Athletic fields/ Playground Improvements - \$182,000.
- Sidewalk Restoration - \$80,000

#### **DPW FY15 – FY18**

The Board of Public Works will continue to fund street improvements in the out years, with the goal of resurfacing 9-10 miles per year with a combination of cash capital and chapter 90 funds. The other major cash capital expense for DPW is the periodic scheduled replacement of 130 vehicles and 200 pieces of equipment.

#### **FACILITIES MAINTENANCE FY14**

Combined cash capital budget request for town and school facilities maintenance is \$1,141,200 for FY14. Projects are listed in the accompanying chart.

#### **FACILITIES MAINTENANCE FY15-FY18**

Known projects are identified on the accompanying chart. The Town has done benchmark studies which suggest that the level of capital funding for facilities maintenance should be increased. The necessary increase has been estimated and included in the plan, with specific projects to follow at subsequent Town Meetings. Details will be developed more completely in the future.

#### **SCHOOL FY14**

The School Committee requests \$803,135 for cash capital in FY14, comprised primarily of technology items (\$590,469) and furnishings (\$134,122).

#### **SCHOOL FY15– FY18**

The School capital request for FY15-18 includes an average of \$560,000 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 \$120,000 per year for furnishings and/or furniture. The projections for Y15-FY18 are estimates.

## **Other Funding Sources**

### **DPW Street Maintenance and Resurfacing**

The Board of Public Works is requesting \$907,300 in FY14 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 \$207,300 of Chapter 90 monies.
- Street resurfacing on Washington Street, one of the Town's major connector streets, for \$700,000 to be funded by Chapter 90.

### **Hills Branch Library Chimney**

Minor repairs to the Hills Branch Library Chimney were started in November 2011. Since then, it has been determined that additional repairs need to be addressed. Engineers and Historical Consultants have prepared repair recommendations and estimates. The Board of Selectmen in collaboration with the Board of Library Trustees seek an appropriation from free cash of \$55,000 and \$75,000 from the Community Preservation Committee for the costs of the repairs.

### **Tolles-Parsons Senior Center**

The Board of Selectmen request \$165,313 from Free Cash to design the proposed Tolles-Parsons Center. The Tolles-Parsons Center would be funded with a debt-exclusion at a future town meeting.

### **Perrin Park**

The Natural Resources Commission requests CPC funding of \$25,000 to fund improvements to Perrin Park.

### **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 FY04. The total project cost is estimated at \$6.0 million. This funding request is being submitted as follows:

- Implement Fuller Brook Plan in FY15 – \$3.6 million funded by CPC and with remaining balance of \$2.4 million to be funded as a debt exclusion (see last page).

## **Debt Capital inside the Levy FY14-FY18**

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.

DPW borrowing capital request includes the following:

- Wales Street Bridge reconstruction - \$400,000 FY14.
- Park & Highway Building Roof and HVAC Rehabilitation - \$1.0 million. Design funds were obtained in FY13.

Facilities Maintenance Requests \$1,115,000 to be borrowed inside the levy as follows:

- School Committee:  
School Phone System design and construction - \$411,000  
Design School Security system -\$146,325  
Design funds for other projects (refer to chart) - \$199,565
- Board of Selectmen:  
Design funds for Police and Fire HVAC and Warren Building - \$266,630  
Contingency on Town and School project design - \$91,480

Further information on these projects will be presented at Town Meeting.

### **Debt Capital Exclusion(s) FY14 - FY18**

Recent large capital projects have outstripped the Town's taxing authority. The Middle School upgrade, Elementary School Infrastructure improvements, Pond Dredging, Drainage Construction, and, most recently, a new High School have all been financed through exempt debt. The Town also approved a capital exclusion to fund 10 years of contributions towards its Other Post Employment Benefits (OPEB) liability. It is anticipated that most future large capital projects will need to be funded in this fashion.

The most significant borrowing requests in the next several years include the proposed new Tolles-Parsons Center, Fuller Brook Park Preservation Project, and facilities projects forthcoming from the recent SMMA school facilities assessment, and possible costs associated with the eventual purchase of the 900 Worcester Street property. No appropriation of tax-impact funds will be sought for these projects at the 2013 Annual Town Meeting.

#### Tolles-Parsons Center

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 site options. A request for \$165,313 of additional design funds will be requested under Article 18 at the 2013 Annual Town Meeting.

#### Fuller Brook Park Preservation Project

In addition to a FY2015 request of \$3.6 million in Community Preservation Act (CPA) funds, a debt exclusion may be requested in the amount of \$2.4 million that same year .

#### School Building Assessment

An assessment of the school buildings has been performed by Symmes Maini & McKee Associates. The Town will evaluate the scope and timing of required work. It is anticipated that projects coming out of this study may be bundled with Town needs in a combined Facilities request.

#### 900 Worcester Street

The 900 Worcester Street Recreation Use Committee and related subcommittees has continued to analyze the feasibility of the proposed recreational uses and their report appears elsewhere in the Advisory book. No additional appropriations will be proposed at the 2013 Annual Town Meeting.

**FIVE YEAR CAPITAL BUDGETING PROGRAM – Exhibit A**

**Town of Wellesley  
FY14- FY18 Capital Improvement Plan  
Summary Schedule**

	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY14-18 Total
<b>Cash Capital</b>	2,512,754	2,881,134	3,526,073	3,869,342	4,502,782	5,330,882	5,834,211	5,161,385	<b>\$ 24,698,601</b>
<b>Free Cash</b>	2,525,000	-	75,000	220,313	-	-	-	-	<b>\$ 220,313</b>
<b>CPC Funding</b>	250,000	3,000,000	-	100,000	3,600,000	-	-	-	<b>\$ 3,700,000</b>
<b>Chapter 90</b>	-	1,000,000	1,274,000	907,300	392,000	601,000	720,000	720,000	<b>\$ 3,340,300</b>
<b>Debt Capital Inside Levy</b>	-	2,580,000	1,305,000	2,347,028	825,000	1,400,000	3,070,000	4,367,000	<b>\$ 12,009,028</b>
<b>Debt Capital Exclusion *</b>	-	3,596,000	-	-	9,613,254	1,309,000	2,005,000	600,000	<b>\$ 13,527,254</b>
<b>Grand Total</b>	<b>\$ 5,287,754</b>	<b>\$ 13,057,134</b>	<b>\$ 6,180,073</b>	<b>\$ 7,443,983</b>	<b>\$ 18,933,036</b>	<b>\$ 8,640,882</b>	<b>\$ 11,629,211</b>	<b>\$ 10,848,385</b>	<b>\$ 57,495,496</b>

\* Further proposals expected from SMMA Study

**Town of Wellesley**  
**FY14- FY18 Capital Improvement Plan**  
**Detail Summary Schedule**

Department	FY13	FY14	FY15	FY16	FY17	FY18	FY14-18 Total
<b>Cash Capital:</b>							
Fire	149,500	50,000	123,000	125,000	115,000	110,000	523,000
Network Information Systems	27,000	20,000	68,000	45,000	20,000	-	153,000
Police	55,436	126,457	85,647	93,547	66,976	50,050	422,676
Council on Aging	-	10,000	-	-	-	-	10,000
Library	40,500	40,000	40,000	133,000	40,000	40,000	293,000
Morses Pond	-	-	35,000	95,200	124,200	45,200	299,600
Natural Resources Commission	75,000	75,000	80,000	105,000	320,000	80,000	660,000
Town Clerk	-	79,550	7,000	7,000	6,000	-	99,550
Department of Public Works (DPW)	1,322,500	1,524,000	1,761,000	1,924,000	2,338,900	2,033,000	9,580,900
Schools	962,554	803,135	803,135	803,135	803,135	803,135	4,015,675
Facilities Maintenance	893,583	1,141,200	781,275	538,134	334,628	163,609	2,958,846
Facilities Maintenance ramp up	-	-	718,725	1,461,866	1,665,372	1,836,391	5,682,354
<b>Total Cash Capital</b>	<b>\$ 3,526,073</b>	<b>\$ 3,869,342</b>	<b>\$ 4,502,782</b>	<b>\$ 5,330,882</b>	<b>\$ 5,834,211</b>	<b>\$ 5,161,385</b>	<b>\$ 24,698,601</b>
<b>Other Funding Sources:</b>							
DPW Street Resurfacing (Chapter 90 Funds)	1,274,000	907,300	392,000	601,000	720,000	720,000	3,340,300
Park/Hwy Building HVAC Rehab Design (Free Cash)	75,000	-	-	-	-	-	-
Hills Br Library Chimney (CPC Funds /Free Cash)	-	130,000	-	-	-	-	130,000
NRC -Fuller Brook (CPC funds)	-	-	3,600,000	-	-	-	3,600,000
Tolles Parsons ( FC)	-	165,313	-	-	-	-	165,313
Perrin Park ( CPC)	-	25,000	-	-	-	-	25,000
<b>Total Other Sources</b>	<b>\$ 1,349,000</b>	<b>\$ 1,227,613</b>	<b>\$ 3,992,000</b>	<b>\$ 601,000</b>	<b>\$ 720,000</b>	<b>\$ 720,000</b>	<b>\$ 7,260,613</b>
<b>Debt Capital Inside Levy:</b>							
Fire Apparatus	605,000	-	500,000	-	-	625,000	1,125,000
DPW- Facility Renovations	220,000	1,000,000	175,000	-	900,000	1,000,000	3,075,000
DPW- Street Rehabilitations	480,000	400,000	150,000	1,400,000	1,750,000	-	3,700,000
Hunnewell Field Master Plan	-	-	-	-	420,000	2,742,000	3,162,000
Facilities - School	-	947,028	-	-	-	-	947,028
<b>Total Borrowed Inside Levy</b>	<b>\$ 1,305,000</b>	<b>\$ 2,347,028</b>	<b>\$ 825,000</b>	<b>\$ 1,400,000</b>	<b>\$ 3,070,000</b>	<b>\$ 4,367,000</b>	<b>\$ 12,009,028</b>
<b>Debt Capital Exclusion:</b>							
Tolles Parsons (Senior Center)	-	-	4,960,454	-	-	-	4,960,454
Saint James	-	TBD	-	-	-	-	-
School Building Assessment	-	TBD	-	-	-	-	-
NRC - Fuller Brook	-	-	2,400,000	-	-	-	2,400,000
Town-Wide Facilities Bundle (DOES NOT YET INCLUDE SMMA STUDY)	-	-	-	-	-	-	-
<b>Total Capital Exclusion</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,613,254</b>	<b>\$ 1,309,000</b>	<b>\$ 2,005,000</b>	<b>\$ 600,000</b>	<b>\$ 13,527,254</b>
<b>Grand Total</b>	<b>\$ 6,180,073</b>	<b>\$ 7,443,983</b>	<b>\$ 18,933,036</b>	<b>\$ 8,640,882</b>	<b>\$ 11,629,211</b>	<b>\$ 10,848,385</b>	<b>\$ 57,495,496</b>

**Town of Wellesley  
FY14- FY18 Capital Improvement Plan  
Board of Selectmen Department Schedule**

Capital Project	FY13	FY14	FY15	FY16	FY17	FY18	FY14-18 Total
<b>NIS</b>							
- MUNIS Informix to SQL Server	15,000	-	-	-	-	-	
- Citrix Upgrade	12,000	-	-	-	-	-	
- Microsoft Office License Upgrades	-	20,000	-	20,000	20,000	-	
- Aerial Photography and Contours	-	-	43,000	-	-	-	
- Server Upgrade	-	-	25,000	25,000	-	-	
	27,000	20,000	68,000	45,000	20,000	-	\$ 153,000
<b>Police</b>							
- Digital Headquarters	49,832	-	-	-	-	-	
- Heavy Duty Shredder	5,604	-	-	-	-	-	
- Weapon Replacement	-	49,965	-	-	-	-	
- Uniform Shirt Replacement	-	20,000	-	-	-	-	
- Cruiser Hands Free System	-	32,945	-	-	-	-	
- Automated License Plate Reader	-	23,547	-	23,547	-	-	
- Server Replacement	-	-	13,526	-	-	13,526	
- MILO Interactive Range system	-	-	58,260	-	-	-	
- Network Switch Replacement	-	-	13,861	-	-	-	
- Cruise Video Recording System	-	-	-	70,000	-	-	
- Electronic Control Devices	-	-	-	-	66,976	-	
- Digital Fingerprint Capturing Station	-	-	-	-	-	36,524	
	55,436	126,457	85,647	93,547	66,976	50,050	\$ 422,676
<b>Fire</b>							
- Radio Master Boxes	40,500	-	-	-	-	-	
- Phone System	14,000	-	-	-	-	-	
- Copy Machine	7,000	-	-	-	-	-	
- Hydraulic Rescue Tools	28,000	-	-	-	-	-	
- Radio System Equipment	26,000	25,000	-	-	-	-	
- Scott Air-Pak	25,000	25,000	25,000	25,000	-	-	
- Command vehicle(s)	-	-	-	50,000	-	45,000	
- Fire Hose Equipment	9,000	-	9,000	-	-	10,000	
- Air bottle cascade system	-	-	49,000	-	-	-	
- Training Room Equipment	-	-	40,000	-	-	-	
- Engine Rehabilitation	-	-	-	50,000	-	-	
- Fire Turnout Gear	-	-	-	-	115,000	-	
- Radio System/Portables	-	-	-	-	-	55,000	
	149,500	50,000	123,000	125,000	115,000	110,000	\$ 523,000
<b>Council on Aging</b>							
- Online Registration Database	-	10,000	-	-	-	-	
	-	10,000	-	-	-	-	\$ 10,000
<b>BOS Subtotal</b>	<b>\$ 231,936</b>	<b>\$ 206,457</b>	<b>\$ 276,647</b>	<b>\$ 263,547</b>	<b>\$ 201,976</b>	<b>\$ 160,050</b>	<b>\$ 1,108,676</b>
<b>Facilities Maintenance (see attached)</b>	<b>893,583</b>	<b>1,141,200</b>	<b>781,275</b>	<b>538,134</b>	<b>334,628</b>	<b>163,609</b>	<b>\$ 2,958,846</b>
<b>Total Cash Capital</b>	<b>\$ 1,125,519</b>	<b>\$ 1,347,657</b>	<b>\$ 1,057,922</b>	<b>\$ 801,681</b>	<b>\$ 536,604</b>	<b>\$ 323,659</b>	<b>\$ 4,067,522</b>
<b>Fire</b>							
- Apparatus Replacement	605,000	-	500,000	-	-	625,000	1,125,000
<b>Facilities Maintenance (see attached)</b>	<b>-</b>	<b>947,028</b>	<b>2,252,800</b>	<b>1,309,000</b>	<b>2,005,000</b>	<b>600,000</b>	<b>7,113,828</b>
<b>Total Borrowed</b>	<b>\$ -</b>	<b>\$ 947,028</b>	<b>\$ 2,752,800</b>	<b>\$ 1,309,000</b>	<b>\$ 2,005,000</b>	<b>\$ 1,225,000</b>	<b>\$ 8,238,828</b>
<b>GrandTotal Selectmen</b>	<b>\$ 1,125,519</b>	<b>\$ 2,294,685</b>	<b>\$ 3,810,722</b>	<b>\$ 2,110,681</b>	<b>\$ 2,541,604</b>	<b>\$ 1,548,659</b>	<b>\$ 12,306,350</b>

**Town of Wellesley**  
**Fiscal Years FY14-FY18 ALL FMD REQUESTS**  
**Summary Departmental Capital Budget Request**

Department FACILITIES MAINTENANCE  
 Dept #: 192

Building Ref #	Building Description	Expenditures per Fiscal Year					5 Year Total
		FY14	FY15	FY16	FY17	FY18	
TW	Townwide (Municipal)	44,000	10,000	8,000	8,000	8,000	78,000
TH	Town Hall	55,500	100,000	10,000	75,000		240,500
PD	Police	40,000	113,000	126,000	90,000	6,000	375,000
FDM	Fire Department Main (Headquarters)	29,800	50,000	76,600	10,000	7,400	173,800
FDC	Fire Department Central (Station 1)	48,700	25,000	12,000			85,700
W	Warren (Recreation and Health)	18,000	16,000	43,400	10,000	3,800	91,200
MP	Morses Pond	8,500		2,750		3,000	14,250
ML	Main Library	46,500	121,675	153,859	22,052	14,254	358,340
HL	Hills Library	39,000	15,000	20,000		30,000	104,000
FL	Fells Library			6,000	12,000	2,000	20,000
<b>Subtotal Cash Capital - Municipal</b>		<b>330,000</b>	<b>450,675</b>	<b>458,609</b>	<b>227,052</b>	<b>74,454</b>	<b>1,540,790</b>
DW	Districtwide (Schools)	106,000	107,000	65,000	96,000	77,000	451,000
P	Preschool at Wellesley (PAWS)	22,000					22,000
B	Bates Elementary	80,500	9,600	3,500			93,600
F	Fiske Elementary	80,700	5,500				86,200
HA	Hardy Elementary	69,000					69,000
HU	Hunnewell Elementary	100,500	13,000				113,500
SP	Sprague Elementary	103,500	35,500	11,025	11,576	12,155	173,756
SC	Schofield Elementary	37,000	110,000				147,000
U	Upham Elementary	65,000	50,000				115,000
MS	Middle School	147,000					147,000
<b>Subtotal Cash Capital - Districtwide</b>		<b>811,200</b>	<b>330,600</b>	<b>79,525</b>	<b>107,576</b>	<b>89,155</b>	<b>1,418,056</b>
<b>Total Cash Capital Requests</b>		<b>1,141,200</b>	<b>781,275</b>	<b>538,134</b>	<b>334,628</b>	<b>163,609</b>	<b>2,958,846</b>
SC	Phone System Construction	409,000	-	-	-	-	409,000
SC	Security design	100,000	-	-	-	-	100,000
FMD	Design Funds -School	122,850	-	-	-	-	122,850
FMD	Design Funds Town	245,000	-	-	-	-	245,000
FMD	Contingency	70,178	-	-	-	-	70,178
<b>Total Borrowed Inside</b>		<b>947,028</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>947,028</b>
FMD	New FMD Offices at Substation	-	70,000	1,309,000	-	-	1,379,000
TH	Town Hall Renovation	-	100,800	-	1,150,000	-	1,250,800
PD	Police	-	820,000	-	-	-	820,000
FDM	Fire Department Main (Headquarters)	-	820,000	-	-	-	820,000
FDC	Fire Department Central (Station 1)	-	-	-	615,000	-	615,000
W	Warren (Recreation and Health)	-	442,000	-	240,000	-	682,000
HL	Hills Library	-	-	-	-	600,000	600,000
	Facilities Master Plan	-	TBD	TBD	TBD	TBD	-
<b>Total Borrowed Outside</b>		<b>-</b>	<b>2,252,800</b>	<b>1,309,000</b>	<b>2,005,000</b>	<b>600,000</b>	<b>6,166,800</b>
<b>Total FMD Capital Requests</b>		<b>2,088,228</b>	<b>3,034,075</b>	<b>1,847,134</b>	<b>2,339,628</b>	<b>763,609</b>	<b>9,125,646</b>

**Town of Wellesley  
FY14- FY18 Capital Improvement Plan  
NRC, Morses Pond & Library Departments**

	<b>Capital Project</b>		<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY14-18 Total</b>
<b>Natural Resources</b>								
	Tree Planting	30,000	40,000	40,000	40,000	40,000	40,000	200,000
	Trail System Improvements	5,000	-	5,000	5,000	5,000	5,000	20,000
	Park Sidewalk/Paths Emergency Repairs	30,000	20,000	20,000	20,000	20,000	20,000	100,000
	IPM Turf Plan Implementation	10,000	10,000	10,000	10,000	10,000	10,000	50,000
	Encroachment Boundary Markers	-	5,000	5,000	5,000	5,000	5,000	25,000
	Morses Pond Shore Erosion Study	-	-	15,000	-	-	-	15,000
	Kelley Tennis Court Assess. & Design Plan	-	-	10,000	-	-	-	10,000
	Comprehensive Pond Management	-	-	-	100,000	-	-	100,000
	Kelley Tennis Court Renovation	-	-	-	100,000	-	-	100,000
	Abbott Pond Restoration Study	-	-	-	40,000	-	-	40,000
	<b>Subtotal</b>	<b>75,000</b>	<b>75,000</b>	<b>80,000</b>	<b>105,000</b>	<b>320,000</b>	<b>80,000</b>	<b>660,000</b>
	Perrin Park Play Structure Replacement (FC)		25,000					
	Fuller Brook (CPC and Borrowing)			6,000,000				6,000,000
	<b>Total Natural Resources</b>	<b>\$ 75,000</b>	<b>\$ 100,000</b>	<b>\$ 6,080,000</b>	<b>\$ 105,000</b>	<b>\$ 320,000</b>	<b>\$ 80,000</b>	<b>\$ 6,660,000</b>
<b>Watershed Education Program:</b>	Web Design/Education	-	-	-	4,200	4,200	4,200	12,600
	Education Program Development	-	-	-	5,000	5,000	5,000	15,000
	Bylaw review	-	-	-	25,000	-	-	25,000
<b>Stormwater Mgt:</b>	Design, permitting, other support	-	-	10,000	10,000	10,000	10,000	40,000
	Construction/Demo & Monitoring of LID	-	-	25,000	25,000	25,000	25,000	100,000
<b>Plant control:</b>	Design, permitting, other support	-	-	10,000	-	-	-	10,000
	Hand Harvesting Support	-	-	5,000	-	-	-	5,000
	Monitoring	-	-	1,000	1,000	1,000	1,000	3,000

**FY14- FY18 Capital Improvement Plan  
NRC, Morses Pond & Library Departments**

	Capital Project	FY13	FY14	FY15	FY16	FY17	FY18	FY14-18 Total	
Select Planting:	Design, permitting, other support	-	-	-	10,000	-	-	10,000	
	Planting	-	-	-	-	75,000	-	75,000	
	Monitoring	-	-	-	-	4,000	-	4,000	
	Subtotal \$		\$ -	\$ 35,000	\$ 95,200	\$ 124,200	\$ 45,200	\$ 299,600	
Library	Computer Replacement	20,000	22,000	22,000	22,000	22,000	22,000	110,000	
	Servers	8,000	8,000	8,000	8,000	8,000	8,000	40,000	
	Card Payment System and Readers for Copier	12,500	-	-	-	-	-	-	
	Replacement of Furnishings	-	5,000	5,000	5,000	5,000	5,000	25,000	
	Replace Switches	-	5,000	5,000	5,000	5,000	5,000	25,000	
	Replace Back-up Tape Drive	-	-	-	3,000	-	-	-	3,000
	Relocation of stacks for carpeting	-	-	-	65,000	-	-	-	65,000
Replace Internal Phone System	-	-	-	25,000	-	-	-	25,000	
	<b>Total Library \$</b>	<b>40,500</b>	<b>\$ 40,000</b>	<b>\$ 40,000</b>	<b>\$ 133,000</b>	<b>\$ 40,000</b>	<b>\$ 40,000</b>	<b>\$ 293,000</b>	
Town Clerk	Election Equipment - hardware	-	62,550	-	-	-	-	62,550	
	Voting Booths	-	7,000	7,000	7,000	6,000	-	27,000	
	Election Software	-	10,000	-	-	-	-	10,000	
	<b>Total Town Clerk \$</b>	<b>-</b>	<b>\$ 79,550</b>	<b>\$ 7,000</b>	<b>\$ 7,000</b>	<b>\$ 6,000</b>	<b>\$ -</b>	<b>\$ 99,550</b>	
TBD	Hills Branch Library Chimney (CPC/Free Cash)	-	130,000	-	-	-	-	130,000	
	<b>Total Permanent Building Committee \$</b>	<b>-</b>	<b>\$ 130,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 130,000</b>	

**Town of Wellesley  
FY14- FY18 Capital Improvement Plan  
School Department**

Division	FY13	FY14	FY15	FY16	FY17	FY18	FY14-18 Total
Instructional	20,267	28,720	-	-	-	-	28,720
Equipment (Copiers,etc)	199,245	7,161	-	-	-	-	7,161
Furniture/Furnishings	77,032	134,122	-	-	-	-	134,122
Infrastructure (Renovations,Interior Improvements)	51,000	34,256	-	-	-	-	34,256
Safety	61,349	8,407	-	-	-	-	8,407
Technology	553,661	590,469	-	-	-	-	590,469
<b>Total School Capital</b>	<b>962,554</b>	<b>803,135</b>	<b>803,135</b>	<b>803,135</b>	<b>803,135</b>	<b>803,135</b>	<b>803,135</b>

No data provided for FY15-FY18

**Town of Wellesley**  
**FY14- FY18 Capital Improvement Plan**  
**Department of Public Works**

Capital Project	FY13	FY14	FY15	FY16	FY17	FY18	FY14-18 Total
<b>Cash Capital:</b>							
Street Improvement	86,000	457,700	632,500	661,000	570,000	575,000	2,896,200
Sidewalk Restoration	205,000	80,000	160,000	160,000	160,000	160,000	720,000
Private Ways	20,000	20,000	20,000	20,000	20,000	20,000	100,000
Catch Basin Rehabilitation	12,000	-	-	200,000	200,000	200,000	600,000
Reeds Pond Outlet Design/Repair	6,000	-	-	-	-	-	-
DPW/RDF Facilities Improvements	22,500	22,500	22,500	25,000	25,000	25,000	120,000
Other Improvements	13,000	13,000	13,000	13,000	13,000	13,000	65,000
Vehicle/Equipment Procurement	803,000	718,800	736,000	698,000	990,900	900,000	4,043,700
Athletic/Playground Improvements	155,000	182,000	117,000	117,000	110,000	110,000	636,000
RDF Resurface Paved Areas	-	30,000	-	30,000	-	30,000	90,000
Park/Highway Washbay for Small Equipment	-	-	60,000	-	-	-	60,000
DPW Fuel Depot Rehabilitation	-	-	-	-	250,000	-	250,000
Total Cash	1,322,500	1,524,000	1,761,000	1,924,000	2,338,900	2,033,000	9,580,900
<b>Other Funding Sources:</b>							
DPW Building Study (Free cash)	-	-	-	-	-	-	-
DPW Salt Shed (chapter 90 funds)	-	-	-	-	-	-	-
DPW Street Resurfacing (chapter 90 funds)	574,000	207,300	392,000	601,000	720,000	720,000	2,640,300
Street Resurfacing - Washington Street (chapter 90 funds)	700,000	700,000	-	-	-	-	700,000
Total Other:	1,274,000	907,300	392,000	601,000	720,000	720,000	3,340,300
<b>Debt Capital Inside Levy:</b>							
Street Rehabilitation - Kingsbury Street	-	-	-	-	-	-	-
Street Rehabilitation - Bacon Street	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 Football Field Fencing	-	-	-	-	70,000	-	70,000
Hunnewell Field Restroom Facility	-	-	-	-	175,000	-	175,000
Hunnewell Field Artificial Playing Surface	-	-	-	-	150,000	1,500,000	1,650,000
Hunnewell Field Reno Baseball Field	-	-	-	-	25,000	1,242,000	1,267,000
RDF Recycled Materials Loading Structure	220,000	-	-	-	-	-	-
Park/Hwy Building Roof	-	-	175,000	-	-	-	175,000
Park/Hwy Building HVAC Rehab	-	1,000,000	-	-	-	-	1,000,000
DPW Yard Facilities Renovation	-	-	-	-	900,000	1,000,000	1,900,000
Total Borrowed	700,000	1,400,000	325,000	1,400,000	3,070,000	3,742,000	9,937,000
<b>Free Cash:</b>							
Park/Hwy Building HVAC Rehab Design	75,000	-	-	-	-	-	-
Total Free Cash	75,000	-	-	-	-	-	-
<b>Grand Total DPW</b>	<b>3,371,500</b>	<b>3,831,300</b>	<b>2,478,000</b>	<b>3,925,000</b>	<b>6,128,900</b>	<b>6,495,000</b>	<b>22,858,200</b>

## REPORT OF THE COMMUNITY PRESERVATION COMMITTEE

### I. The Community Preservation Act and Committee Process in Wellesley

In 2002, Wellesley accepted the Community Preservation Act (CPA) and formed a Community Preservation Committee (CPC). Pursuant to the CPA, Wellesley established a surcharge of 1% on the local property tax and began to set aside the proceeds of the surcharge to support Community Preservation activities, for four purposes – open space, historic resources, recreational uses and community housing. Funds raised through the local surcharge are partially matched annually by monies from the Massachusetts Community Preservation Trust Fund, which is made up of revenues from Land Court and Land Registry fees.

As an early adopter of the CPA, Wellesley received a 100% match for the first five years (FY2004-2008). With the decline in the real estate market and an increase in the number of communities adopting the CPA, the State match has declined substantially since 2008. In October, 2012 Wellesley received \$251,233, which is 26.83% of the FY12 local levy of \$936,256. Starting in November 2013, the state match is expected to increase as the result of revisions to the CPA adopted on July 8, 2012. Since 2004, the town has received a total of \$4.5 million in state matches as the result of adopting the CPA.

The membership of Wellesley's CPC is determined by Town Bylaw. There are nine members, including representatives from five designated boards (Natural Resources Commission, Planning Board, Recreation Commission, Housing Authority and Historical Commission) plus four additional members appointed by the Moderator. In practice, one of the four Moderator appointed members is appointed on the recommendation of the Wellesley Housing Development Corporation.

Each year, the CPC must appropriate a minimum of 10% of all revenues for each of three primary purposes: open space, community housing and historic resources. These appropriations can be for specific projects or they can be allocated to dedicated reserves for future use. The remaining Community Preservation revenues may be appropriated for any CPA allowable use or retained in undesignated funds for future appropriation. The CPC is also allowed to appropriate a maximum of 5% of all revenues for administrative purposes. These administrative funds are sometimes used to provide initial funding money to plan a larger project.

To date, the Committee has funded a total of 41 projects or portions of projects. The complete list can be viewed on the state CPA project website at the following link (pick Wellesley): [http://maps.massgis.state.ma.us/cpa\\_town\\_pick.htm](http://maps.massgis.state.ma.us/cpa_town_pick.htm). It is also available on the Community Preservation Coalition website at the following link:

<http://www.communitypreservation.org/projects/report?town=Wellesley>. Including FY12 appropriations, the CPC has appropriated \$9,614,854 for these projects. Of this total, \$2,965,500 (30.8%) has been appropriated for Community Housing, \$3,691,750 (38.4%) for Recreation, \$1,554,344 (16.2%) for Historic Resources, and \$1,403,260 (14.6%) for Open Space.

### II. Community Preservation Fund FY14 to FY18 Financial Plan

Consistent with the Town Wide Financial Planning process, the CPC has created a long-range plan reflecting our current expectations of revenues, appropriations, and fund balances. In the two charts below, the first chart shows the revenues and appropriations expected. The second

# Wellesley CPA Financial Plan: June 30, 2012 to June 30, 2018

*February 11, 2013*

## REVENUE

	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>
Local Surcharge	\$936,256	\$992,431	\$1,041,863	\$1,093,956	\$1,148,654	\$1,206,087	\$1,266,391
State Match (match %)	\$236,724 26.6%	\$251,233 26.8%	\$297,729 30.0%	\$312,559 30.0%	\$328,187 30.0%	\$344,596 30.0%	\$361,826 30.0%
Interest	\$11,000	\$11,000	\$11,000	\$11,000	\$11,000	\$11,000	\$11,000
<b>Total</b>	<b>\$1,183,980</b>	<b>\$1,254,664</b>	<b>\$1,350,592</b>	<b>\$1,417,515</b>	<b>\$1,487,841</b>	<b>\$1,561,683</b>	<b>\$1,639,217</b>

## APPROPRIATIONS

	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>
Administrative	\$57,500	\$60,776	\$63,000	\$70,000	\$74,000	\$77,000	\$80,000
WHDC	\$450,000	\$330,000	\$225,000	\$225,000	\$225,000	\$225,000	\$225,000
900 Worcester Street	\$2,600,000	\$0	\$300,000	\$600,000	\$0	\$0	\$0
Fuller Brook Park	\$688,000	\$0	\$0	\$1,800,000	\$900,000	\$900,000	\$0
Morses Pond Dredging	\$400,000	\$0	\$0	\$0	\$0	\$0	\$0
Electric Substation	\$0	\$0	\$500,000	\$0	\$0	\$0	\$0
Hills Library	\$0	\$0	\$75,000	\$0	\$0	\$0	\$0
Perrin Playground	\$0	\$0	\$25,000	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$200,000	\$200,000	\$200,000	\$750,000	\$750,000
<b>Total</b>	<b>\$4,195,500</b>	<b>\$390,776</b>	<b>\$1,388,000</b>	<b>\$2,895,000</b>	<b>\$1,399,000</b>	<b>\$1,952,000</b>	<b>\$1,055,000</b>

*Assumes no debt service*

# Wellesley CPA Financial Plan: June 30, 2012 to June 30, 2018

*February 11, 2013*

	<u>6/30/2012</u>	<u>6/30/2013</u>	<u>6/30/2014</u>	<u>6/30/2015</u>	<u>6/30/2016</u>	<u>6/30/2017</u>	<u>6/30/2018</u>
Fund Balances							
Encumbered	\$1,544,940	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
Specific Reserves	\$379,330	\$249,780	\$290,000	\$300,000	\$310,000	\$324,000	\$330,000
Undesignated	<u>\$2,566,463</u>	<u>\$2,582,787</u>	<u>\$1,003,160</u>	<u>\$1,016,675</u>	<u>\$549,515</u>	<u>\$1,045,199</u>	<u>\$2,189,416</u>
<b>Total Available</b>	<b>\$2,945,793</b>	<b>\$2,832,567</b>	<b>\$1,293,160</b>	<b>\$1,316,675</b>	<b>\$859,515</b>	<b>\$1,369,199</b>	<b>\$2,519,416</b>
<b>Total Assets</b>	<b>\$4,490,732</b>	<b>\$4,332,567</b>	<b>\$2,793,160</b>	<b>\$2,816,675</b>	<b>\$2,359,515</b>	<b>\$2,869,199</b>	<b>\$4,019,416</b>

chart shows the various fund balances as of June 30, 2012 with projections through June 30, 2018. The charts include actual revenues, appropriations and fund balances for the fiscal year 2012, with projections for fiscal years 2013 through 2018. The projection includes an increase in the state match resulting from increased funding for the CPA as amended in July, 2012.

During FY12, there were two Special Town Meetings in addition to the Annual Town Meeting. The November 2011 STM appropriated \$665,000 in CPC funds to the Fuller Brook Park Coordinating Committee for the Final Design (Phase 3) of the Fuller Brook Park Preservation Master Plan. This was in addition to the \$23,000 appropriated at the previous Spring Annual Town Meeting. The appropriations sheet shows a total of \$688,000 for this purpose in FY12.

At the June 2012 STM, \$2,600,000 was appropriated and transferred from CPC funds to the Board of Selectmen for the purpose of acquiring 900 Worcester Street. Also, at this meeting, \$400,000 was appropriated and transferred to the Department of Public Works for dredging Morses Pond. Both of these STM appropriations are recorded in FY12.

At the Annual Town Meeting, the Town appropriated \$330,000 for the WHDC in FY13 to provide capital to develop and preserve affordable housing for low and moderate income households in Wellesley. The CPC's expectation is that it will continue to support the Community Housing portion of its mandate, at least in part, by working with the WHDC. We show an appropriation of \$225,000 for FY14 and expect to continue to fund the WHDC in future years at this level.

In 2010 the CPC committed to funding \$3,600,000 toward the cost of the Fuller Brook Park rehabilitation and restoration project. We expect that the CPC will request an appropriation for the construction phase of the project at the 2014 ATM. For more detail on the Fuller Brook Park rehabilitation and restoration project, please see the Town's web site.

In Spring 2012, the Town took the first step towards acquiring the property at 900 Worcester Street. The CPC has committed a total of \$3,500,000 to the project with the condition that 5/8 of the property be subject to a conservation restriction as required by the use of CPA funding. The initial \$2,600,000 of CPC funds was appropriated at the June 2012 STM. The CPC expects to receive requests for the remainder of \$900,000 during FY14 and FY15 as the project progresses.

Other projects which have been discussed but not voted on include the rehabilitation and reuse of the electric substation on Route 9 in front of the DPW and MLP property and the preservation, rehabilitation and restoration of the Hills Branch Library Chimney. Both of these are historic resources and the CPC has received requests to fund both projects during FY14.

With the commitment to 900 Worcester Street and the Fuller Brook Restoration, the long range plan shows some challenges for FY15 and FY16. While we retain reasonable reserves and the capacity to add several smaller projects, we will not be able to add any additional large projects without borrowing.

### **III. Proposed Actions at the 2013 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 engineers, consultants and other support to better define, shape, and analyze potential projects. We request an appropriation of \$63,000 for FY14.

Unused funds appropriated for Administrative purposes revert to the CPA fund unallocated reserves.

The Community Preservation Act requires that each fiscal year the Town appropriate or reserve for future appropriations a minimum of 10% of the estimated annual revenues for three designated purposes. Based on the estimated FY14 annual revenues, we request the transfer of \$145,000 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 (WHDC)

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

**Recommended Amount:** \$225,000

The Wellesley Housing Development Corporation (WHDC) was established by the Town under the Board of Selectmen. Its mission is to help develop and preserve affordable housing opportunities in the Town which are consistent with the Town's affordable housing policies. This appropriation will provide adequate equity capital for the WHDC to acquire additional housing units and or to repurchase affordable units which is consistent with its purpose and the Town's affordable housing policies.

## **3. Appropriation for Perrin Playground Equipment Replacement**

**Sponsor:** Natural Resources Commission

**Description of the Project:** Perrin Playground Equipment Replacement

**Recommended Amount:** \$25,000

The playground equipment at the Perrin Park Playground had to be removed from the park due to deteriorating condition and safety concerns. This is the first appropriation request to fall under the expanded uses allowed under the July 2012 amendments to the Community Preservation Act. The CPA now allows the CPA funds to be used to rehabilitate or restore recreational resources even if they were not originally acquired with CPA funds.

The cost of the playground equipment is expected to be \$30,000 including installation. In recommending an appropriation of \$25,000, the CPC is expecting the NRC to raise the remainder by seeking donations from the Perrin neighborhood.

Respectfully Submitted,

Allan Port, Chair  
Theodore Parker, Vice-Chair  
James Conlin  
Jeanne Conroy  
Kathy Egan  
Joan Gaughan  
Dwight Lueth  
Barbara McMahon  
Susan Troy

## REPORT OF THE 900 WORCESTER STREET RECREATION USE COMMITTEE

The 900 Worcester Street Recreation Use Committee (“Committee”) was created pursuant to Article 3 of the June 2012 Special Town Meeting (“STM”). The Committee’s mission is to continue to analyze the feasibility of developing recreational uses, (specifically a pool, rink, and turf field) at 900 Worcester Street, also known as the Saint James the Great property (“Premises”). The Committee consists of sixteen members from various Boards, abutters and interested parties. The Committee has formed three subcommittees: “Field”, “Rink” and “Aquatic Facility.” The subcommittees have welcomed all interested parties and now have over 30 active members.

The Committee has participated in limited site investigation of the Premises. The subcommittees have worked to identify the Town’s use requirements for each use, and to define the multi-year development process that will support the public/private partnerships required for this project. Below we will summarize the analysis completed to date, list our recommendations and describe the resulting development process model we aim to follow through to the completion of the project. The agendas, minutes, and documents discussed in the Committee’s bi-weekly meetings can be found in the 900 Worcester Street Committee section of the Town of Wellesley website.

**Due Diligence (to date):** Due diligence for the Premises is incomplete. The Commission has tried to balance minimal investment pending the results of the appeal with its appetite for site-specific information. The Committee (specifically its DPW members and the Town’s Executive Director) have sought permission from the Church to conduct the on-site due diligence while awaiting the results of the vigilers’ final appeal. The Church granted site access for the site to be surveyed and elevations to be recorded. In addition, a wetlands specialist was able to inspect the property and confirm the approximate location of the wetlands on site.

**The Subcommittees:** Each of the subcommittees has investigated the issues specific to its use, including: user requirements, operating models and estimated construction costs. The “Rink” and “Aquatic Facility” subcommittees have also visited similar facilities and held discussions with industry experts and potential partners. Agendas, minutes and supporting documents for each of these subcommittees can be found in the designated subfolders on the Committee pages of the Town’s website.

**Aquatic Facility:** This subcommittee is co-chaired by Jim Conlin from the Recreation Commission and Suzy Littlefield from the School Committee. It consists of ten members with different interests ranging from seniors fitness and wellness to youth competitive swimming. Subcommittee members have visited various facilities throughout the Commonwealth, Connecticut and Vermont to view a wide spectrum of facilities. The Aquatic Facility Subcommittee distributed a Town-wide survey to get direct input from residents in order to learn the uses and features most valued by our residents. (The result of the survey are available in the Aquatic Facility subfolder). More than 2500 residents responded to the survey and provided a wide range of insights into their preferences. The results of the survey will be the primary input for developing the use requirements. This subcommittee now needs funds to hire a consultant to help convert the survey results into use requirements.

**Rink:** This subcommittee is chaired by David Perry from the Wellesley Youth Hockey League. It consists of eight members with interests ranging from youth hockey to competitive figure skating. Subcommittee members visited various sites in Massachusetts including the new rink in Falmouth that was recently constructed by the Falmouth Youth Hockey Group. By meeting with various specialists involved in the various newer developments, the subcommittee has a better

understanding of the characteristics that result in a good rink. Through their discussions, the Rink subcommittee has been able to develop a detailed operating pro forma with confirmed revenue and expense assumptions/drivers, anticipated construction costs, financing considerations, capital requirements, and identify key individuals/firms that will help review components/phases of the project. This subcommittee believes it understands the economics a private developer will face and the features and qualities that improve the likelihood of a developer's success. The next step is to draft an RFP for the rink and send it to rink developers.

**Field:** This subcommittee is chaired by Tom Harrington. Tom also chairs the Recreation Commission and the Playing Fields Task Force. He is a past president of the Wellesley United Soccer Club (WUSC). This subcommittee consists of five members. It has confirmed the financial support of WUSC for spotlighting the field, contingent upon a use agreement between WUSC and the Town. In addition, the subcommittee confirmed anticipated users for the field. Of note, Wellesley Youth Football does not intend to play games on this field, but may use it for practice. By eliminating football games, the subcommittee was able to reduce the length of the field by 20 feet to 340 ft x 210 ft. This twenty-foot reduction allows the other uses, or parking areas, to be larger. This subcommittee's next step is to draft an RFP for the design and construction of the field.

**Refined Site Plan:** As part of the due diligence process, the Town surveyed the premises. This survey allows the Committee to develop a site plan. This site plan maximizes the use of the "buildable" space on the Premises. It maintains the needed parking capacity while allowing additional space to be added to the pool and rink to improve the likelihood of success for these uses. Specifically, the new site plan has added almost 20% more footprint to the pool and added an extra half sheet of ice to the rink. This extra building space improves the appeal of these facilities to private developers as well as improving the resulting amenities for the Town. This survey also confirms that the Town has met the 5/8 conservation and recreation land requirement for CPC funding approved in STM Article 2. This revised layout is available in the Committee's folder on the Town website. The next step is to develop a Master Site Plan.

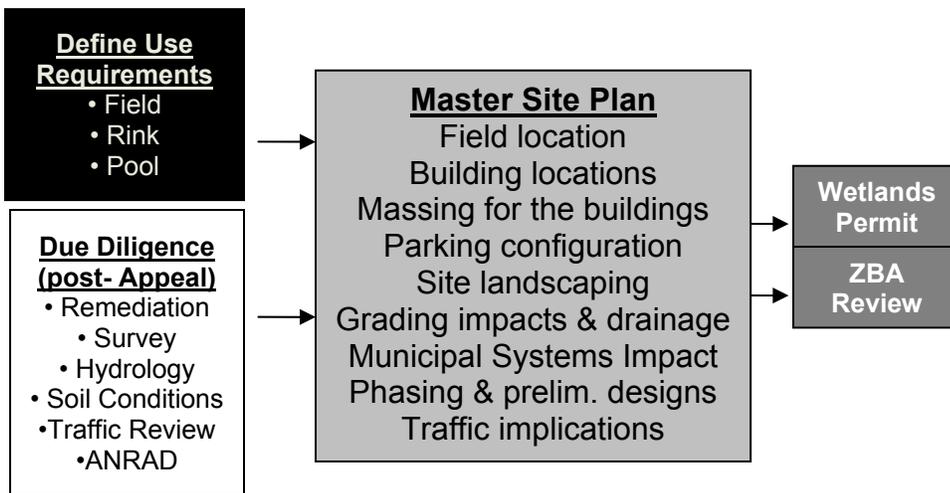
**Project Permitting Approach:** The Committee anticipates this project will be developed by multiple developers on different timelines. Therefore, the Committee selected the permitting approach that allows the site's uses to be developed independently and should result in the shortest development time possible while allowing the most flexibility for each use's developer. The Committee realizes it would be difficult to permit the whole project as one development because it would delay building any use until all of the uses were ready. The Committee believes that the flexibility of permitting each use when it is ready to proceed is highly desirable to the Town, potential partners and neighbors.

**Procurement Approach:** The Town must use a public procurement process to develop the Premises. There are two options available: 1. *M.G.L. c. 149* "public construction"; and 2. *M.G.L. c. 30B*.

Under the "public construction" process, projects are defined in precise terms through an RFP. Bidders submit bids to construct the specified work. The Town is required to award the project to the lowest responsible bidder. Under chapter 30B, a project may be defined less specifically using goals and objectives to define the project. Bidders submit bids that include costs as well as features, functions, and operating guidelines. The winning bidder would be selected by looking not only at the lowest cost but also responses to the Town's other specified criteria. The Committee would include a scoring matrix that highlights priorities and gives the Town flexibility when selecting the winning bid.

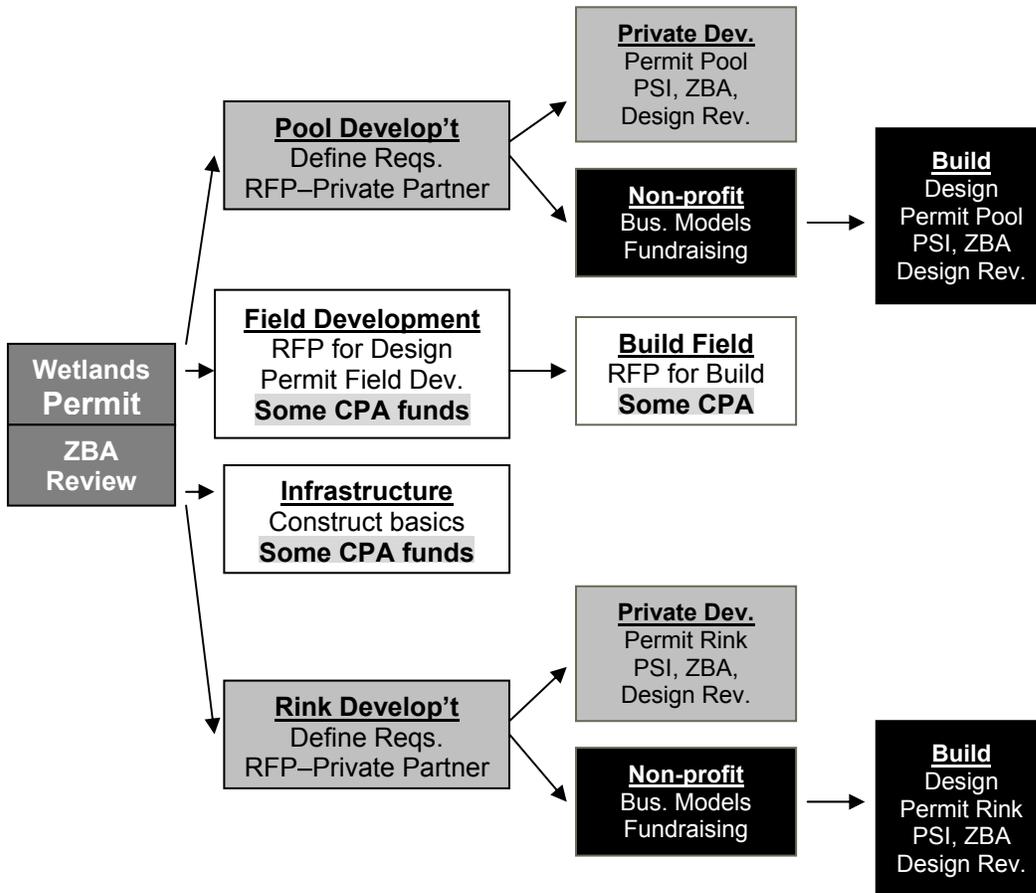
The Committee believes the chapter 30B procurement approach will help Wellesley to be able to find the best design, best operator, the best developer and the best long-term partner for the project, as opposed to choosing the lowest bid price.

**Development Process:** Under Article 2 of the June 2012 STM, Town Meeting voted for the Town to fund the purchase of the land and removal of the existing buildings anticipating paying for the development of the field, and general preparation of the site in the future. Article 2 also showed private funds should be used for the lighting of the field, design and construction of the pool, and design and construction of the rink in the future. The Committee believes that it has been able to define and document a development process that will provide a path to the successful construction of the site consistent with the Town’s plan under Article 2. (See flow chart 1)



Phase 1: This process begins with completing the Due Diligence (required before purchasing the property) including examining: the soil types, the water table level, basic traffic impacts, etc. It also begins with defining the features and requirements for each use, as well as the amenities identified by the Board of Selectman. These amenities include a kayak drop in, a library book drop off and a reflection area. Next, the Committee will create a **Master Site Plan (MSP)**. The MSP will include, but is not limited to: the massing and locations of the structures; the vehicular ingress and egress, parking, pedestrian flow; site run-off mitigation; wetlands protection structures and buffer zones; and municipal services impact. The MSP will become part of the applications submitted to the ZBA and the Wetlands Committee. The MSP will be the structural blueprint for the final layout of the site and will provide 90% or more of the information required for the PSI. It will not include the design and architectural components for the buildings. These design components will be provided by developers chosen by the Town. The critical takeaway is that the MSP will provide developers with site limitations their design must meet and give them confidence that their facility will be able to be permitted on the site. This MSP will also provide a definitive view of the end state of the site for the Board of Selectmen and Town Meeting to review.

With the MSP complete and ZBA and Wetlands review complete, RFPs for the development (and operation) of the field, rink, and pool can be developed and distributed in parallel. (See flow chart 2)



Phase 2: The field design and construction will be able to begin while the more complicated rink and pool review process is conducted. The field RFP will be awarded to the lowest responsible bidder. Alternatively, the rink and pool RFPs will follow the chapter 30B procurement process. There will be 3 RFPs distributed for the rink and pool:

1. Build and operate both the pool and rink
2. Build and operate the pool
3. Build and operate the rink

One developer / operator running both the pool and rink is preferred because it will allow the most design coordination and operating efficiencies. Respondents' proposals will be scored on multiple criteria to provide the Town with the best facility and operator. Should a satisfactory response not be received, the Committee may reject all of the responses. The Committee expects, in light of a recent, similar process in Braintree, that we will receive responses. Our hope is that we will have multiple responses from which to choose. The Committee's

recommendation will be reviewed by the Board of Selectmen and Town Meeting, as appropriate.

Should a successful private developer not be found, a fund raising based solution is possible (the black boxes in the flow chart). This process would likely take many more years and likely would leave the Town responsible for any operating surpluses/deficits encountered by the uses (e.g., the Concord Beede Center). This outcome is seen by most of the Committee as a less desirable solution although it would allow the Town to define the facilities in more detail.

**Timing Expectations:** We estimate the MSP will require 4-7 months to complete. The field design and construction could then be completed within the next 12 months. The RFPs for the pool and rink will take 2-3 months to develop, 2-3 months to receive responses and 2-4 months to review the responses and award the bid. The final design, permitting, and construction of these facilities will likely require 12-24 more months. In short, the field could be up and running 18-24 months after the close of the purchase of the property with CPC and Town Meeting funding support. The rink and pool are more likely three or more years from opening with a private partner and much longer if fund raising is necessary (Beede Center fundraised for over seven years).

**Next Steps:** The Committee is working to complete the user requirements for the pool, develop the Master Site Plan, and begin writing the RFPs for the use developments, all while awaiting the successful resolution of the appeal and due diligence review and close on the sale of the property. We continue to work on multiple components in parallel, where possible, to allow the successful opening of the uses as soon as possible while allowing the appropriate time for analysis, review and feedback.

Respectfully submitted,

900 Worcester Street Recreation Use Committee

<u>Member</u>	<u>Representation</u>
Andy Wrobel, Chair	Recreation Commission
Don McCauley	Board of Selectmen
Mark Synnott	Planning Board
Joan Gaughan	Natural Resources Commission
Suzy Littlefield	School Committee
Barbara MacMahon	Community Preservation Committee
Miguel Lessing	Council on Aging
Tim Barrett	Neighborhood Representative
Rose Mary Donohue	Emeritus
Tom Harrington	Playing Fields Task Force
David Perry	Recreation Commission Rink Appointee
Jim Conlin	Recreation Commission Pool Appointee
Hans Larsen	Executive Director, General Government Services
Mike Pakstis	Director, Department of Public Works
Dave Hickey	Town Engineer
Meghan Jop	Director, Planning Board
Marjorie Freiman	Advisory Committee

There are more than 16 additional Wellesley Residents active on subcommittees; many have specific expertise in relevant areas, and many are new town volunteers.

## **REPORT ON THE PARALLEL PROCESS FOR 900 WORCESTER STREET**

### **Background**

At the 2012 June Special Town Meeting, funds were appropriated to purchase the buildings and land located at 900 Worcester Street. Town Meeting also approved a so-called “parallel process” of study and review in order to move the project forward: one track served to further the continuation of efforts to develop a recreational complex on the site; and the other, to ascertain whether other suitable municipal uses might be available for the site. A “900 Worcester Street Planning Committee” was appointed to undertake one of the “tracks” and the Board of Selectmen (the “Board”) was charged to undertake the other track. The Board’s review of suggestions and proposals for potential alternative uses provided the basis for making a recommendation to a future Town Meeting as to the best use of the site for the Town.

### **The Charge**

Motion 1 under Article 3 of the June Special Town Meeting provided as follows:

- a) To establish the 900 Worcester Planning Committee for the purpose of further studying the use recommended by the St. James Ad Hoc Committee of a recreational campus, to include a playing field, enclosed ice rink and pool; and to provide recommendations for the development of the site, including cost estimates for design and construction, off-site mitigation and phasing, to study funding and operational models for the facilities, and establish proposed timelines for development and requests for funding;
- b) To accept the Selectmen’s offer to study and vet any other uses offered to them, in such procedures as the Selectmen shall determine.”

### **The Process**

The Board designated two members, Katherine Babson and Barbara Searle, to plan and implement the Board’s “track” and to report back to the full Board in fall 2012.

In August 2012, letters were sent to twenty-three boards and committees. Each of them was asked to consider whether it had a current or possible future interest in the property and if so, for what purposes. One group of recipients was asked to place the item on a September agenda for discussion with a Selectman present; another group was asked to respond in writing whether the particular board had any suggestions or interest in the site; and the third group was asked to respond in writing only if they had any interest or suggestion for use. In addition, two public meetings were held on September 19 in order to solicit suggestions from the public for use and development of the site. The meetings were publicized at both the Selectmen’s and School Committee meetings as well as through an article printed in the September 6, 2012 edition of the Townsman that provided an update on the project and encouraged residents to attend one of the sessions. At the morning meeting on September 19, only board and staff members attended; at the evening meeting, no one but presenters were in attendance.

### **Suggestions for Use of the Site**

Suggestions to augment a recreational use of the site:

- Boat Launch for Morses Pond at a location in close proximity to the site;
- A track around the field or one of the facilities;
- Indoor basketball facilities;
- Trail access to the site;
- Classroom and function spaces;
- Teen Center spaces;
- Vocational training /sheltered workshop opportunities; and
- Provision for shuttle service to the site.

Suggestions for the Senior Center (Tolles-Parsons Center: "TPC"):

- If the proposed TPC at the American Legion site on Washington Street fails, build the TPC at 900 Worcester Street; and
- Move the Recreation Commission from the Warren Building to 900 Worcester Street and renovate the Warren Building for the TPC.

Other Suggestions:

- Mixed use: affordable housing and other public use(s);
- A drop box for library videos and books;
- A small lending library kiosk;
- Small café;
- Outdoor meditation space; and
- Chapel.

### **Criteria for Review**

Last spring the Board agreed that the following criteria would be used to assess the proposals:

- accommodation or "fit" on the site;
- demonstrated municipal need within the Town's priorities;
- financial cost and implications to the Town within the context of the Town-wide Financial Plan; and
- appropriateness of the location for the proposed use.

### **Tolles-Parson Center**

The TPC has been identified by the Board as a major priority for the Town. It has been included in the Town-wide Financial Plan. However, given the current proposed uses for 900 Worcester Street of a playing field, skating facility and aquatic facility and the limited amount of usable land, there is insufficient space available for another municipal use. Further, the location is not appropriate for a senior center due to its location which lacks proximity to other public services, the challenging issues of its accessibility to drivers and the lack of pedestrian access to the site. The former American Legion site at 496 Washington Street is currently being evaluated for the location for the TPC, designs have been proposed for a facility there and additional design funding will be requested at this Annual Town Meeting.

The Council on Aging has stated that in the event that the project does not move forward at the American Legion site, it will renew its request that 900 Worcester Street be considered for the TPC.

### **Conclusion**

Following the outreach to 23 boards and committees, public hearings and further review and study of other municipal options, the Board of Selectmen reaffirms that the optimal municipal use of 900 Worcester Street is the recreational plan currently being reviewed by the 900 Worcester Street Committee.

Respectfully submitted,

Katherine Babson  
Ellen Gibbs  
Donald McCauley  
Barbara Searle  
Terri Tsagaris, Chairman

## REPORT OF THE FULLER BROOK PARK COORDINATING COMMITTEE

The Fuller Brook Park Coordinating Committee (“FBPCC”) wishes to report on the status of the project to preserve, restore and rehabilitate Fuller Brook Park, the 23 acre , two-and-a-half mile-long green space paralleling Washington Street along Fuller and Caroline Brooks from Dover Road to Phillips Park at Maugus Avenue.

Town Meeting approved Phase 3 of the multi-year, multi-phase Project in November 2011. This Phase, funded like previous phases by Community Preservation Act funds, entails the preparation of final design plans for the park and project permitting, enabling the Committee to come to a future Town Meeting with bids-in-hand.

Below are highlights of progress made to date on the Project since our last report to Town Meeting eighteen months ago.

SIXTY PERCENT (60%) DESIGN AND PERMITTING PLANS: The design plans for the restoration and rehabilitation of the Park have progressed to the “sixty percent (60%) plan” stage. The plans now show sufficient details of engineering, hydrology, invasive plant removal, re-planting and path and stream alignment to allow the extensive permitting process to begin. The Wetlands Protection Committee, the Design Review Board, the Massachusetts Historical Commission, the Massachusetts Department of Environmental Protection, and the US Army Corps of Engineers will be issuing permits for the construction of the Project. Some of the permitting agencies will be holding public hearings on various aspects of the Project. Notice will be provided to Park abutters about posted regulatory hearings. The Natural Resources Commission and other boards will also review the financial, historical and storm water management aspects of the project.

PATH: The path, proposed to have a “soft surface” as recommended in Phase 2, will vary in width from 6 feet up to 8 feet in the most heavily-traveled sections. We are also proposing that the sections between Brook and Wellesley Avenue and between Paine and Forest Streets be improved with sections of raised walkways, similar to a boardwalk-like structure.

SPECIAL STUDIES: We have completed several studies to better understand the characteristics and conditions of the Fuller and Caroline Brooks and to identify improvement opportunities in the final design work of the project. As a result of the studies, FBPCC has adopted the consultant’s recommendation to dredge State Street Pond (also known as the “Skating Pond”), located at the end of the State Street parking lot, and the streambed between Forest and Caroline Streets in order to remove excess sediment now clogging the system.

FRIENDS OF FULLER BROOK PARK: A “Friends of Fuller Brook Park” group was formed at the initiative of interested residents, who have organized two very successful clean up days, resulting in the removal of a significant amount of debris and some invasive vegetation. The Friends are now working to become established as a permanent organization.

PUBLIC MEETINGS: We have updated the public at meetings last fall and through articles and letters in *The Townsman*, and emails to interested residents. Committee members also have met with neighbors of two sections of the Park where re-alignment of the path and stream is being proposed.

GIFTS OF LAND TO THE PARK: Article 25 of this Annual Town Meeting provides for the Town’s acceptance of three landlocked parcels. The three lots will add 0.7 acres to the Park,

and formalize Town ownership of the property over which the current and proposed path now crosses in the Paine/Forest Streets section.

BUDGET: FBPCC is working closely with the design team in the development and review of cost estimates for the Project, including an analysis of phasing the construction, ongoing maintenance costs, and financing of the work.

OTHER ASPECTS OF THE PROJECT: We have begun to discuss signage and other amenities for the Park. We have established Park boundaries and are considering plant materials and other methods for demarcation of Park property. We have been working closely with the Natural Resources Commission about the methods for removing and controlling invasive plants within the Park. We also are developing cost-effective and sustainable maintenance plans for the Park to assure the Park's continuing good condition for decades to come.

NEXT STEPS: Final design for the Park will continue during the permitting phase, culminating in the preparation of construction documents that will be put out to bid in order to obtain detailed construction costs. We intend to request approval of the Project and the funds to implement it at the 2014 Annual Town Meeting.

For updates of work on the Project, the dates of permitting hearings and other matters relating to the Project, please visit the Town website at [www.wellesleyma.gov/fullerbrook](http://www.wellesleyma.gov/fullerbrook).

Respectfully submitted,

Katherine Babson (Board of Selectmen)  
Diane Campbell (School Committee)  
Kendra Chencus (Friends of FB Park and abutter)  
Paul Criswell (Public Works)  
David Wright (Historical Commission)

Rose Mary Donahue, Chair (At large)  
Ursula King (NRC)  
Heidi Kost-Gross (NRC)  
Bob White, Vice Chair (Trails)

## REPORT OF THE SCHOOL FACILITIES MASTER PLAN (SFMP) TASK FORCE

**SFMP Task Force Mission:** To develop and recommend a prioritized program of school facilities capital maintenance projects and to initiate the development of a long-term school facilities master plan responsive to the academic vision outline in the WPS strategic plan, enrollment projection and facilities requirements.

**Background:** Following the approval, construction and now completion of the High School, it has been the intention of the School Committee to begin a more formalized program of addressing the capital needs at the elementary schools and the Middle School. In January 2012, the WPS Administration chose the architectural firm of Symmes, Maini, McKee Associates (SMMA) to conduct a “Conditions Assessment and Feasibility Study”. This work was funded as part of a \$200,000 FY2012 capital project. The work included a comprehensive review of the nine school buildings (excluding the High School) focusing on the condition of building systems - their integrity, status and maintenance requirements. The scope of the study did not include recommendations with regard to modular classroom replacement, additions or potential school replacement. In the fall of 2012, SMMA presented their findings through an online database. This database provides a robust tool for strategic planning, capital planning and maintenance prioritization, and has been thoroughly reviewed by the newly formed Facilities Maintenance Department (FMD), which has been managing SMMA’s work since they were contracted.

The SFMP was formed by the School Committee to review the information, provide a short-term prioritized program of projects as a first step in the development of a long-term school facilities master plan. Because a longer term plan will need to be informed by the forthcoming WPS Strategic Plan and student population/enrollment study, the SFMP Task Force focused its initial work on identifying a bundle of projects that could potentially be designed and constructed in the short term.

All of the work suggested by the SMMA study has a total cost (in today’s dollars) of roughly \$85 million. Although all projects included in the study may not move forward, it is informative to see the estimates SMMA developed for work in the various schools related to the building elements and systems.

Bates	\$3,356,439	Middle School	\$32,519,673
Fiske	\$10,944,876	Preschool	\$232,626
Field House	\$337,365	Schofield	\$7,761,724
Hardy	\$11,291,570	Sprague	\$4,406,615
Hunnewell	\$7,667,019	Upham	\$7,034,439

It is possible that the long-term facilities plan, informed by the WPS Strategic Plan and the student population / enrollment study, may conclude that it will be more cost effective to replace one or more existing structures with new buildings. It is anticipated that the work ultimately proposed in the long-term facilities plan, will be completed in a phased fashion over at least the next decade due to funding and resource limitations and staggering of work to create “swing” space which would allow for year round construction by relocating students to other buildings. Estimates of the cost of this future work will be included in the TWFP but ultimately reach beyond the normal 5 year horizon of the TWFP.

**Task Force Membership:** The task force consists of Diane Campbell and Wendy Paul from the School Committee (SC), Barbara Searle and Ellen Gibbs from the Board of Selectmen (BOS), Advisory members Laura Hockett and Becky Epstein, as well as Executive Director Hans

Larsen, Facilities Maintenance Director Joe McDonough, Superintendent David Lussier, Bates Principal David leong, Julia dePeyster from the Central PTO, and Tom Goematt and Jack Morgan representing residents at large. This group began meeting on a regular basis in the fall, with a goal of having at least some projects ready for the spring 2013 TM.

**Project Evaluations:** Based upon its mission, the task force knew it needed to address both long and short-term needs of the schools. Following lengthy discussions the SFMP reached a consensus that there are some discrete, limited scope projects that could be proposed for the short term which should not be influenced by updated enrollment information or the new strategic plan. Major renovations of entire school buildings were also evaluated, which, while not as extensive as the Bates and Sprague renovations, would have addressed most major building elements and systems in certain schools. These projects would not be driven by educational program; rather they would address major system replacement/upgrades. However, an evaluation process needed to be completed in order to identify projects with the greatest needs, and to prioritize the projects.

*Phase I analysis:* The initial goal of the Phase I analysis was to identify the schools with the greatest building needs based upon the condition and age of key systems and elements. The schools deemed to have the most urgent or important needs would move forward to the Phase II evaluation.

For each school, the task force evaluated each building element or system based upon six specific criteria. These systems/elements included: HVAC, modular classrooms, bathrooms, doors, site (grounds and utilities), windows, lighting, sprinkler, fire alarm, hazardous materials, classroom sinks and cabinetry, electrical (power), plumbing (non-bathroom areas), telephone/data/audiovisual and finishes. The six criteria utilized to assess these building elements included safety, health, energy/sustainability, cost to maintain, learning environment and aesthetics/appearance. Based upon the committee's consensus, one of four ratings was assigned to each and those ratings were: 1) highly urgent/essential (red), 2) moderately urgent/highly desirable (orange), 3) less urgent/desirable (yellow) or 4) not applicable/no concern (no color). From this information the task force produced a color coded chart of all the elementary schools and WMS. Schools with a preponderance of "red" or "red/orange" colors were the most likely candidates to move forward in the process to the Phase II analysis where other considerations were applied.

*Phase II analysis:* The goal of the Phase II analysis was to identify schools or projects that are ready for design and possibly construction in FY14

The procedure followed for the Phase II analysis started with the task force "short-listing" schools from Phase I determined to have the greatest needs. The other considerations and impacts included broader aspects of the project that were not specifically addressed by SMMA. These considerations/impacts included construction site availability, phasing and design complexity, square foot cost, floor plan efficiency, site efficiency, bundling opportunities, funding opportunities and other major hurdles. A color coded grid of these considerations and impacts was also produced and the committee assessed these impacts as either positive (green), negative (red) or either (yellow).

In the Phase II analysis one of the most critical elements in the task force's judgment was "Construction - Phasing" and the anticipated need for swing space to accommodate students and faculty during multi-phased projects. Following this multi-stepped analysis two schools (Fiske and Schofield) were identified where major systems renovations could conceivably be completed during the summer months, thus not requiring swing space, and addressed primarily

health and safety concerns in those schools. No buildings in Town could be identified as swing space, so temporary modular classrooms would likely be required if summer construction was not possible. In contrast, the scope of work at Hardy, Hunnewell, and Upham is more complex and will very likely require a significant use of swing space and/or re-districting. The long-term plan will also consider the alternative of replacing one or more of these with new construction. As might be expected due to their relatively recent renovations/construction, the primary needs at Bates, Sprague and PAWS did not fall into the urgent/highly desirable category. Given the size and complexity of work required at WMS, only discrete projects were considered for the short term at the Middle School.

**SFMP Recommendation:** The initial SFMP recommendation included major systems renovations at both Fiske and Schofield. The scope of work would consist of replacement/rehabilitation of the HVAC system including the replacement of unit ventilators, some window and door replacement, new bathroom fixtures, new flooring in some areas of the school, better ventilation in some interior classrooms at Fiske, new lockers/cubbies, sprinkler/fire alarm upgrades, site improvements, new classroom sinks and cabinetry as well as the installation of an elevator at Fiske.

Due to the greater extent of planning and phasing that will be required for the scope of work at Hardy, Hunnewell and Upham; a more thorough review will be conducted to identify the best approach to addressing capital needs for these schools. This review will require more robust enrollment data, direction from the forthcoming WPS Strategic Plan and could potentially include preliminary discussion of the option to build a new elementary school as opposed to renovation of an existing building(s). The Massachusetts School Building Authority, which funds school construction projects, as it did for the new High School, will also need to be brought into discussions for these larger, more costly projects, as the task force feels strongly that the Town should maximize its grant opportunities.

In addition to the Fiske and Schofield renovations some of smaller, discrete projects were also recommended for the short term:

- a) Repair to eliminate the water infiltration problem at the Donizetti entrance at the Middle School (already proposed by the FMD)
- b) Replacement of the auditorium seating and flooring at the Middle School
- c) Science lab waste treatment replacement at the Middle School
- d) Roof replacement on the original slate roof section of the Sprague building
- e) Repair of the Oak Street entrance plaza at Sprague
- f) Hunnewell roof repairs (previously proposed by the FMD)
- g) Hazardous material abatement at Hardy, Hunnewell, Upham, Schofield and the Middle School
- h) District-wide IP phone replacement (already proposed by the School Committee)
- i) District-wide security upgrades

**Article 17 Request:** Although the SFMP felt they had a solid rationale to advance the Fiske and Schofield projects to Town Meeting for design, the School Committee and Board of Selectmen ultimately decided they did not want to move forward with these major systems renovation projects until the WPS Strategic Plan was completed. They also indicated that they did not necessarily agree with the Task Force's assessment of which schools should be addressed first.

Despite the fact that the Fiske and Schofield major renovation projects were put on hold, the Task Force did obtain consensus from the two boards to move the following projects into the design phase, pending TM approval. They include repair of the Donizetti entrance at the Middle School, security upgrades at all schools except the High School, entrance plaza repairs at Sprague and roofs at both Sprague and Hunnewell. Following the Permanent Building Committee's (PBC) process, it is anticipated that many of these projects will be designed and some will be bid prior to the 2014 Annual Town Meeting, and construction funding would be included in a debt exclusion question for the voters in spring 2014.

As the enrollment study becomes available in March and the initial draft of the WPS Strategic Plan is available this summer the task force will evaluate alternatives to address long term school facility needs. These alternatives will address enrollment, School program plans, the needs identified by SMMA in their study, cost-effectiveness including considerations of MSBA funding, and timing, with guidance from the School Committee about their priorities and preferences among alternatives. Addressing the long-term capital requirements of the schools will require the collaboration of the Selectmen, School Committee, Facilities Maintenance Department, Permanent Building Committee, as well as the SFMP to move a series of major projects forward to Town Meetings and the voters over the next decade.

Respectfully submitted,

Barbara Searle, Chair  
Diane Campbell  
Julia dePeyster  
Becky Epstein  
Ellen Gibbs  
Tom Goematt  
Laura Hockett  
Hans Larsen  
David leong  
David Lussier  
Joe McDonough  
Jack Morgan  
Wendy Paul

## **REPORT OF THE BOARD OF SELECTMENT AND COUNCIL ON AGING: STATUS OF THE TOLLES-PARSONS CENTER**

This is a Report of the Board of Selectmen (“BOS”) and the Council on Aging (“COA”) regarding the status of the Tolles-Parsons Center (“TPC”) (previously known as Senior Center). Given the passage of time since the last update on the proposed Center, this Report will include a thorough review of the work completed to date.

### **History of Council on Aging**

The National Council on Aging originated in 1950 in response to concerns about rising health costs and the impact of mandatory retirement. The Older American Act was enacted in 1965 to promote the development of senior centers for coordination of services and to improve the lives of older Americans through:

- Work and volunteering
- Healthy aging practices
- Providing access to benefits and
- Ensuring their ability to remain independent.

In 1972, Wellesley’s Town Meeting established the COA “to coordinate and implement programs designed to meet the needs of the elderly.” In 1973, a Senior Needs Assessment Survey was conducted and the results focused on the needs of the seniors in town related to transportation gaps, the need for outreach, a drop-in center and a program coordinator.

By 1974, the COA saw its purpose as:

- A clearing house for various senior programs offered by civic, fraternal and religious groups in town;
- Obligated to create specific programs for seniors including Mini Bus program, Meals-on-Wheels and a merchant discount program.

### **Wellesley Friendly Aid and Wellesley Community Center**

In 1975, the COA rented a single room in the Wellesley Friendly Aid (“WFA”) building and hired a Program Coordinator. In 1982, the COA moved to the Wellesley Community Center (“WCC”) and included a Director and part-time assistant in one office and provided information and assistance on issues including health insurance, social security, housing, employment, legal assistance, financial assistance, fuel assistance and nutrition information.

The COA remains housed in the WCC, a non-profit and privately held and managed facility, and employs a Director, two full-time employees, three part-time employees and over 200 volunteers. The COA pays approximately \$80,000 for rent and custodian services for office space, one dedicated room in the basement of the facility, two additional rooms that are available to the COA from 9-4 each day and access to two other rooms on an as requested, as available basis.

### **Chronology of Tolles-Parsons Center**

In 2005, the Town received a bequest of \$825,000 from the estate of Mary Esther “Billie” Tolles. The bequest specified that the funds be used to found, construct and equip a free-standing senior center in Wellesley. This bequest prompted a review of the current facility and services.

### **Formation and Findings of Senior Center Study Committee 2007-2009**

In January 2007, the Senior Study Committee was appointed by the Board of Selectmen. Their mission was to evaluate how the Town could best meet the evolving needs of Wellesley’s senior population.

During the period January to November 2007, the BOS and COA had multiple discussions with the WCC to explore the possible renovation and expansion of the WCC to accommodate the expanding needs of the COA. Several plans were developed and discussed and the parties concluded that there was not a sufficient convergence of interests to support the approach.

The Senior Center Study Committee initiated a comprehensive review of senior support in Wellesley and opportunities for improvement, as well as a review of other location alternatives. The review consisted of focus groups, interviews, public forums, surveys and benchmarking, including visits to senior centers in other towns.

It was found that the level of senior support in Wellesley was lower than that of neighboring towns; programs were difficult to coordinate and confirm; dedicated space was extremely small impacting the number and types of programs that could be offered; physical access to programs and offices was severely limited given accessibility issues; and as a result, participation rates were quite low.

Based on these findings, the Senior Study Committee concluded the following:

- In order to age well, individuals need to maintain an active, healthy and socially engaged lifestyle. Given the economic environment, it is even more necessary to provide adequate and functional programs and services to our senior population.
- Seniors are increasingly seeking opportunities to learn, socialize, exercise and otherwise remain vital.
- The quality, size, accessibility and availability of facilities impact a town's ability to provide senior support. Well-designed, thoughtfully planned senior centers are attractive, welcoming environments that flexibly support concurrent activities. Accessibility is vital and the opportunity for social interaction is essential.
- Communities that have invested in a new or renovated senior center have seen a significant increase in participation, including senior volunteers, to support an expanded program.

The Senior Study Committee undertook a review of possible sites for the Tolles-Parsons Center and in April 2008, Town Meeting authorized \$50,000 for an assessment of the needs of the Town's senior population (\$25,000 from free cash and \$25,000 from the Tolles bequest) and to initiate a feasibility study for the construction of a free-standing senior center at 496 Washington Street, the former American Legion property.

### **Feasibility Study in 2008**

In September 2008, the architectural firm of Sterling Associates was hired to conduct a feasibility study which included a needs analysis, review of program plan and space requirements, options review (site and parking), estimated operating budget and preliminary floor plans. The results of the feasibility study suggested that the AL site would readily support a two-story facility of approximately 12,400 square feet. The structure would be fully compliant with the Town's zoning by-laws including footprint, building height and setback requirements. A preliminary design concept was developed which provided offices for the COA staff and visiting support professionals, the Town's Veterans' officer, a drop-in area, socializing spaces, a number of flexible spaces for various size activities and programs, a kitchen and a large hall that could be configured or subdivided for various uses.

It was proposed that the parking needs of the proposed center would be met through a combination of 34 on-site spaces, on-street parking and increased use of senior transportation.

### **Design Work in 2009-2010**

In 2009, by 2/3 vote, Town Meeting appropriated \$600,000 for a detailed building design at the AL site. During this phase, a building program review and benchmark study on design was completed by the newly formed Senior Center Building Committee.

This phase of work carefully considered the vision and goals of the Tolles-Parsons Center. The vision was to enable and enhance a vibrant, engaged and healthy lifestyle in the senior population, provide opportunities for interpersonal connections and increase overall well-being.

The goals of the Tolles-Parsons Center were to:

- Provide the adequate size and type of spaces necessary to enable a sense of place – to gather, connect, socialize, learn, exercise and maintain healthy, socially engaged lifestyles – to promote aging in place;
- Effectively deliver and expand programs to meet the needs and interests of the population;
- Engage, encourage and expand participation;
- Provide welcoming, comfortable, flexible spaces accessible and conducive to multiple activities;
- Foster intergenerational participation.

### **Building Program Review**

The Building Program Review included the following:

- A detailed review and summary of the activities and services being provided at that time, the anticipated number of participants and the types of spaces needed to accommodate them;
- A summary of potential activities in anticipation of growth in offerings and in the rate of participation;
- The development of a floor plan which had the flexibility to accommodate the current activities as well as activities and programs for the future, including specification of the number, type, size and adjacencies of each space.

The major findings of the review were:

- New facilities yield increased participation and utilization;
- 20-25% utilization rate among seniors;
- Socialization, drop-in area is key;
- A vibrant lunch program is important and attracts seniors for other activities;
- Spaces should enable concurrent programming
- Flexible spaces enable multiple and changing uses;
- Private meeting spaces are highly utilized.

Based upon the information gathered and findings, five categories of spaces were identified as necessary to accommodate activities and programming:

- Informal drop-in area/gathering spaces for spontaneous interaction and socializing;
- Spaces for scheduled activities and programs including large and small multi-purpose activity rooms and a main hall, all designed for maximum flexibility;
- Meeting spaces;
- Dining/food preparation spaces; and
- Office/administrative spaces.

### **Benchmark Study on Design**

The Benchmark Study on Design included a descriptive summary of information collected from site visits and research focusing on the design, adjacencies and use of spaces. The objective of this study was to compile information on best-practices and design elements which were effective and efficient and adopted by neighboring senior centers, and to incorporate relevant aspects into the design for the Tolles-Parsons Center. Based upon this information, a preliminary design was developed for the American Legion site.

### **Traffic and Parking Study in 2009**

A Traffic and Parking Study was conducted by Howard Stein Hudson in 2009 and a report issued in January of 2010.

The site plan for the project included 34 on-site parking spaces (including two HC spaces). Forty-seven public parking spaces exist on Washington Street adjacent to the site; however, the number of parking spaces may be reduced to 41 as a result of curb cuts and site planning.

It was determined that the new vehicle trips generated by the Tolles-Parsons Center would not adversely impact the study area intersections.

With regard to the adequacy of parking, five parking demand scenarios were considered and conclusions were made based upon parking counts. Under all scenarios, use of public spaces on Washington Street would be necessary:

- Scenario 1A – weekday with 150 visitors; peak parking demand for 50 spaces at 10:30 am; need for 16 spaces on Washington Street
- Scenario 1B – weekday with 130 visitors; peak parking demand for 56 spaces at 10:00 am; need for use of 22 spaces on Washington Street;
- Scenario 2 – typical Wednesday during noon dismissal of St. Paul's school during school year; school dismissal coincided with peak activity at Center;
- Scenario 3 – major mid-day event at the Center with 120 visitors; parking demand will exceed available spaces
- Scenario 4 – funeral at St. Paul's Church; parking demand likely to exceed available spaces if over 130 attendees at funeral.

### **Proposed Acquisition of 494 Washington Street**

As a result of the concerns over the adequacy of parking at the AL site, the Selectmen engaged in negotiations with the owner of the property adjacent to the AL site, 494 Washington Street. The lot size is 12,489 square feet and when combined with the AL site, totaled 41,924 square feet (almost an acre).

A price of \$1,270,000 was negotiated with the owner and the proposal was presented to 2010 Town Meeting. Town Meeting did not approve the purchase price of \$1,270,000 but agreed that it would accept \$1,000,000. The owner declined to accept this offer.

### **Further Discussions with WCC**

During the period 2010-2011, the Selectmen, COA and WCC engaged in further discussions regarding the viability of the COA remaining in the WCC on a long term basis. The land on which the WCC building is located is owned by the WFA. Additionally, the property includes a building which houses the WFA and a private counseling organization, a building used by the Wellesley Service League and the Wellesley Historical Society with adjacent parking.

### Renovation Options

The WCC proposed three specific options involving renovation to the current WCC facility. These are briefly summarized:

- Option 1
  - Ground level addition to accommodate Drop-in room and reception area;
  - Convert current pre-school space to meeting rooms
  - Construction cost estimate of \$2,538,000
  - Cost to Town of \$2,138,000
  - Cost to WCC of \$400,000
- Option 2
  - Similar to Option 1 above with larger addition to lower level
  - Construction cost estimate of \$2,513,000
  - Cost to Town of \$2,113,000
  - Cost to WCC of \$400,000
- Option 3
  - Two story addition to accommodate Drop-in room, reception area, activity space and small kitchen
  - Addition of two activity rooms and COA office space
  - Construction cost estimate of \$3,113,000
  - Cost to Town of \$2,713,000
  - Cost to WCC of \$400,000

The BOS rejected these options because they did not provide adequate exclusive space for senior programming, activity spaces were on more than two levels, COA offices were separate from primary meeting and activity spaces and, given that the WCC was willing to contribute a maximum of \$400,000 to construction costs, a disproportionately large financial contribution by the Town was required without ownership or operational control by the Town.

### Tear Down/Rebuild Option

Another option proposed by the WCC involved tearing down and rebuilding the facility to provide the COA with adequate office space and seniors with adequate activity spaces. The total construction cost was estimated at \$4,425,000, with the Town contributing \$4,025,000 and the WCC contributing \$400,000. While this was a conceptually viable option, this option was rejected by the BOS given the large financial contribution by the Town without any ownership interest or control of the facility.

### Condominium Approach

A “condominium” approach was also explored which would require tearing down and rebuilding the facility; the WCC would own and control one floor of the building and the Town would own and control another floor of the building. Several concerns were raised with this approach including 1) land is owned by Wellesley Friendly Aid (“WFA”); 2) financial contribution would have to be equal between WCC and BOS; 3) timing of the project; 4) operational and management logistics; and 5) maintenance of the facility including common areas and structures.

After consultation among the Board and with Town Counsel, it was determined that the condominium approach would not be pursued.

In summary, although the existing WCC facility may have met the historical needs of Wellesley's senior population, our senior population has grown and changed over the years to the point where the configuration of the building no longer provides adequate space, including rooms equipped for designated purposes, to meet the seniors' needs and the BOS does not believe

that the WCC building warrants further capital investment. Additionally, the possibility of investing in the renovation or redevelopment of the WCC facility is not in the best interests of the Town. If the Town were to make a significant capital investment in a new facility, the BOS believes the Town should own and operate the facility.

### Campus Vision

In an effort to find a resolution that would be feasible and appropriate for the WCC and the senior citizens of Wellesley, the BOS proposed a “campus concept” at the current WCC site that would provide spaces for senior activities, the COA, the WCC, the WFA and other community groups. The long term goal was a new facility to replace the WCC facility and the WFA buildings on the WFA property located at 219 Washington Street that would enable the WFA, the WCC and the COA to continue their missions. The new facility would house the COA and its programs and services consistent with the design and programmatic requirements of a stand-alone Senior Center, and provide meeting spaces for community groups. The new facility would be owned and operated by the Town of Wellesley.

The COA, BOS, WFA and WCC met to discuss the possibility of a new facility with the following criteria:

- The new facility to be owned and operated by the Town of Wellesley;
- The new facility to provide spaces for the WFA and WSA, as well as the WCC and COA and their activities, and other organizations to be determined as the project progressed;
- The WCC to continue its mission in the redeveloped facility as a tenant of the Town;
- The Town to consider the consumption of alcohol in the new facility.

On April 6, 2011, the BOS requested a definitive response from the WCC by April 11 regarding whether it agreed to having its current building demolished, enabling a new Town-owned and operated facility to be constructed on the site to accommodate the COA, WCC, WFA and WSA and to have the WCC operate as a tenant in the new facility. The BOS further stated that such an agreement was essential to moving forward.

After further discussion between the parties, it was clear that the COA and WCC were both trying to expand their services and that the site was not large enough to accommodate all of the parties’ needs and that sufficient synergies did not exist among them. Additionally, by increasing the footprint of the building to accommodate the various parties, parking spaces would be lost leaving insufficient parking. And, given the size of the building needed, the cost likely would increase over what had been projected for a senior center and it was not reasonable to ask the Town to pay for a building that would not be used solely for municipal purposes.

On April 25, 2011, based on these conclusions the BOS voted to terminate discussions with the WCC.

### **Consideration of Other Sites**

During 2011, several sites were evaluated to determine whether another site was viable. These included:

- Property owned by Wellesley College – Washington Street; Turner Road
- Town land on Turner Road near Morses pond
- Town land near Ouellet Field off Cedar Street
- Town land near Prospect/Walnut Streets
- NRC land near senior housing on Morton Field
- Sharing space with Recreation Department at Warren Building

After careful consideration of each site, it was determined that none of the sites was a viable alternative.

### **2012 – A New Look**

In Spring, 2012, the Board of Selectmen reaffirmed that a senior center was a major priority for the Town. Given the passage of time since design work was performed in 2009, concerns raised about the need for a senior center, and the increasing numbers and diversity of the 60+ population, work needed to be done to include new insights and updated information to support healthy living and aging in place. To that end, a review process was developed to review the mission of services and programs for older adults in Wellesley to ensure that it reflected the most current insights and a comprehensive strategy for the future that would meet the needs of a growing 60+ population.

### **Planning Committee**

A Planning Committee was formed to review the mission and vision of how Wellesley will meet the needs of older residents, provide updated and supplemental information on the population, services and programs for current seniors as well as the “new seniors” (baby boomers), and to assess the current design. This Committee included:

- Terri Tsagaris, Chair, Board of Selectmen
- Ellen Gibbs, Vice-Chair, Board of Selectmen
- Susan Kagan Lange, Chair, Council on Aging Board
- Gayle Thieme, Director of Senior Services, Council on Aging
- John Schuler, Board, Council on Aging
- Harriet Warshaw, Board, Council on Aging and former chair of Senior Study Committee and Board of Selectmen
- Frederick Wright, Professor of Marketing, Northeastern University, former Recreation Commissioner

The Planning Committee analyzed the demographics and found that by 2030 the 60+ population will be 92 million or 25% of the U.S. population. In Wellesley, this group accounts for 19% currently. This group is increasingly more diverse, mobile, active, remain in workforce longer and have a broad range of needs, priorities, interests, and activity levels.

Further benchmarking was conducted which included reviewing practices for service delivery, new models of organization and the potential for integrated approaches. Wellesley’s current model for delivery and depth of programming was evaluated and discussions were held with many town departments and organizations. The following findings were made:

- COA’s services and programming for the 60+ group are delivered from a central location which is inadequate;
- The need for services in this population is increasing dramatically;
- Services and programming town-wide for this group are delivered by multiple departments in relative isolation, resulting in some redundancies;
- Coordination of outreach between departments is sporadic and inconsistent.

In addition, the Planning Committee found that:

- 60+ adults want to “age in place” and remain a vibrant part of the community;
- 60+ adults who participate in senior center programs experience a sense of well being when they have a place to socialize, learn, exercise and contribute to community;
- Social interaction enhances mental health and is key to sustaining a high quality of life;
- Regular physical activity contributes greatly to the fitness, health, functioning and quality of life;

- Many 60+ adults rely on senior centers and other aging and social services for their basic needs;
- Baby boomers or “new seniors” have different expectations and needs than those that guided the development of the current system;
- Programs must be innovative and expanded to meet the changing needs and interests: adventure, travel, continuing education, cultural events, evening and weekend programs, opportunities to give back to community;
- We must accommodate all 60+ adults with more of everything – multi-service, a wide range of programs for young, old, fragile, active, retired and working adults.

Based upon these findings, the Planning Committee reached the following conclusions:

- Demographic review: individuals 60+ is a growing demographic group that increasingly encompasses a broad spectrum of interest, needs and capabilities;
- Delivery and depth of services and programming can be greatly improved, expanded, and made more efficient by:
  - Creating a central location or hub with appropriate, flexible and thoughtfully designed spaces for offices, services, programs and gatherings for individuals 60+ now and into the future;
  - Integrating and supplementing program delivery across Town departments through evolving relationships, collaboration and leveraging use of multiple venues;
  - Increasing partnerships through communication and coordination among departments to ensure effective, efficient and expanded outreach and programming.

The Planning Committee’s research affirmed the importance of housing the COA administration and mandated and core services in an identifiable, dedicated, accessible location. A new vision – The Collaborative Model – was designed with a centrally located service infrastructure, strengthened and expanded through collaborative programming and use of multiple venues.

### **Parking Plan**

As discussed above, concerns have been raised about the adequacy of parking at the AL site. In addition to attempting to acquire the property adjacent to the AL site, the Natural Resources Commission and the Selectmen discussed the use of parkland on Morton Field (across Washington Street from AL site), as well as use of Wellesley Housing Authority property adjacent to the Police Station. Recognizing the complex issues involving the use of parkland for parking and the time involved with obtaining legislative approval of a land swap, it was determined that this was not a viable alternative.

It was known that the Police Department was in need of expanding its driveway to accommodate emergency vehicles and the WHA bus as well as additional parking spaces. Through collaboration with the Police Department, WHA and DPW, a plan has been developed to meet the needs of the Police Department and the Tolles-Parsons Center.

The concept uses 8700 square feet of WHA land and involves some reconfiguration of the police station parking lot. The plan will widen the police station driveway and add 32 additional spaces, 20 for the TPC and 12 for the police (98 existing spaces to be increased to 130). The crosswalk currently located in front of the police station will be relocated to bring it closer to the AL site and will include a pedestrian activated light.

### **The New Vision and Paradigm – The Collaborative Model**

The research of the Planning Committee demonstrated that many departments and organizations contribute to the well-being of our 60+ population and encourage generational integration. It also recognized the importance of housing the COA administration, and mandated

and core services in an identifiable, dedicated, accessible location. These findings resulted in a new concept for the Tolles-Parsons Center – the collaborative model – a service infrastructure with a central location strengthened and expanded by collaboration with other departments and use of multiple venues. This model was developed in an effort to address the growing number and diversity of the 60+ population and the space constraints at the American Legion site, as well as to increase coordination and collaboration with other departments and organizations by reducing redundancies, expanding and diversifying activities and opportunities for the 60+ group, integrating the 60+ population with all generations across town to avoid isolation of seniors, and taking advantage of other spaces in town.

In this Collaborative Model, the Tolles-Parsons Center will serve as the center for COA's mission, services and programs providing a welcoming and accessible focal point for weaving together the resources of the entire community. The COA staff and volunteer offices will be located and social services and outreach programs for basic needs of some individuals 60+ will take place at the TPC. The Center will also provide activities and programming – social and recreational activities, life-long learning opportunities and fitness and exercise classes.

We recognize this age group is growing and increasingly encompassing a broad spectrum of interests, needs and capabilities. In order to accommodate all 60+ adults and to expand and enrich the opportunities, it will be necessary to go beyond the walls of the Center and utilize other spaces in Town such as the Wellesley Free Library, Recreation Center at Warren, and schools. The Planning Committee spoke with representatives from many departments including Recreation, Schools, Library, Board of Health, Police and Fire and to organizations outside of town government such as the colleges, private schools and Waterstone. All were enthusiastic about partnering and collaborating with the COA to institutionalize this collaborative model to increase opportunities for all Wellesley residents.

### **The Review Committee**

In order to review the findings of the Planning Committee, the Selectmen created a Review Committee and appointed the following members:

- Heather Sawitsky, Chair
- Jean Boyle
- Tim Driver
- David Himmelberger
- Dona Kemp
- Phil Laughlin
- Todd Himstead
- Kathleen Woodward

The Review Committee was charged with the following:

- Evaluate the collaborative model
  - Creation of central location with appropriate, flexible and thoughtfully designed spaces for offices, services, programs and gathering for individuals 60+ now and into the future;
  - Integration and supplementing delivery across Town departments through evolving relationships, collaboration and leveraging use of multiple venues;
- Review the vision, service delivery approach, programming and space; requirements necessary to meet current and future needs of population;
- Assess 496 Washington Street site as the central location of COA mission, vision and goals;

- Evaluate town wide resources and how other town departments and organizations might contribute to expanding and strengthening the mission, vision and goals of the COA.

In sum, the Review Committee supported the Collaborative Model and concluded that the AL site was a reasonable and favorable location for the Tolles-Parsons Center. The *Report of the Tolles-Parsons Center Review Committee* is included on page 203.

### **Recent Proposal from WCC**

On February 14, 2013, representatives from the WCC met with Town officials to present a new proposal for locating the TPC at 219 Washington Street. WCC proposes to construct, own and control a new building adjacent to the current WCC building to house the TPC, with a bridge housing a café to connect the two buildings. An additional 65 parking spaces would be created at the rear of the parking lot. The BOS is currently evaluating the proposal and will supplement this Report at Town Meeting.

The property at 219 Washington Street is owned by the Wellesley Friendly Aid. The WCC leases the land on which its building is located from WFA. At the time of the meeting between town officials and WCC representatives, the WCC had not yet spoken with WFA about a lease of additional land.

The Town contacted a representative of WFA and inquired as to whether it would be interested in leasing or selling its land at 219 Washington Street directly to the Town so that the Town could design, construct, and own the TPC at that location. Before moving forward with negotiations between the Town and the WFA, the Town is conducting its own due diligence to evaluate whether a new building with adequate parking can fit on the site, including site circulation and traffic issues.

The Board of Selectmen will supplement this Report at Town Meeting to include developments regarding the WFA site.

Respectfully submitted,

Board of Selectmen  
Council on Aging

April 1, 2013

## **REPORT OF THE TOLLES-PARSONS REVIEW COMMITTEE**

### **Introduction**

The Council on Aging (COA) currently operates its senior program in leased space at the Wellesley Community Center. It offers a lunch program and provides support services and programming as space and staff permit. Based on 2011 data, 5 residents on average participate in the lunch program every day, and 65 residents come to the center each day for services or programs.

Several years ago, the COA proposed the construction of a stand-alone senior center at the former American Legion site to provide dedicated space for its programming and services. There have been criticisms of this proposal, including 1) there is a declining need for COA services since the number of seniors in Town is shrinking, 2) the construction is unnecessary due to the a low demand for the COA services, which do not align with the needs or interests of most Wellesley seniors, 3) there are underutilized municipal spaces and resources that could house the COA and its activities, and 4) the American Legion site is too small and doesn't have enough parking.

In response to these concerns, the COA rethought its model and developed a new proposal, originally referred to as the "hub and spokes" model, and more recently named the Collaborative Model. Its focus is to collaborate and coordinate with other Town departments to supplement programming and resources housed at the center. The Board of Selectmen appointed a group of eight citizens to review and evaluate this model.

### **Charge of the Committee**

1. Evaluate the "hub and spokes" paradigm, and its focus on collaborating with other Town departments;
2. Review the programming and space requirements necessary to realize the vision;
3. Evaluate the offerings and resources of other Town departments which could be coordinated with the offerings of the Tolles-Parsons Center; and
4. Assess the 496 Washington Street site as a central hub for the activities of the Council on Aging.

### **Composition of the Committee**

The committee members were selected because of their knowledge of the community and/or their interest and knowledge of aging issues. Members range in age from their 40s to their 70s to insure that the views of both current and future seniors were represented. The committee members had not been previously involved in the planning of the senior center project and bring a fresh perspective to the discussion. The members and their backgrounds are listed at the end of this Report in Appendix I.

A summary of the activities of the committee is found at Appendix II.

### **Threshold Question: Does Wellesley Need a Stand Alone Center?**

From the outset, the committee thought it was important to consider the stated opposition of citizens who think a stand-alone center is unnecessary.

### **Is the Number of Seniors in Wellesley Shrinking?**

The 2010 US census counted 5,429 residents in Wellesley aged 60 or older. This represents 19.4% of the total population of the Town. In 2000, the US census counted 4,780 residents aged 60 or older, which was then 17.9% of the Town. Thus, over the last 10 years, the number of people living in Wellesley over the age of 60 has grown, both in terms of actual numbers and as a percentage of the population. To give some context to these figures, the number of children receiving services from the Wellesley public schools as of October 1, 2012 was 5,032.

All national demographic projections reviewed by the committee predict a significant increase in the number of people aged 60 and older for the next 30 years. We assume Wellesley's population will follow national trends.

### **Are Senior Centers Outdated?**

When senior centers were built in the 1960s, they primarily served as social service agencies, focusing on the needs of low income and frail elderly. Fifty years later, there is still a need to support vulnerable seniors. But there are many other seniors who do not need traditional social services, and will not access a center that is seen as primarily designed for those in need. These seniors are, and seek to remain, socially and physically active, intellectually curious, and involved with their communities. An attractive center designed with the needs of seniors in mind would give them opportunities to socialize, exercise and to pursue both old and new interests.

There are ample examples of senior centers who are addressing the needs of active seniors. These centers have rethought their assumptions, their programming and their physical space to meet the needs of independent seniors, while continuing to support their most vulnerable citizens. In short, they have created a new paradigm, offering a broader array of physical, recreational and educational programming, which involve the seniors in the design, planning and implementation of the programs. The new proposal by the COA represents recognition of this paradigm shift.

### **If It Is Built, Will They Come?**

The committee considered the pros and cons of recommending another survey of Wellesley seniors' interest in a new center. However, the committee decided against it after speaking with an expert in survey research. He explained that a survey sent out to all citizens in a town will not accurately forecast demand, especially for innovative services. The people who respond are likely to hold strong views on either end of the spectrum. Unless there is a carefully designed sample selected to poll, and carefully designed questions that remove bias, a survey is not a good planning tool. Such a survey would cost thousands of dollars, and in the view of the committee, would first require an education program to inform residents about the COA's proposed model.

The expert suggested that for the Town's purposes, the committee could get an indication of the community's likely response by measuring the response of other communities to their new senior centers, and Wellesley's response to its other new facilities. The committee identified the following patterns that seem to be predictive indicators of Wellesley's likely response:

1. The four senior centers we visited which had been built within the last 5 years each experienced a **tripling** in average attendance after the new building was opened. The committee had telephone conversations with six other new senior centers, which reported similar increases.
2. Wellesley has experienced a sustained upswing in use when it has built a new building to house an activity in the last 10 years: the Library, the Warren Recreation Building, and the PAWS pre-school building.

3. The programming that the COA has recently done that is representative of the type of programming it would like to offer regularly has been extremely popular and has attracted numbers far in excess of its average number of participants. Examples are the lecture series co-sponsored by the COA and the Library (85 attendees), the golfing tournament at Nehoiden (34 participants), the upcoming seminar series offered by Alan Schechter, retired professor at Wellesley College (the 30 spaces filled quickly, with a waiting list of 33).
4. When we visited the new Natick Senior Center, we saw several Wellesley residents participating in programs – people who do not attend Wellesley’s senior center.

### **Are There Other Municipal Sites that Could be Used?**

The Warren Building is not a viable alternative for the Senior Center. Although the building looks large from the outside, there are not that many program spaces inside. There are some rooms open during portions of the day, but the building is fully utilized by children’s camps throughout the summer. There is no room for the administrative offices of the COA. Parking restrictions imposed on Warren severely limit the number of cars that can be on site at any given time. The building layout and parking limitations at Warren do not allow for a gathering area for seniors, a key component of most centers.

The Community Center, which has housed the senior center for many years, was designed for civic groups who needed a place to meet. Its shortcomings as a senior center have been reviewed and acknowledged by the Selectmen, who fully explored the possibility of remodeling that space with the Wellesley Community Center in 2011. At that time, the Selectmen concluded that the Town would not finance the costs of the needed renovations at the WCC without ownership or control of the building.

### **Does the Washington Street Site Work as the Site for the Hub?**

The site at 496 Washington Street is compact but viable. Assuming a building footprint of 6,000 sq. feet, there is parking on site for 34 cars, including 2 handicapped spaces. There is parking on Washington Street for 41 cars. There are plans to expand the parking on land abutting the police station parking lot, which will yield another 20 spaces, for a total of 85 spaces.

There are concerns that there is not enough on-site parking under this configuration, and that parking on Washington Street and across the street is too dangerous. There are also concerns that the traffic on Washington Street will be chaotic when there is a funeral at St. Paul’s and on early release days from the St. Paul’s School.

The committee visited several senior centers that had limited or no on-site parking, and the centers still worked well. As a general matter, the committee observes that the Town has a traffic and parking challenge even without a senior center, and the only way to address these issues is to alter behavior by carpooling, walking, or developing a transportation system that will allow people to access town center without using their cars. The committee also thinks that no site should be required to meet the demands of infrequent events, such as large funerals.

The committee has developed a number of suggestions to help improve the parking and traffic:

- Reconfigure the parking spaces on Washington Street by making the parking spaces deeper, so that when a driver opens the street side door, the door does not swing out into the traffic lane. It would require moving the sidewalk on Washington Street, but it would be a significant improvement to Washington Street.

- Install a pedestrian cross walk and light close to the expanded police station parking lot, with a timer adjusted to the needs of senior citizens.
- Use the COA van to pick up and deliver seniors to the site.
- Explore the possibility of using the specialized vans used to transport special needs students to Sprague to transport seniors with mobility problems during school hours.
- Develop a sticker system for cars so that seniors with mobility issues would be given a priority right to park on site, not on the street.
- Use the sticker system to give seniors an exclusive right to use some of the spaces on Washington Street between the hours of 9 and 4.
- Work with St. Paul's to design a pick up system for early release days that minimizes the disruption on Washington Street. This could include a mutual determination of the safest pick up point and/or giving parents an exclusive right to park on Washington Street during the pick-up time.
- Work with St. Paul's so that a system is devised to notify the COA of funerals occurring during the hours of programming so that Washington Street spaces would be cleared for funeral use.

We think that there are a number of very positive aspects with the Washington Street site. First, it is close to the town center and most people will already go near the site as they run their general errands in town. Second, it overlooks a lovely park. Third, St. Paul's would gain access to an additional 54 off street parking spaces on weekends and holidays when the center is not in use. Older parishioners who attend morning mass could easily take advantage of the morning coffee, socializing and programming at the center which could be scheduled to accommodate those attending mass.

### **The Proposed Collaborative Model**

The Collaborative Model envisions that the new building will serve as the central location for COA administration, supportive services and socialization. It will have a kitchen and dining space for the lunch program, and program rooms with flexible layouts to permit a range of activities. One of the most important features of the new building will be a dedicated and attractive area where people can meet, have tea or coffee, and visit with each other throughout the day. This gathering area is seen as key to developing and maintaining a sense of community among the participants in the programming.

The programming offered on site will be supplemented and enhanced by programming collaborations with other Town departments. Although there is already some collaboration, the committee thinks that ongoing communication and coordination among the various departments will yield a wider range of programs for all ages. This type of collaboration will require active oversight by the Board of Selectmen, which should consider appointing some members to the COA with the expectation that they will serve as liaisons to these other departments. Residents who have previously served on the boards of these town committees would be especially effective.

Currently there is duplication in programming offered by the Recreation Department, the Library and the COA. Duplicated programs could be eliminated, new offerings could be developed,

oversubscribed programs could be expanded, and a master calendar of all offerings could and should be developed. The collaboration goes beyond finding rooms in buildings; it should review the talents and resources of each department and make sure they are fully utilized, whether in a classroom, a field trip, or during outdoor activities.

### **Building sites**

Sites that are most likely to be part of the collaboration are:

- The Library
  - The computer room for computer training
  - The Wakelin Room for large concerts and lectures
  
- The Warren Building
  - The gym and dance studio for vigorous exercise programs and indoor walking
  - The art and ceramics rooms for painting and ceramics
  - The Wellesley Community Center for larger lectures and dining events
  - The Wellesley High School for its cafeteria and auditorium

### **Programming transferred to the Center**

As part of the Collaborative Model, some programming and services currently offered elsewhere could be moved to the new senior center, consolidating core services on site and providing exposure of the offerings of other departments to the seniors. These programs include:

- Wellness Clinics offered by the Board of Health
- Some book groups run by the Library staff
- Duplicate bridge and bridge lessons that are oversubscribed at Warren
- Exercise classes designed for the needs of older individuals
- Introductory classes offered by other departments that would subsequently continue off site at the Warren Building or at the Library

### **Wellesley at Home**

The Senior Center could also serve as a resource for the newly formed non-profit, Wellesley at Home, Inc. This is a group of Town residents who have formed an organization to support them in their desire to age in place, and is part of a national movement to organize support and social activities for seniors who want to age in place. Currently Wellesley at Home offers social opportunities and referrals for other services for its members. Its leadership has expressed its enthusiasm for working with the COA to develop programs responsive to the interests of its membership.

### **Other Programming Resources**

In addition to using the physical spaces operated by other Town departments, the Committee sees great potential in programming that takes advantage of other Town resources and human assets. These programs could include

- Outdoor programming through the Recreation Department or the Natural Resources Committee, such as walks, orienteering, surveying plants and trees
  
- Volunteer opportunities for students: computer trouble shooting, yard clean ups, intergenerational bands
  
- Volunteer opportunities for seniors: tutoring, advising about career options, mentoring those with entrepreneurial aspirations

This model represents more than a plan to make efficient use of available space. It reflects an intention to provide an expanded roster of offerings that could never all be given in the 12,000 square foot building proposed for Washington Street. It will give intergenerational opportunities to seniors who seek them, reduce traffic and parking issues on Washington Street, and allow the main building to function primarily as a place of social engagement and core programming specific to seniors. It will allow the COA to continue to develop new programs to satisfy the evolving interests of a much broader group of elders. It would provide an expanded frame of reference for all Town departments.

**Required Physical Space**

The planning for the senior center is still in an early phase. After reviewing the schematic drawings, the committee has concluded that the proposed building will support the core activities of the COA and will not overbuild or duplicate other resources in Town. In terms of refining the schematic design, the committee encourages the COA to remain focused on the following elements:

- A comfortable designated space for people to relax and visit that is not part of the main foyer
- Adequate office space for staff and counseling
- A kitchen that is sized appropriately for the anticipated dining program
- Flexible activity spaces that do not duplicate specialized facilities located in other municipal buildings
- A bright and airy environment

**Summary**

The need for community resources for seniors has not disappeared, and will only increase in the next two decades. The social phenomenon of having a large cohort of aging people is new, and will require new kinds of community support. It is clear that seniors will have to take charge of their futures. But the community has to provide some support. Just as the baby boomers required towns to build additional schools and playing fields in the 1950s, these boomers will require additional resources to enable them to remain healthy and active members of the community.

The COA has developed a paradigm that would provide these resources to a broad cross-section of seniors. The potential for collaborative programming is evident, and the building schematics align with the programming concepts. Other communities have successfully implemented similar models. We encourage the Board of Selectmen to move forward with the construction of a new senior center without further delay.

Respectfully submitted,

The Tolles Parsons Review Committee

Heather Sawitsky, Chair  
Jean Boyle  
Tim Driver  
David Himmelberger

Todd Himstead  
Dona Kemp  
Phil Laughlin  
Kathleen Woodward

## **Appendix I**

### **Members of the Senior Center Review Committee**

Heather Sawitsky, Chair, has been general counsel to a retirement community for 15 years. She has a Masters in Public Health and is focused on developing innovative support and long-term care options for seniors. She was the Town Moderator for 7 years and is currently a Town Meeting Member.

Jean Boyle is the vice president of Wellesley at Home, Inc., a nonprofit dedicated to supporting seniors who wish to age in place by developing a range of programs and contacts for services. Jean has lived in Wellesley for 20 years, participating in many COA offerings. Her background is in marketing and communications.

Tim Driver is CEO of RetirementJobs.com, a career website for people over the age of 50. Its brand and advocacy, helping older Americans more easily engage with their communities, have been recognized in the private and public sectors, including the US Senate and White House. Tim has been a resident of Wellesley for 11 years. He and his wife Lisa, a teacher at the Upham School, have 3 children in the Wellesley schools. Tim also serves on the Wellesley Library Foundation Board and the Wellesley Baseball Board.

David Himmelberger is a near lifelong resident of the Town, who has previously served on the Advisory Committee and Board of Selectmen. He is currently serving as a Town Meeting Member and he and his wife Katy have two girls in the Wellesley school system. David is an attorney with a solo practice in Wellesley.

Todd Himstead is a father of two WPS students who has lived in Wellesley for 16 years. He has been a Town Meeting Member since 2006, a member of the Sprague Field Task Force, and engaged in diverse neighborhood and school efforts for over a decade.

Dona Kemp has been a Town Meeting Member for 25 years, a director on the board of the Wellesley Housing Development Corporation since the board was formed in 2000, and a former member of the Advisory Committee and the Community Preservation Committee. Dona has also served as the President of the Massachusetts League of Women Voters.

Phil Laughlin has been a Town Meeting Member for 10 years. He served as the Vice Chair of the Human Resources Board; Vice Chair of the Advisory Committee; and was a member of the Ad Hoc Facilities Maintenance Committee.

Kathleen Woodward has been a Town Meeting Member for 14 years. She has two children in the public schools and for many years has been active in school budget issues at the grassroots level. Kathleen is a practicing environmental attorney.

## Appendix II

### Overview of the Committee's Work

The committee has met weekly for the last two months. At those meetings, it has received input from the following groups:

- The Tolles-Parsons Planning Group
- The Council on Aging,
- Architect Bill Sterling, who developed the schematic design for the new center
- Citizens who had expressed concerns about the construction of a new center
- Representatives of the Library, Recreation and Health Departments

The committee visited the existing site of the Senior Center at the WCC, the proposed site on Washington Street, and the Warren Building. It also toured senior centers in the following towns:

- Belmont Senior Center
- Hopkinton Senior Center
- Malden Senior Center
- Natick Senior Center
- Needham Senior Center

The committee did additional research, reviewing population data, provisions of the Older Americans Act and the Nutrition Services Program, and the work of the National Institute of Senior Centers (NISC), its accreditations standards, and its most recent position paper on the future of senior centers. Members reviewed the programming and building designs of other senior centers that the NISC cited for their innovation and best practices. It reviewed the written comments of citizens who had expressed their concerns about a new center to the Board of Selectmen. Last, but not least, it conducted telephone interviews with representatives of the following senior centers to learn more about their most successful programming, benefits of a new building, cross programming initiatives with other groups, and increases in utilization:

- Agawam
- Duxbury
- Franklin
- Marshfield
- Mashpee
- Northboro

## 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 4, 2013 and on February 25, 2013, on the proposed amendments to the Zoning Bylaw as contained in the Warrant for the April 1, 2013 Annual Town Meeting.

The 2007-2017 Comprehensive Plan recommended the Town consider mandatory cluster development zoning for the few remaining large open space parcels lacking conservation restrictions. The Planning Board, with the use of Community Preservation funds, initiated a study to better understand how the existing zoning provisions could be improved and whether mandatory cluster provisions should be instituted. The Board hired consultants and began a two-year study which evaluated the existing cluster development provisions, analyzed whether cluster development was a necessary tool for Wellesley, and recommended zoning language. The Planning Board during the study conducted two public forums and held numerous public meetings on Cluster Development. Articles 27 and 28 are the recommended actions of the Cluster Development Study.

### **Article 27**

Final Recommendation – Adoption  
(Planning Board voted 4-1 to bring this Article to Town Meeting)

Article 27, Innovative Neighborhood Design (IND), is an optional subdivision provision for parcels that are to be subdivided to include up to four lots. The provisions are intended to allow for opportunities to improve site access, reduce site disruption and tree removal, and to create efficient circulation patterns. The goal of IND is to allow for smaller lots, reduced frontage, and reduced setbacks to facilitate the preservation of a portion of the development area for open space, buffers, woodlands, or cultural resources that are beneficial to abutters, neighbors, and the Town.

The IND provisions require a two-step process. The first step requires the developer to submit a conceptual yield plan that demonstrates the number of lots on a parcel of land that can be reasonably developed under the existing subdivision regulations. IND would not increase the development potential of a site or density, but would allow for more flexible design standards. Once the yield or number of lots for the subdivision is determined, the second step of the IND provisions become an iterative process between the Planning Board, applicants, and abutters to determine the amenities that shall be preserved as a result of the development process.

The Planning Board must evaluate the proposed IND design based on Standards and Criteria for Review that are outlined in the zoning. The criteria are similar to elements the Board uses in Large House Review and include review of the proposed scale of buildings, lighting, circulation, and will promote the use of shared driveways. Shared driveways are encouraged to reduce impervious cover, reduce site disturbance, and provide opportunities for open space.

The goal of the Planning Board in the creation of this optional provision is to create alternatives for the subdivision of parcels that can accommodate two to four new lots rather than relying on waiver provisions from the existing subdivision regulations. This proposal creates design based incentives to preserve open space or identifiable neighborhood amenities, while allowing for

smaller lots and the potential for the diversification of housing size and lot design. One member of the Planning Board did not support moving forward with this article at this time.

**Article 28**

Final Recommendation – Adoption  
(Planning Board voted 4-1 to bring this Article to Town Meeting)

As stated above, the Comprehensive Plan identifies the few large tracts of open space in Wellesley. These few large tracts are primarily held by institutions including Wellesley College, Mass Bay Community College, and Babson College, as well as non-profit entities such as the Wellesley Country Club. If these lands are to be developed, the number of traditional subdivision lots that could be generated is significant. The Natural Resource Protection (NRP) Zoning proposed is a means for the Town to prepare for the potential future sale of these lands or a portion thereof, which likely would result in large, single-family houses.

The Town adopted Cluster Subdivision provisions in 1970 to permit the retention of land in an undeveloped state. The current provision permits a developer to put up to half of each lot in a large (10-acre) development into a common open space area. The land set aside must be permanently maintained as open space. The Board in the 1970 *Report to Town Meeting* stated they sponsored the amendment for the belief that “rural features will be emphasized in a cluster development.” And in design, “the cluster development can sometimes be an improvement over the ordinary development by affording the developer the flexibility necessary to take advantage of the particular character of the terrain in the placement of dwellings and preserving attractive natural features, such as brooks, hillocks, and good stands of trees, as part of the common land.” These goals still hold true today. The existing provision as adopted has never been used and is presently not in keeping with modern planning and sustainability concepts. To offset the deficiencies in the current provision, the Town has made tactical moves through the adoption of the Wetlands Bylaw, Large House Review, Tree Preservation Bylaw, and Retaining Wall provisions to preserve these same attractive natural features. The NRP Bylaw is another mechanism in the protection efforts of the Town’s trees, hilltops, wetlands, flood plain, brooks, and stream, and if passed, will become a mandatory provision that will work to protect up to 50 percent of a development site as permanently protected land.

In building upon past practices, Cluster Development as a planning tool has evolved to increasingly promote sensitive design as well as preservation of open space. The philosophy of a traditional subdivision is to design the roads, establish lots, layout dwellings according to setbacks, and remove what is necessary (trees, ledge, etc.) to construct the homes. Newer Cluster or Open Space Residential Design techniques include evaluating the land, identifying conservation areas or natural amenities, locating context sensitive and aesthetic locations for the homes on the land, aligning roads and utilities to meet the proposed house locations, and finally establishing the lots.

NRP zoning takes another step forward in preservation from Cluster Subdivision in requiring the evaluation of the land relative to conservation areas and then eliminating those portions of the land from the development equation. Areas of the lot which have the most environmental sensitivity including wetlands and the 25 foot No-Disturb Zone surrounding those wetlands, land within a 100 year flood plain, vernal pool habitats, wildlife habitats, and steep slopes are elements that cannot be disturbed by the development. Once these Primary Conservation Areas have been identified, they are eliminated from the calculable land area. The removal of these lands may reduce the number of lots allowed or the yield in a NRP project, but will ensure these valuable resources are permanently protected.

Under Article 28, NRP is triggered by subdivisions that would yield 5 or more lots. Subdivisions having 5 or more lots also trigger the Town's Inclusionary Zoning Bylaw which further mandates that subdivisions having 5 or more lots must provide 20 percent Assisted Units on the project site. Given the few number of parcels that could accommodate a 5 lot subdivision, the Planning Board found the threshold was suitable in connection with the Inclusionary Zoning requirements. Unlike the IND Bylaw discussed in Article 27, the yield is determined by a formula which eliminates the Primary Conservation Areas from the total area and accounts for 10 percent of the land for infrastructure. What portions of the land remaining are then divided by the minimum lot size for the zoning district to determine the maximum number of lots permitted. NRP further mandates that up to 50 percent of the site shall be protected as open space. The protected open space must be placed under a permanent restriction or conveyed to the Natural Resources Commission, a non-profit, or Home Owners Association.

The majority of the Planning Board finds that the passage of NRP zoning provisions are an essential tool to maintain the natural landscape and terrain found on the remaining portions of large tracts of land, the majority of which are vastly undisturbed. NRP will establish reduced lot sizes as a result of these efforts, which will further improve the amount of land that will be preserved. Unlike past efforts, NRP does not have a minimum acreage. The process will be development-based and will evaluate sites based on their individual characteristics. NRP is a tool that will not be used often, but one which, when used, will have a tremendous impact on the preservation of the natural landscapes in Town. A member of the Planning Board finds the formulaic provisions are complex and need further review. In addition, the member was concerned the yield reduction in the number of lots allowed in the subdivision, under the current proposal, was significant given the high land value in Wellesley.

## **Article 29**

Final Recommendation – Adoption  
(Planning Board voted 5-0 to bring this Article to Town Meeting)

Articles 29 and 30 both pertain to the Wellesley Square Commercial District. Wellesley Square is one the Town's prime retail districts and is widely considered to be Wellesley's downtown. The Town in an effort to preserve the appearance of the Square, while promoting redevelopment opportunities created a new district in 2004 to codify the past building practices. The Wellesley Square Commercial District allows structures to be reconstructed to the square footage that was on-site as of March 22, 2004. The Wellesley Square setbacks are different from all other commercial areas with a minimum front yard setback of 5 feet and a maximum of 10 feet in order to maintain the appearance of the streetscape. In 2004, the Town further adopted provisions which mandate affordable housing for projects that trigger a Project of Significant Impact in certain districts. Given the Wellesley Square Commercial District's past trend was to construct commercial buildings, the Planning Board proposed a further exception to eliminate housing from the Floor Area allowed if the required affordable units were constructed on-site. The goal of the exception was to promote the construction of the mandated affordable units in the commercial districts close to shopping, schools, civic centers, and transportation rather than receiving a payment in lieu. The construction of units is preferred over payments in lieu to promote mixed use as a way to generate vital and livable commercial districts close to the commuter rail.

In December 2012, the new owner of the Wellesley Inn approached the Town to discuss the approved project on the vacant site and to discuss possible modifications to the approved plan. During the discussions it became clear that the past zoning efforts have revolved around commercial projects with a residential component versus the Wellesley Inn project which is a

residential project with a commercial component. The discussions around the Inn site precipitated further consideration on the Wellesley Square Commercial District.

Articles 29 and 30 seek to improve the building climate for Wellesley Square and to reflect recent efforts by the Board of Selectmen and the Planning Board to reinvigorate Wellesley Square.

Article 29 is a Zoning Map Amendment to clean up the split zoned parcels currently in Wellesley Square. A portion of 576 Washington Street, 40 Grove Street, and all of 53 Grove Street are zoned Educational as depicted in the map below. Article 29 would rezone the areas in the Educational District to Wellesley Square Commercial District.



All of these Educational areas were once owned by Dana Hall and were zoned to Educational in 1947 to give Dana Hall and Pine Manor the same development rights as the colleges in Town. In the 1960's, Pine Manor moved out of Wellesley and portions of Dana Hall land were sold off including a portion of 40 Grove Street, 53 Grove Street, and what was 49 Grove Street (now the portion of 576 Washington Street zoned Educational). These properties were acquired by commercial property owners and have largely functioned as parking lots, except 53 Grove which is a two-family dwelling. Rezoning these areas to Wellesley Square Commercial District will not increase development capabilities on the sites, but will allow for better site design including the use of the Wellesley Square Commercial District setbacks. The Planning Board believes rezoning these areas to Wellesley Square Commercial District will reflect the actual use of these lots which are already integrated into Wellesley Square.

## Article 30

Final Recommendation – Adoption  
(Planning Board voted 4-1 to bring this Article to Town Meeting)

The proposed special permit incorporates longstanding goals of the Planning Board to facilitate growth in key parcels in Wellesley Square. Article 30 seeks to create a special permit provision to increase the density allowed on-site from 17 units per acre (the current maximum) up to 24 units per acre if specific performance standards are met. Seventeen (17) units per acre, or 1 unit for every 2,500 square feet of land area, is the standard density in the Lower Falls, Business, Business A, Industrial, and Industrial A Districts. The Residential Incentive Overlay in Lower Falls allows for a similar special permit as proposed to increase density up to 24 units per acre, or 1 unit for every 1,800 square feet of land area, if specific criteria are met.

To direct redevelopment on sites with the greatest potential, while protecting Wellesley Square from being overbuilt, the special permit provisions mandate that the site must account for 20 percent open space in order to increase density. This standard works to eliminate many of the smaller, denser sites from being able to increase the amount of residential units from the current standard. Further, Wellesley Square has limited parking capabilities, to ensure the additional housing units do not tip the balance of parking spaces in the heavily grandfathered district, the special permit will require that the sites seeking an increased density must accommodate 2 parking spots per dwelling unit.

The existing inclusionary zoning provisions mandate affordable housing is created for both the commercial and residential components of a project. Housing is exempt from the Floor Area Ratio (FAR) if provided on-site. In residential projects with a commercial component, the FAR is a nonfactor, and the density and height limits become the site constraints. Developers have the opportunity with a special permit to make a payment in lieu or to construct the units off-site at a location preferred less by the Town to on-site construction. The proposed special permit mandates that for an increased density, which will generate additional affordable units, all of the units must be constructed on-site and must be within allowable density. The Wellesley Square Commercial District is an optimal location for affordable housing given the proximities to schools, parks, the library, retail businesses, jobs, and public transportation.

The final standard for the special permit will be review of the design of a proposed development. The special permit will require a finding by the Design Review Board to ensure that the building facades and site design contribute to the pedestrian experience as well as the history and vitality of Wellesley Square. The intent of this provision is to require developers, in addition to designing a beautiful, compatible structure in Wellesley Square, to design for the public realm and to work towards pedestrian integration with the building and surrounding area.

Vitality has been a long desired goal in Wellesley Square. In 1998, the Planning Board conducted a Vision Study for Wellesley Square. The primary findings were to keep retail open later than 5:00 p.m., consider entertainment, and to consider redeveloping parcels such as Wellesley Inn, the “Tailby” parking lot, and the US Bank Building (8 Grove Street – DePrisco Building). In collaboration with the Board of Selectmen, after vacancies became overwhelming in Wellesley Square in 2011, the Town, through the Wellesley Square Initiative, began making a concerted effort to improve the vitality of the Square. This process involved over 20 interviews with property owners and merchants, as well as four merchant and property owner forums. These activities sought ways to improve the business climate in the Square. One tangible outcome of the effort was the recent reduction in required seating for liquor licenses. Since the Wellesley Square Initiative began the Town has seen the number of vacancies reduced. The Initiative is still working to improve way finding, maintenance, and to encourage merchant-sponsored activities. Having people in Wellesley Square is another mechanism to improve

vitality and economic development. The Comprehensive Plan recommends encouraging housing in commercial areas to improve economic development. The Planning Board finds proposed density special permit is an opportunity to allow, under controlled circumstances, a primarily residential development with a commercial component to further these goals. One member of the Planning Board believes the implications of the potential increase of housing units in Wellesley Square has not been thoroughly studied, and was not in support of moving forward with the zoning proposal at this Town Meeting.

**Article 31**

Final Recommendation - Adoption  
(Planning Board voted 4-1 to bring this Article to Town Meeting)

This article is a housekeeping article to eliminate setbacks for Standard Informational Signs. Standard Informational Signs are signs which are displayed in residential districts and typically identify real estate for sale, construction activities on the site, political messages, or personal messages. The maximum area of Standard Informational Signs is 6 square feet on each side and their maximum height is 6 feet. The current Sign Bylaw mandates these types of signs be installed 15 feet from a property line. A resident approached the Board noting that many of the Town's nonconforming properties would have a difficult time meeting the setback requirement. Additionally, as was witnessed with the November 2012 election, residents install such signs at the edge of their property to maximize visibility. Standard Informational Signs are limited to 1 per lot, except during any federal, state, or local election when the number of signs is unlimited for 30 days before the election, and 5 days after. The Planning Board finds that removing the setback requirements, while mandating these types of signs remain on private property, is reasonable, recognizes the current practice in Town, and does not adversely impact the public health, safety or welfare. One member of the Planning Board believes a change is not warranted given the lack of enforcement of the existing provision in the Sign Bylaw.

**Article 32**

Final Recommendation – Adoption  
(Planning Board voted 5-0 to bring this Article to Town Meeting)

This article has been sponsored by the Board of Selectmen to create a moratorium on the establishment of a Medical Marijuana Treatment Center (MMTC). This provision will prohibit the establishment and the use of MMTC's in the Town of Wellesley while the Board of Selectmen, in collaboration with the Planning Board, studies the new State law that became effective on January 1, 2013. The Massachusetts Department of Public Health has 120 days from the effective date to issue regulations pertaining to the new law. The regulations, whether in final or draft form, will not be released until May 1, 2013. Given the timing of Wellesley's Town Meeting and the complexity of the establishment of MMTC's from a zoning, public safety, and Board of Health standpoint, it is imprudent to establish effective Town regulations at a time when the State has not released the rules by which the Town must be in accord. The Planning Board finds the moratorium as proposed creates a time period from April 1, 2013 to June 30, 2014 to complete an in-depth study of the issues and regulations involved with this complex new law and to return to a fall 2013 or Annual Town Meeting in 2014 with appropriate provisions for Town Meeting to consider.

## REPORT OF THE SUSTAINABLE ENERGY COMMITTEE

Town Meeting adopted the Sustainable Energy Plan in 2010, with a goal of reducing the Town-wide Greenhouse Gas emissions (“GHG emissions” or “carbon footprint”) by 10% between 2007 and 2013. The Selectmen adopted a leadership goal of a 20% carbon footprint reduction during this period for all Town-owned buildings, facilities and infrastructure.

The Sustainable Energy Committee (“SEC”) consists of a representative from the Selectmen, School Committee and Wellesley Municipal Light Plant (“WMLP”) as well as four people appointed by the Selectmen. The SEC recommends and coordinates initiatives to achieve the goals of the Sustainable Energy Plan and monitors progress.

The “carbon footprint” is an estimated number calculated from a variety of inputs, some actual and some estimated. It is based on actual municipal and college data, actual Town-wide electric and natural gas use, and estimates for heating oil consumption, fuel efficiency in the transportation sector and the conversion factors that translate energy use into GHG emissions (Carbon Footprint). The methodology is guided by the U.S. Community Protocol for Accounting and Reporting of Greenhouse Gas Emissions established October 2012 and ICLEI – Local Governments for Sustainability CACP 2009 software.

**Town-wide Goal:** Reduce Carbon Footprint by 10% 2007 to 2013  
**Town-wide Progress:** Carbon Footprint Reduced 11.6% 2007 to 2012

In five years, it is estimated that the Town-wide six year goal has been exceeded. It is best to understand this in its underlying complexity.

e-CO2 thousand (tonnes)	Natural Gas & Fuel Oil, Gasoline & Diesel & Waste (RDF)				Electric			Change in Town-wide Emissions
	Sector	2007	2012	% Change	2007	2012	Change by Sector	
34%	Residential	93	72	-23%	40	35	-12%	-6.7%
15%	Commercial*	19	14	-26%	39	34	-11%	-2.3%
12%	Colleges	37	33	-11%	9	7	-23%	-1.5%
39%	Transportation	155	151	-2.50%				-1.0%
1%	Waste	2	2	-6%				< 0.0%
	<b>Sub-total</b>	<b>306</b>	<b>271</b>	<b>-11%</b>	<b>88</b>	<b>76</b>	<b>-13%</b>	

*\*Includes Municipal*

	2007	2012	% Change
NG, Oil, Fuel, Waste	306	271	-11.2%
Electric	88	76	-13.0%
<b>Town-wide Carbon Footprint Reduction</b>	<b>394</b>	<b>348</b>	<b>-11.6%</b>

### Analysis by Power Source

**Gasoline and diesel fuel for vehicles contributes an estimated 43% of our GHG emissions.** The data available, although limited, indicated that traffic counts remained approximately constant during the 2007 to 2012 period. Therefore, the variable is vehicle efficiency. Improvements in average vehicle emissions contributed an estimated 0.5% reduction in transportation emissions annually, based on national EPA data describing vehicles on the road. The Town's Transportation Advisory Group recently worked with the Metro-West Regional Transit Authority to apply for a grant to fund fixed-route bus service in Wellesley. If funded, this will provide the necessary foundation to reduce transportation emissions by providing an effective public transportation alternative to the private automobile.

**Burning fossil fuels (natural gas and heating oil) for heat contributes 34% to the Town's GHG emissions.** During this period:

- Actual BTUs used for heating have decreased by 11%.
- More structures have transitioned from heating oil to natural gas that burns an estimated 30% cleaner.
- Due to the rate of teardowns of residences that have been replaced each year by much larger homes, the residential aggregate square footage has increased.
- Due to the construction of Linden Square and other campus and commercial projects, the non-residential aggregate square footage has also increased.
- 2012 was a very mild winter. Estimating the portion of the reduction that is caused by milder temperatures is challenging, but heating degree data suggests that the milder winter of 2012 may be responsible for 10-16% reduction in heating, with 4-10% ascribed to improvements in the efficiency of furnaces, building envelopes and conservation measures such as adjusting the thermostat. Adjusting for Heating Degree Days would place the estimated emission reduction less than 8%.

**Electricity contributes 22% of the GHG emissions.** Electricity use decreased by 1%. GHG emissions from electricity decreased by 11% because the portfolio of power sources became less GHG intensive.

- The Sustainable Energy Committee's successful campaign to get the Stretch Building Code adopted helped boost energy efficiency in new structures and renovations.
- The Sustainable Energy Committee's successful **POWER TO CHOOSE** campaign helped to boost renewable energy with no GHG emissions to 9% of the power sources.
- Using the **POWER TO CHOOSE** renewable power and other cleaner sources, the electricity in 2012 produced less GHG emissions per kWh than in 2007.
- There has been a gradual transition from incandescent lighting to CFLs and LEDs as well as more efficient appliances

### Analysis By Sector

**Transportation** was discussed above under "Gasoline and diesel fuel for vehicles."

The **Residential** sector contributed more than half of the estimated carbon footprint reduction. The upward pressure from the addition of larger homes and more electronics and media in the homes was more than offset by the success of initiatives and behavioral changes as outlined above including electricity produced with less emissions, increased use of cleaner burning natural gas, more energy efficient building envelopes and more efficient appliances and lighting. The mild winter of 2012 has improved the 2012 snapshot because less heat was needed as compared to an average winter.

The **Commercial sector that includes Municipal** also showed significant reductions. Municipal will be discussed separately below. Those owning commercial buildings benefitted from the cleaner electricity and their lower use of heating fuel implies that cost effective energy efficiencies and lighting upgrades have been adopted.

**Babson and Wellesley Colleges** (Mass Bay Community College is included in the “Commercial” sector), contribute 12% to town-wide emissions. Both colleges are taking dramatic steps to reduce their carbon footprints and their reductions contribute to the Town-wide improvement.

**Municipal Leadership Goal: Reduce Carbon Footprint by 20% 2007 to 2013**  
**Municipal Progress: Carbon Footprint Reduced 15% 2007 to 2012**

<b>Municipal GHG Emissions by Source</b>			
<i>in e-CO2 Tonnes</i>	<b>FY07</b>	<b>FY12</b>	<b>% Change</b>
Electricity	3,222	2,779	-14%
Fuel Oil	1,999	442	-78%
Natural Gas	2,113	2,746	30%
<b>Subtotal - Buildings</b>	<b>7,334</b>	<b>5,967</b>	-19%
Street, Traffic & Field Lights - Electricity	971	670	-31%
Water, Water, Sewer, RDF - Electricity	953	811	-15%
<b>Subtotal Municipal w/o Fleet</b>	<b>9,258</b>	<b>7,448</b>	-20%
Diesel - Vehicle	442	512	16%
Gasoline - Vehicle	737	880	19%
<b>Total Municipal with Fleet</b>	<b>10,437</b>	<b>8,840</b>	<b>-15%</b>

Because only 3% of our emissions are from the **Municipal Sector** and waste management at the RDF, the estimated 15.6% reduction in the municipal sector has a small positive impact on Wellesley’s carbon footprint. However, it has a material benefit to the Town of Wellesley because:

- Cost avoidance of energy costs saves money for the tax payers;
- The Town demonstrates leadership to the community, illustrating what is very feasible; and
- The environment is benefiting.

Upward pressure on the carbon footprint was caused by the 20%+ aggregate square footage increase of the new High School. These numbers must be considered in the context that the High School was only open for the last four months of fiscal year 2012. Additional efficiencies will be realized from the High School’s state of the art energy efficiency systems after several years of operations.

The purchase of “greener electricity” along with the heating conversion from oil to natural gas at both the Middle School and High School were material contributors to the carbon footprint

reductions. Further reductions in energy consumptions were realized from the collaborative efforts of the Facilities Maintenance Department (“FMD”), the WMLP and the SEC.

The dramatic drop in Street Light electricity use is a result of the replacement of metal halide bulbs with LED bulbs for all 545 ornamental street lights.

Improvements in the carbon footprint in many Town buildings and facilities, was partially offset by a sharp increase in the fuel used for municipal vehicles.

## **Next Steps**

### **Municipal**

Energy Policy – The SEC in partnership with the FMD has proposed the adoption of an Energy Policy to the Board of Selectmen and School Committee. It is anticipated that this Energy Policy will be used to guide Wellesley’s efforts going forward and we look forward to its enactment in March 2013.

Energy Manager – Based on the design of the new FMD, an Energy Manager was hired in December 2012. His first 100 days have been a whirlwind with long term planning such as an evaluation of the energy efficiency implications of the 10 year Capital Plan and many short term steps that will provide immediate conservation benefits such as:

- Reprogrammed the “on/off” lighting schedule at the Middle School;
- Replaced 16,000 lights with highly efficient bulbs received for free, for an estimated savings of \$30,000 per year; and
- Obtained five free energy audits for Town buildings from National Grid

Building Champions Program – In partnership with the Selectmen, the School Committee and the FMD, the SEC is launching a “Building Champions” initiative. Together with the Energy Manager, they will work with the designated Building Champion in each department and school, sharing information, technical assistance and methodology for improving both the technical energy management and the occupant behavior regarding energy conservation. The ultimate “Building Champions” will be the Superintendent of Schools and the Selectmen.

### **Town-wide**

In early March 2013, the SEC launched the **POWER TO \$AVE** campaign, with a goal of 400 homeowners receiving no cost energy assessments. These are underwritten by the campaign sponsors, the WMLP and National Grid. The goal is to aid homeowners in reducing their utility costs and lowering their carbon footprint.

Other initiatives such as a potential “Solarize Wellesley” campaign are under development.

## **Conclusion**

The successes to date in reducing the Town-wide and Municipal carbon footprints have demonstrated what is possible. Much has been learned from what did not work and even more from what has been successful. With the momentum gained from the support of all areas of Town government and many independent Town organizations such as houses of faith, environmental groups, garden clubs and service organizations, we believe much more progress is possible.

## **APPENDIX A: SPECIAL EDUCATION PROGRAMS**

### **March 2013 Update**

#### **Overview: Programs and Services**

Special Education services are provided for children with a broad spectrum of disabilities from mild to very severe. A continuum of service delivery models including classroom-based support, support in learning centers, in-district specialized programs and out-of-district programs and services<sup>21</sup> are needed to meet the needs of a growing population of students with disabilities.

Current trends affecting both the range and volume of the Special Education services the Town must provide include:

- An increased preschool population with disabilities
- An increased number of children with significant disabilities, including medically-fragile children, multi-handicapped children, and children with autism spectrum disorder
- Growth in the number of students with significant emotional and/or behavioral issues.

All decisions regarding a student's eligibility for services, as well as the appropriate level, type, and Placement of such services, are determined after a comprehensive evaluation process by a team of educators which includes special education professionals, and parents. When a student is found eligible, the results of this process are presented in an Individualized Education Program (an "IEP") and a proposed Placement for that student. If parents disagree with a proposed IEP and/or Placement, the regulations provide for a dispute resolution process before a Hearing Officer. Hearing decisions are made using the federal standard of "free and appropriate education." If a hearing officer finds in favor of the parents' request, the school department is financially responsible for the requested Placement and possibly other costs and expenses.

#### **In-District Special Education (Mild to Moderate disabilities)**

The majority of Special Education students receive 60% or more of their services within the general education program. Services outside the general education classroom can include specialized instruction within a Learning Center and/or in a setting where related services are provided. Related services can include therapies (such as occupational or physical therapy) and counseling.

#### **Specialized Programs (Intensive Special Education )**

Some Special Education students, due to the more significant, low-incidence nature of their disabilities, require a higher level of intensive specialized instruction. These students are either placed within an in-district program or are provided highly specialized services and/or assistive materials that allow them to access the public school environment. Students may require additional staffing to support them throughout the school day. Without such supports, these students' needs would not be appropriately met within the public school setting and thus the students would require out-of-district Placement. Because federal Special Education law requires that school districts provide services in the Least Restrictive Environment, WPS is mandated to educate students, to the greatest extent appropriate, within general education environments.

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<sup>21</sup> Out-of-District services typically include screening and evaluation, speech/language and physical therapy, and psychological services.

Whenever possible, if the Town has a cohort of students with similar low incidence specialized needs, new Specialized Programs are developed. By developing in-district programs, we are meeting the mandate of Least Restrictive Environment and creating cost efficiencies by avoiding out-of-district Placement tuitions and extensive transportation costs. Tuition for a private day school setting is often extremely expensive, ranging from \$35,888 to over \$132,579.

### **WPS Specialized Programs**

The District has developed a full continuum of specialized programs across all levels. Each program has been developed to support students within the district rather than sending the students to out-of-district programs. In order to develop these programs, a cohort of students needs to exist, thus realizing cost efficiencies while meeting the federal mandate of educating students in the Least Restrictive Environment. Prior to 2010, there were no in-district programs for students with emotional disabilities. The current WPS Specialized Programs are:

#### **Preschool**

- Students with significant developmental delays

#### **Elementary and Middle Schools**

- Language-based Program for dyslexia (Middle School & Schofield)
- Therapeutic Learning Center for emotional needs (Middle School & Hunnewell; started in 2010)
- “Skills” for autism (Middle School & Upham; formerly “Primary Language”)
- Integrated Specialized Services for global impairments (Middle School & Sprague)

#### **High School**

- Language-based Program – language-based learning disability
- “Transitions” for emotional needs
- Integrated Specialized Services for global impairments / autism
- “Launch Program” for ages 18 – 22 (started in 2011 to increase independent living skills, explore vocational opportunities, and prepare students who will not receive a High School diploma for adult life)

At this time, there are no plans to develop new programs. Emphasis will be placed on building the capacity of these programs to meet the individual needs of students transitioning from level to level.

#### **Out-of-District Placements**

As part of the Special Education mandate, students between the ages of 3 and 22 with disabilities who cannot be educated in the Wellesley schools are enrolled at the Town’s expense in educational programs at other public (collaborative) or private schools. The State Division of Purchased Services sets annual tuition rates for these services.

#### **In-District and Out-of-District Transportation**

Special Education students must be provided transportation to the Wellesley schools or to Out-of-District Placements should they require it due to the nature of their disabilities. Salaries for transportation include the Transportation Coordinator, transportation attendants and van drivers for the school’s thirteen vans and are included in the Personal Services line in the table at the end of this appendix. Vehicle-related expenses associated with the van program (fuel, maintenance, etc.) and outside vendor transportation services are included in the Transportation line.

## **Funding Special Education**

Budgeting for all of the Special Education programs, including the Out-of-District tuitions, is based on students in Special Education as of October 1 of the current fiscal year. The School Department then predicts which students will graduate, “age out” of the system (turn 22 years old), return to the WPS program, or are at-risk to be placed out-of-district. The cost of educating students in Special Education programs is primarily born by the taxpayers in the local community; however, other sources provide substantive offsets.

## **Federal Funding**

In FY13, the School District altered its approach to the federal grant funding of staff positions. In prior years, partial FTEs of professional staff would be budgeted and the salary dollars for those positions would be subject to a 9% administrative fee to the Massachusetts Teachers' Retirement System. In simplifying the allocation of staff to grants and allocating support staff positions instead of professional positions, the Administration has been able to maximize grant dollars and apply them directly for services to students.

- *Federal Special Education Entitlement* – This federal entitlement grant currently funds 1.10 full-time equivalent (FTE) professional education staff (as opposed to 8.53 in FY12) and 37.77 FTE teaching assistants (as opposed to 7.65 in FY12). The FY13 grant total is \$ 1,124,724, which is an increase of \$17,493 over FY12, or just under 2%. In addition to the salaries, the grant also covers the costs associated with retirement and other benefits. The FY14 budget assumes a similar grant increase, which would be sufficient to maintain this level of staffing.
- *Early Childhood-Special Education Allocation* – This federal entitlement grant funds a 0.88 paraprofessional as opposed to a 0.33 FTE occupational therapist (professional staff member) in FY12. The FY14 budget request assumes the same level of grant funding.
- *Program Improvement Grant* – This grant, in the amount of \$37,207 in FY13, funds the costs associated with assessing the effectiveness of programs in the District and professional development for teachers with respect to effective strategies in instruction and the inclusion of students in the general classroom. Most of this funding is for contracted services. The FY14 budget request assumes the same level of grant funding.

## **State Funding (Circuit Breaker)**

In FY04, the Massachusetts State legislature funded the “Circuit Breaker” special education reimbursement program to provide financial support to local governments for the cost of students in both in-district and out-of-district placements. Under the program, school districts receive partial reimbursement for the costs of these programs. The FY14 budget assumes a reimbursement rate of 65% of the cost to educate any student above a threshold, which equals four times the statewide average per pupil cost. The threshold announced by the Department of Elementary and Secondary Education for FY14 reimbursement is \$40,512. Since its inception, the Circuit Breaker funding percentage has ranged from a low of 40% to a high of 72%.

Circuit Breaker funding is subject to the following limitations:

- Circuit Breaker funding does not fund any transportation costs.
- Circuit Breaker funding is calculated on a child-by-child basis, not on an aggregate basis. Therefore, Circuit Breaker funding is triggered only if an *individual* child's costs exceed the threshold. For example, in FY14, if the town pays \$70,000 tuition for a student to attend an out-of-district institution, and the state were to reimburse 65% of the

\$29,488 cost above the threshold of \$40,512, the town pays \$50,833 and the state covers \$19,167 for this student's placement.

The table below shows the Circuit Breaker funds Wellesley has applied against Special Education expenses over the last few years. Circuit Breaker reimbursement averaged \$1,795,946 from FY09 through FY12, based on actual WPS expenses and the State reimbursement percentage for each year. The table below shows a wide variation from year to year in the application of Circuit Breaker funds. Since regulations allow Circuit Breaker reimbursements to be carried over for one year, the Administration has taken advantage of this flexibility to address significant changes in Special Education spending while minimizing the short term impact on the overall WPS operating budget. Based on the latest available information, the Administration expects FY13 reimbursement to be \$2,571,899 with a resulting carryover potential of \$358,341. FY14 budgeted Circuit Breaker reimbursement is planned based on FY13 student costs and a reimbursement rate of 65%.

In addition, the School Department may apply for "extraordinary relief" under the Circuit Breaker funding program if the current year "Circuit Breaker eligible" costs exceed the prior year's eligible costs by at least 25%. This funding typically is received in the fiscal year in which the expenses are incurred. The last time Wellesley was eligible for "extraordinary relief" funds was in FY06 when the Town received \$272,051.

### Special Education Spending

In previous years, much of the review focused on a subset of total Special Education spending categorized as Special Tuition, Transportation and Inclusion (STTI) because the per student cost of that segment of the population is significant and, in recent years, had been quite volatile. STTI included the In-District Specialized Programs listed above, Out-of-District placements and Special Education transportation. However, it comprises only 58% of the total Special Education budget in FY13. The remainder of the budget supports over 600 Special Education students who spend the majority of their school day in general education classes.

For consistency with previous discussions, the table below provides history and budget using the traditional STTI categorization.

STTI Expense	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Actual	FY13 Budget	FY14 Budget
In-District Personal Services	\$3,253,916	\$3,720,827	\$4,461,057	\$4,992,748	\$5,319,372	\$4,835,448
In-District Expenses	445,195	423,274	337,717	366,756	475,150	456,100
Out-of-District Tuitions	5,762,130	4,487,415	5,007,903	6,209,504	6,303,008	6,319,579
Circuit Breaker	(2,157,003)	(658,792)	(1,165,067)	(3,202,923)	(2,213,558)	(2,321,779)
ARRA Funds	(685,484)	(745,492)	(325,000)	(95,081)	0	0
Transportation	478,781	369,146	360,654	397,006	515,977	561,002
<b>Total STTI Expense</b>	<b>\$7,097,535</b>	<b>\$7,596,378</b>	<b>\$8,677,265</b>	<b>\$8,668,010</b>	<b>\$10,399,949</b>	<b>\$9,850,350</b>
% Increase		7.0%	14.2%	-0.1%	20.0%	-5.3%

Administrative Notes: Because of corrections in financial reporting made by the Administration this year, STTI actual and budget expense totals shown here will not precisely match those in previous Advisory reports. Also, it is not the intention of the Advisory Committee to continue to include the STTI convention beyond this budget cycle. Future discussions of the Special Education budget will follow closely the District's preferred reporting format, as introduced in the Special Education budget discussions in Article 8.

## APPENDIX B: TOWN OF WELLESLEY FINANCIAL RESERVES POLICY

TWO SIDED DOCUMENT DEC - 7 2012

### TOWN OF WELLESLEY FINANCIAL RESERVES POLICY

#### BACKGROUND

The Town desires to set out a policy for determining the appropriate level and use of Financial Reserves (Reserves) as part of its annual financial planning process. Reserves have been used over the years to accomplish several objectives, including resolving emergencies or for long term purposes such as capital expenditures. Reserves have also been used, at times, to balance the operating budgets.

As part of the long range planning process, it has been suggested that the Selectmen put a policy in place on the use of the Town's Reserves. As part of the annual Town wide Financial Plan, a critical component of the analysis is the determination of the level of Reserves.

The Government Finance Officers' Association recommends maintaining balances of Reserves in the amount of 5-15% of Budgeted Operating Revenues.

#### DEFINITIONS

*Free Cash:* Sum of funds appropriated and raised by the Town, but not expended in the years for which they were appropriated, plus unanticipated revenues, minus uncollected taxes of prior years. This amount must be certified by the Massachusetts Bureau of Accounts before it can be used. The determination is made annually in the late fall, based on sums as of the end of the previous fiscal year.

*General Purpose Stabilization Fund:* A special reserve account created to provide for any lawful purpose pursuant to MGL c. 40, section 5B. 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. Creation of, and appropriation to and from, the General Purpose Stabilization Fund requires a two-thirds vote of Town Meeting.

*Budgeted Operating Revenues:* For purposes of this policy, the definition includes taxes and state and local receipts used for the operating budget. Self-supporting items such as traffic and parking receipts reserved for appropriation, Community Preservation Act Funds, Enterprise Funds, and excluded items (exempt debt and the funding

exclusion for Other Post Employment Benefits [OPEB]) are not included in the Budgeting Operating Revenue total.

*Reserves:* Free Cash and the Stabilization Funds.

*Special Purpose Stabilization Fund:* A stabilization fund set up for a specific purpose in order to encourage long-term planning and anticipated expenditures. Creation of, and appropriation to and, from the special purpose stabilization fund requires a two-thirds vote of Town Meeting.

## POLICY STATEMENT

The determination of the appropriate level of Reserves must be evaluated in the context of the Town's overall financial picture which includes not only OPEB and Pension obligations but also funds set aside and used for specific purposes such as Community Preservation Act Funds, Chapter 90 Funds, and the Enterprise Funds. Maintenance of the proper level of Reserves will be part of the annual budget process. Good financial policy articulates, and continues to reevaluate, the appropriate levels and use of Reserves to achieve the Town's long- range goals.

## POLICY

The Town of Wellesley hereby adopts a policy on Reserves as follows:

- 1) Reserves shall be maintained at a level sufficient to provide required financial resources to:
  - a. Maintain top tier bond rating,
  - b. Ensure short-term cash availability when revenue is unavailable or there are unanticipated expenditures or emergency cash needs,
  - c. Minimize interest expense from short-term borrowing for operating budget needs,
  - d. Provide for investment income,
  - e. Provide for stable tax rates, and
  - f. Enhance planning for contingencies and long term planning.
- 2) Reserves shall be maintained in a range of 8 to 12% of the current period's Budgeted Operating Revenues.
  - a. Reserves in excess of 8 % but less than 12 % may be utilized for the following purposes:
    1. Stabilizing tax rates or fluctuations in cash flow requirements,
    2. Meeting anticipated capital needs, and
    3. Avoiding or deferring an Override.

- b. Reserves in excess of 12% may be used in accordance with the Town wide Financial Plan and can be available for appropriation at Town Meeting.
- 3) Reserves may be drawn below 8% for one or more extraordinary or unforeseen expenditures which are one-time, non-recurring expenditures.

***Promulgated this 10<sup>th</sup> day of December, 2012 effective upon the filing of a copy hereof with the Town Clerk***

**WELLESLEY BOARD OF SELECTMEN**

Terri Tsagaris  
Terri Tsagaris, Chairman

Ellen F. Gibbs  
Ellen F. Gibbs, Vice Chairman

Barbara D. Searle  
Barbara D. Searle, Secretary

Katherine L. Babson, Jr.  
Katherine L. Babson, Jr.

Donald S. McCauley  
Donald S. McCauley

## APPENDIX C: 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 ½ 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 onetime items. Exclusion type questions, if approved by voters, are used to fund onetime 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 2014 begins July 1, 2013, and ends June 30, 2014, usually written as FY 14.

**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 0.5 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 ½%) 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.** 2 ½% of certified full and fair cash value of taxable property.

**PROPOSITION 2 ½.** A statewide tax limitation initiative petition limiting the property tax levy in cities and Towns in the Commonwealth to 2 ½% of the full and fair cash valuation of the taxable real estate and personal property in that city or Town. The statute also places an annual growth cap of 2 ½% on the increase in the property tax levy.

**REIMBURSEMENTS.** (1) Repayments of amounts remitted on behalf of another party. (2) Inter-fund transactions which constitute reimbursements of a fund for expenditures or expenses initially made from it which are properly applicable to another fund – e.g., an expenditure properly chargeable to a Special Revenue Fund was initially made from the General Fund, which is subsequently reimbursed. They are recorded as expenditures or expenses (as appropriate) in the reimbursing fund and as reductions of the expenditure or expense in the fund that is reimbursed.

**RESERVE FUND.** A fund established by the Annual Town Meeting which is under the control of the Town's Advisory Committee and from which transfer may be made for extraordinary and unforeseen expenditures. It may be composed of an appropriation of not more than 5% of the prior year's tax levy.

**REVOLVING FUNDS.** Those funds which may be used without appropriation and which are established for particular uses such as school athletics, continuing education programs, school lunch programs, self-supporting recreation and park services, conservation, etc.

**SECONDARY LEVY LIMIT.** Prior year levy limit plus 2 ½% (Base) plus "growth revenue."

**SPECIAL APPROPRIATION.** An authorization to expend funds for a specific project not encompassed by normal operating categories.

**STABILIZATION FUND.** A special reserve account created to provide for capital improvements which is invested until used. The Town may appropriate into this fund in any year an amount no more than 10% of the prior year's tax levy. The outstanding balance in the account cannot exceed 10% of the Town's equalized valuation. Generally, it requires a 2/3 vote of Town Meeting to appropriate money from the Stabilization Fund.

**STATE DISTRIBUTION.** All revenue flowing from the Commonwealth. Major categories include reimbursement for loss of taxes, educational distributions and reimbursements, funds for direct education expenditures, general government reimbursements and distributions.

**SURPLUS REVENUE.** This is the amount by which cash, accounts receivable and other floating assets exceed the liabilities and reserves.

**SUPPLEMENTARY APPROPRIATION.** An appropriation submitted after the main budget has been approved, which must specify a revenue source.

**TAX LEVY.** The net amount to be raised by the Town each fiscal year by assessing ad valorem taxes on real estate and personal property located within the Town.

**TAX RATES.** The amount of tax stated in terms of a unit of the tax base; for example, \$8.91 per \$1,000 of assessed valuation of taxable property.

**UNFUNDED PENSION LIABILITY.** Unfunded pension liability is the difference between the value assigned to the retirement benefits already earned by the Town's employees and the assets the Town's retirement system will have on hand to meet these obligations. The dollar value of the unfunded pension liability is driven by assumptions about interest rates at which a retirement system's assets will grow and the rate of future costs of living increases to pensioners.

**UNENCUMBERED APPROPRIATION.** The portion of an appropriation not yet expended or encumbered.

**UNIFORM MUNICIPAL ACCOUNTING SYSTEM.** A comprehensive and practical municipal accounting system that conforms to GAAP for local governments. UMAS is regarded by the Department of Revenue as the professional standard for modern municipal accounting in Massachusetts. Among the benefits of conversion to UMAS are increased consistency in reporting and record keeping and enhanced comparability of data among cities and Towns.

## **APPENDIX D: 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 often will 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 of 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 either be 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 Chair 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 Moderators discretion, debate and a vote on the motion at an earlier point in the session would expedite the conduct of the session. Any vote that 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 hands 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 a 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 votes 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 bylaw 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, 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 that also contains references to applicable court decisions and statutes. All custom may be changed by law, or the Bylaws of Wellesley, as from time to time amended.

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

# TOWN OF WELLESLEY



## SUPPLEMENT 1

### TO THE 2013 REPORTS TO THE ANNUAL TOWN MEETING

by the  
ADVISORY COMMITTEE  
and  
BOARD OF SELECTMEN & COUNCIL ON AGING

### INDEX TO WARRANT ARTICLES

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Prepared on March 24, 2013

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## ERRATA – 2013 ADVISORY REPORT

Article 17 on page 100 – The Fire Station HVAC Renovation is of Fire Station #2, not #1 as stated incorrectly at the bottom of the page (the project is identified correctly in the table).

Article 25 on pages 119-121 – The three motions were consolidated into a single motion after the Report was printed so there should be only a single Advisory recommendation.

**ARTICLE 5.** To see what action the Town will take to fix the salary and compensation of the Town Clerk as provided by Section 108 of Chapter 41 of the General Laws, as amended; or take any other action relative thereto.

**(Board of Selectmen)**

*The information below is a correction to the 2013 Advisory Report on page 17.*

The Board of Selectmen (BOS) recommends that the Town Clerk's salary be set at \$80,356 for FY14, which is a 2.4% increase over the FY13 salary of \$78,478.

The average suggested salary increase for Series 50 employees is anticipated to be 2.0% (see Article 4, Motion 3 on page 16). However, because FY14 is 52.2 weeks rather than 52.0 weeks as in FY13, each Series 50 employee will also receive an additional 0.4% increase. The Town Clerk's salary is therefore recommended to be \$308 more than the amount stated in the Advisory Report.

**Advisory recommends favorable action, 13 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 2012 Annual Town Meeting; or take any other action relative thereto.

**(Board of Selectmen)**

*Please see the 2013 Advisory Report on pages 19-20 for a summary of the proposed authorizations and supplemental appropriations to the FY13 budget. The Advisory recommendations are given below. Article 7, Motion 1, which appropriated a supplemental \$450,000 to the Board of Public Works for winter maintenance in FY13, was discussed and voted on page 19. The Board of Selectmen (BOS) combined the original Motions 2-4 into a new Motion 2 and re-numbered Motion 5 as Motion 3.*

## **ARTICLE 7, MOTION 2**

Under this Motion, the BOS is seeking to make the following transfers:

- \$21,200 previously appropriated to the School Department for vehicle maintenance under Article 8 of the 2012 ATM to be transferred to the Facilities Maintenance Department (FMD)
- \$14,900 previously appropriated to the FMD for telephone service, telephone repair and water under Article 8 of the 2012 ATM to be transferred to the Central Administration
- \$55,893 previously appropriated to the FMD for telephone service and telephone repairs under Article 8 of the 2012 ATM to be transferred to the School Department

Note that the \$55,893 transfer is for telephone service and telephone repairs and not for vehicle maintenance and fuel costs as previously stated on page 20 of the Advisory Report. Advisory views these transfers as inter-departmental budget housekeeping with no tax impact.

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

## **ARTICLE 7, MOTION 3**

Under this Motion, the BOS is seeking to apply \$588,393 from two previous appropriations (the Middle School renovation and school infrastructure project) toward the cost of the DPW Administration Building construction approved in Article 19 of the 2011 ATM. The Town makes every effort to avoid borrowing excess funds for projects but occasionally funds are left over. Applying previously-borrowed funds to the next project requiring borrowing as allowed by Chapter 40, Section 20 of the Massachusetts General Laws (rather than repaying the funds and then borrowing a larger amount) saves the Town both time and money.

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

**ARTICLE 18.** To see what sum of money the Town will raise and appropriate, or otherwise provide, in addition to the amount voted under Motion 2 of Article 20 of the Warrant for the 2009 Annual Town Meeting, for architectural, engineering and/or other services, for preparation of plans and specifications, for construction, reconstruction, remodeling, rehabilitation and/or design of the Tolles-Parsons Center (senior center) to be located at the Town owned site at 496 Washington Street (the former American Legion site) and for vehicular parking to be located on site or on other town controlled land; 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)**

*Please see the 2013 Advisory Report on pages 104-107 for a summary of the proposed authorization of \$165,300<sup>1</sup> to the Permanent Building Committee for the design development of the Tolles-Parsons Center and some initial Advisory considerations. Additional information, received after the Report went to print, and the Advisory recommendation are provided below.*

**Additional Information**

On March 19, 2013, the Permanent Building Committee provided preliminary estimates for the total cost of the Tolles-Parsons Center (TPC), including construction and non-construction costs as well as the anticipated costs associated with increased parking and pedestrian safety:

	<b>2010</b>	<b>2013</b>
Construction (includes general conditions, overhead, etc.)	\$3,926,900	\$4,608,139
Basement Fit Out		742,000
Parking lot at Police Station		296,282
Crosswalk/pedestrian light		197,665
<b>Construction Total</b>	<b>\$3,926,900</b>	<b>\$5,844,086</b>
Architectural/Engineering	203,901	214,901
Other Professional Services <sup>2</sup>	303,120	396,900
FF&E <sup>3</sup>	150,000	197,400
Technology <sup>4</sup>	45,900	
Other Project-related Expenses <sup>5</sup>	83,075	35,260
Contingency	392,690	409,086
<b>Non-Construction Total</b>	<b>1,178,686</b>	<b>1,253,547</b>
<b>Total</b>	<b><u>\$5,105,586</u></b>	<b><u>\$7,097,633</u></b>

<sup>1</sup> The request amount has been rounded down from the \$165,313 stated in the Advisory Report on page 104.

<sup>2</sup> The 2010 Other Professional Services category includes Owner’s Project Manager (OPM), Clerk of Works, Geotech services, testing, inspection and commissioning, while the 2013 category includes OPM, Clerk of Works, material testing, MLP/DPW/gas charges, fiber optic network, Verizon and CATV.

<sup>3</sup> 2010 FF&E expenses includes furniture and equipment only while 2013 FF&E includes furniture, screen, phone system and moving/relocation expenses.

<sup>4</sup> 2010 Technology expenses include network/connections, Verizon and CATV; these expenses are included in the 2013 Other Professional Services category.

<sup>5</sup> 2010 Other Project-related Expenses include PBC administrative costs, PBC expenses, MLP back charges, Builder’s risk insurance and bond issuance. 2013 Other Project-related Expenses do not include MLP back charges (moved to Other Professional Services).

Note that some of the non-construction costs have been re-categorized from 2010 to 2013. The Motion under this Article is requesting additional funds for design only and is not appropriating the total TPC construction cost. This information is provided for information only and should be considered a preliminary estimate.

In four years, the total estimated cost of the 14,236 square foot TPC has increased by approximately \$2 million or about 40%. This increase is attributable to the following:

- Escalation of costs, totaling \$680,000. The total cost of the project, originally estimated for construction in 2010, has escalated by 17.3% anticipating a 2014 construction start. This escalation results from increases in materials and labor as well as a stronger overall economy for construction.
- Project additions, totaling \$1.25 million:
  - The revised plan includes a 4,563 square foot finished basement, previously left unfinished. In order to maximize natural lighting in the basement, a small increase in the foundation footprint has been included in the new estimate.
  - Reconfiguration and construction of the Police Station parking lot across the street
  - Addition of a crosswalk/pedestrian light to access the Police station parking lot
- Increase in FF&E, totaling \$75,000, for additional furniture and equipment.

The Board of Selectmen (BOS) voted unanimously on March 19, 2013 to support the funding of further design funds for the construction of the TPC at 496 Washington Street (formerly the site of the American Legion building), as recommended by both the Tolles-Parsons Review Committee and the Tolles-Parsons Center Planning Committee.

Advisory unanimously supports the request for the additional \$165,300 in funds needed for design development of the TPC at 496 Washington Street. Advisory believes that the BOS has well vetted the need for a free-standing center for the 60+ population and has seriously considered all other proposed site options, including the recent proposal made by the Wellesley Community Center Board. While not ideal, the proposed parking solutions for the TPC appear to be adequate.

The additional funds requested in this Motion will enable the completion of the TPC design. It is anticipated that the BOS will return to a future Town Meeting with bids in hand for the total project cost, ultimately to be funded through debt exclusion after a successful Town-wide vote.

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

**ARTICLE 27.** To see if the Town will vote to amend the Zoning Bylaw SECTION XVIII. AREA REGULATIONS by striking subsection B. Alternative Area Regulations in Subdivisions of Ten Acres or More (Cluster Residential Developments) in its entirety, and by adding a new section to the Zoning Bylaw to provide cluster development opportunities for innovative design of small subdivisions having 2 to 4 lots; the bylaw amendments currently being proposed to be available for inspection in the Planning Board office; or take any other action relative thereto.

**(Planning Board)**

*Please see the 2013 Advisory Report on pages 124-125 for a summary of the proposed amendment to the Zoning Bylaw to create a new Section XVIF. Innovative Neighborhood Design. The final Bylaw language is printed in its entirety below and the Advisory recommendation is given.*

**MOTION 1<sup>6</sup>**

That the Town vote to amend the Zoning Bylaw by striking from SECTION XVIII. AREA REGULATIONS. Subsection B. Alternative Area Regulations in Subdivisions of Ten Acres or More (Cluster Residential Developments) in its entirety and re-lettering the remaining portion of the section to read as follows:

**SECTION XVIII. AREA REGULATIONS.**

For the purposes of this Section the Town of Wellesley is hereby divided into classes of area regulation districts as shown on the "Zoning Map of the Town of Wellesley, Massachusetts," prepared under the direction of the Planning Board, Scale 1" = 500', dated December 20, 2002, as amended, on file with the Town Clerk, which map together with all the boundary lines and designations thereon relating to such area regulations is hereby incorporated as part of this Section.

The classes of area regulation districts are respectively as indicated on said map:

1. Ten Thousand Foot Districts;
2. Fifteen Thousand Foot Districts;
3. Twenty Thousand Foot Districts;
4. Thirty Thousand Foot Districts;
5. Forty Thousand Foot Districts.

**A. Dwelling and Club House Lots.**

In Single Residence Districts, Single Residence Districts A, General Residence Districts, General Residence Districts A, Limited Residence Districts, Educational Districts, Educational Districts A, Educational Districts B, Administrative and Professional Districts and Limited Business Districts, there shall be provided for each dwelling or club house, hereafter constructed, a lot containing not less than 10,000 square feet, 15,000 square feet, 20,000 square feet, 30,000 square feet, or 40,000 square feet according to the area requirement of the area regulation district in which such dwelling or club house is situated, and hereafter, no dwelling or club house shall be erected or placed on a lot containing less than such minimum

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<sup>6</sup> The text of SECTION XVIII. AREA REGULATIONS. printed below is exactly the same as appears in the current Zoning Bylaw after striking the existing Subsection B and re-lettering the existing Subsection C as B and existing Subsection D as C. The text of the new Innovative Neighborhood Design Bylaw SECTION XVIF starts on page 245.

area. In Business or Industrial Districts or in Business Districts A or Industrial Districts A, there shall be provided for each dwelling (including apartment houses and apartment hotels) or club house hereafter constructed or placed, a lot containing not less than 10,000 square feet.

Nothing contained in this Section shall prevent the construction or placing of any such building on any lot (1) in any of said Ten Thousand Foot, Fifteen Thousand Foot and Twenty Thousand Foot Districts containing a smaller area, if such lot on the effective date of the applicable provisions of this Zoning Bylaw originally establishing such districts did not adjoin other land of the same owner available for use in connection with said lot, (2) in any said Thirty Thousand Foot and Forty Thousand Foot Districts containing a smaller area, if such lot on May 1, 1953 did not adjoin other land of the same owner available for use in connection with said lot, or (3) in any Business or Industrial Districts or in Business Districts A or Industrial Districts A containing less than 10,000 square feet, if such lot on May 1, 1941 did not adjoin other land of the same owner available for use in connection with said lot.

This Section shall not apply to the lots shown on the subdivision plans approved by the Planning Board pursuant to the General Laws, Chapter 41, as amended, prior to May 1, 1953.

No lot on which a dwelling or club house is situated, whether heretofore or hereafter placed, shall be reduced in area, if such lot is smaller than is hereby prescribed, or if by such reduction it would be made smaller than is hereby prescribed, except in either case by taking by eminent domain or by a conveyance for a public purpose.

#### B. Ratio of Building to Lot Area.

In Single Residence and General Residence Districts, Single Residence Districts A, and General Residence Districts A, no building or addition to any building shall hereafter be placed on any lot of land which will result in the covering by buildings of more than the following specified maximum percentages of the area of such lot or maximum building coverage expressed in square feet:

For lots containing less than 10,000 square feet - 25 percent;

For lots containing at least 10,000 square feet but less than 20,000 square feet – the greater of 20 percent or 2,500 square feet;

For lots containing at least 20,000 square feet but less than 40,000 square feet – the greater of 18 percent or 4,000 square feet – but not more than 6,000 square feet; and

For lots containing at least 40,000 square feet - 15 percent;

In Educational Districts B, Limited Residence Districts, Limited Business Districts and Administrative and Professional Districts no building or addition to any building shall be placed on any lot of land which will result in the covering by buildings of more than (20%) of the area of such lot, provided, however, that if the only buildings at any time on a lot in any such district are those permitted by SECTION VI.1., SECTION VIII.A.1., SECTION IX.1., or SECTION X.1, then the limitations aforesaid shall be (25%) in lieu of (20%). In Educational, Business or Industrial Districts or in Educational Districts A, Educational Districts B, Business Districts A, or Industrial Districts A, no dwelling (including apartment houses and apartment hotels) or club house shall hereafter be erected or placed on any lot of land which will result in the covering by buildings of more than (25%) of the area of such lot.

#### C. Ratio of Families to Lot Area.

1. In General Residence Districts and General Residence Districts A there shall be provided for each dwelling hereafter constructed or placed therein a lot containing not less than 5,000 square feet for each family for whose habitation such building is designed or adapted or the minimum area required for lots in the area regulation district in which the building is located, which ever is greater.

Except that town houses may be constructed at a ratio in accordance with and subject to the provisions of SECTION IV. GENERAL RESIDENCE DISTRICTS. A. 3.

2. In Educational, Business and Industrial Districts and in Educational Districts A, Educational Districts B, Lower Falls Village Commercial Districts, Wellesley Square Commercial District, Business Districts A and Industrial Districts A there shall be provided for each apartment house, apartment hotel, hotel, inn or town house, hereafter constructed or placed therein a lot containing not less than 2,500 square feet for each family for whose habitation such building is designed or adapted or the minimum area required for lots in the area regulation district in which the building is located, whichever is greater.

and by inserting a new SECTION XVIF. INNOVATIVE NEIGHBORHOOD DESIGN. to create optional cluster development opportunities for innovative design of small subdivisions having 2 to 4 lots, following XVIIE. TREE PROTECTION AND PRESERVATION. to read as follows:

## SECTION XVIF. INNOVATIVE NEIGHBORHOOD DESIGN

### A. PURPOSE

To provide opportunities for innovative design of small subdivisions where such design shall achieve the following:

1. Allow for the preservation of small pockets of open space or cultural resources that are valuable to existing neighborhoods;
2. Preserve or provide better access to public lands or open space;
3. Provide opportunities for better site access and/or neighborhood circulation patterns than would otherwise be achievable through a standard design approach;
4. Encourage a less sprawling, less intense and more efficient and sustainable form of development that reduces impacts on the surrounding neighborhood, natural features and Town infrastructure.

### B. DEFINITIONS

Yield Plan – A conceptual subdivision plan containing all of the elements required as part of the Subdivision Rules and Regulations that depicts the number of single family house lots that could reasonably be developed according to local, state and federal law.

### C. ELIGIBILITY

The provisions of this Section are offered by the Town of Wellesley as an option for certain residential subdivisions. These provisions may only be used for residential subdivisions with the following characteristics:

1. The maximum potential residential yield of the parcel in question is up to 4 lots as demonstrated through the development of a Yield Plan;

2. The lot(s) are located in the following districts:
  - a. Single Residence 15;
  - b. Single Residence 20;
  - c. Single Residence 30; and
  - d. Single Residence 40.
  
3. A clearly identifiable amenity shall result from or shall be preserved through the development process including, but not limited to:
  - a. Open space or other natural resources currently unprotected by local or state law;
  - b. Greenway corridors for trail networks or wildlife habitat;
  - c. Specimen trees or other vegetation integral to the character of the neighborhood;
  - d. Buffers or drainage ways to wetland or surface water resources;
  - e. Historic structures;
  - f. Archaeological or other culturally significant sites;
  - g. Private resident or public access to open space, institutional, or recreational amenities;
  - h. An easement beneficial to the Town, the Commonwealth of Massachusetts, or private entity for the provision of safety and/or utility access; and
  - i. Integration with the neighborhood streetscape and pattern of settlement.
  
4. Access and/or neighborhood circulation shall be improved through the use of alternative design due to:
  - a. The location of driveways to neighboring properties;
  - b. The geometry of existing roadways;
  - c. Documented automotive traffic problems; and
  - d. The presence of high levels of pedestrian traffic.

**D. DETERMINATION OF YIELD**

The total number of lots in a tract upon which an Innovative Neighborhood Design may be built shall be determined through the development of a Yield Plan as defined in this section of the Zoning Bylaw. A Yield Plan shall be provided to the Planning Board as part of the subdivision process in accordance with the procedures outlined in the *Rules and Regulations Governing the Subdivision of Land* and based on the minimum lot size requirements as specified in Section XVIII. AREA REGULATIONS, without regard to Lot Dimensions as defined in Section E. ALLOWABLE DESIGN FLEXIBILITY below.

**E. ALLOWABLE DESIGN FLEXIBILITY**

1. Lot Dimension. The following minimum yard and lot size dimensions shall apply to an Innovative Neighborhood Design.

TABLE 1

	SINGLE RESIDENCE DISTRICT			
	15,000	20,000	30,000	40,000
Minimum Lot Size	7,500 s.f.	10,000 s.f.	15,000 s.f.	20,000 s.f.
Minimum Frontage	50 ft.	50 ft.	50 ft.	50 ft.
Minimum Front Yard Width	50 ft.	50 ft.	50 ft.	50 ft.
Minimum Front Yard Depth (Setback)	30 ft.	30 ft.	30 ft.	30 ft.
Minimum Side Yard Width	15 ft.	20 ft.	20 ft.	20 ft.
Minimum Rear Yard Depth	15 ft.	20 ft.	20 ft.	20 ft.

2. Shared Driveways. Shared driveways may be constructed to access a maximum of two (2) residences and shall comply with the standards provided in subsection F.4 below.

## F. STANDARDS AND CRITERIA FOR REVIEW

1. Preservation or Access to Amenities. Site plans developed as part of the subdivision process shall demonstrate that preservation or access to any amenities that are identified pursuant to subsection C.3 is accomplished through the site design and construction process. Site design practices shall include, as applicable:
  - a. Avoidance and protection of sensitive resources that are to be preserved both during construction and after construction.
  - b. Installation of natural boundaries or demarcation markers to ensure the protection of sensitive resources. Markers such as boulders, wooden fencing, and similar features may be used for this purpose.
  - c. The recording of any easements or covenants required for the long term maintenance of any access ways or open space.
2. Neighborhood Integration. The proposed subdivision, including street, lot and open space layout, shall be integrated into the streetscape and pattern of settlement of the surrounding neighborhood to the fullest extent possible. Consideration shall be given to the need for vegetated buffers, screening, lighting, and other landscape design techniques. To the extent practicable this shall be based on the "Intent, Policy and Recommendations" specified in Part II. Design Criteria of the "Design Guidelines Handbook" adopted by the Design Review Board.
3. Circulation. Walkways, drives and parking shall be safe and convenient and, insofar as practicable, not detract from the use and enjoyment of adjacent properties and Town streets.
4. Shared Driveways.
  - a. Shared driveways shall have a minimum surface width of sixteen (16) feet along that portion that is shared by more than one residence.
  - b. No shared driveway shall be connected or attached to any other driveway, nor shall any common driveway be extended without prior approval of the Planning Board.
  - c. Shared driveways shall be located within an easement which may allow space for installation of water lines and utilities as needed.
  - d. Shared driveways shall not exceed three hundred (300) feet in length, measured from the street line to the end of the shared portion of the driveway.
  - e. To provide better traffic safety and reduce the visual impacts of traffic on abutting properties, the Planning Board may require shared driveways to be set back from lot lines and/or screened with a buffer of trees and/or shrubs.
  - f. Sight distances at the entrance of a shared driveway along the intersecting road shall be at least one hundred (100) feet along the intersected roadway or as far as the next intersection, whichever distance is shorter.

### **Advisory Considerations**

The Innovative Neighborhood Design (IND) Bylaw proposed in this Motion provides opportunities to preserve small pockets of open space or cultural resources that are valuable to existing neighborhoods as described in Subsection A on page 245. The Planning Board has

structured the IND Bylaw to benefit neighborhoods and to allow owners and developers a creative and sustainable **option** when planning a small subdivision containing two to four lots.

To take advantage of this option, an owner/developer must first calculate the total number of lots available in the larger tract. The owner/developer then may choose to divide the tract according to the *Rules and Regulations Governing the Subdivision of Land* or he/she may opt to apply the new IND Bylaw. With either choice, the total number of house lots created in the subdivision does not change and the overall housing density does not increase. However, the configuration of lots within the subdivision can vary.

The crux of the new IND Bylaw is Subsection E.1, stipulating minimum lot sizes and setbacks for the 15,000, 20,000, 30,000 and 40,000 square foot single residence districts<sup>7</sup> in a table on page 246. The minimum lot size within an Innovative subdivision is fifty percent of the conventional lot sizes within the district, e.g., if the tract can be subdivided into three single residence parcels under conventional zoning, the Innovative option will maintain that three-parcel yield. As the lot sizes would be smaller and the houses sited creatively, there would be residual open space outside of the “lots” but within the subdivision.

This open space is designed to preserve natural amenities, sensitive resources and topography such as rock outcroppings or steep slopes. Access to and preservation or maintenance of the open space would be required and recorded as part of the subdivision plan. The Planning Board and Department considered alternative minimum lot sizes as well as front, side and rear setbacks for each lot within the 15,000 through 40,000 square foot single residential districts. They calculated and analyzed the interior square footage of residences that could be built on each lot, given lot dimensions and restrictions. The goal was to offer an option to an owner/developer that would benefit the neighborhood by preserving open space and create properties that were in scale with existing homes.

The Planning Board also believes that if the Bylaw is approved, there is a benefit for owners/developers who use IND Planning. When applied, the provisions of the Bylaw should reduce site preparation costs (clearing, blasting or chipping of rock, grading, building retaining walls, paving and infrastructure installations, such as subsurface drainage systems) and shorten preparation time.

Advisory is pleased that the Planning Board has taken a proactive approach to enable the preservation of open space within small neighborhoods in Wellesley. They have crafted this Bylaw as an optional path for owners and developers seeking sensible and sustainable growth. Advisory believes that Innovative Neighborhood Design will be a useful tool for the Planning Department and that the benefits of choosing IND when subdividing tracts of land will accrue to the neighborhood, the owner/developer and the Town.

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

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

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<sup>7</sup> Note that this Bylaw does not apply to the 10,000 square foot district. The Board determined that any subdivision of parcels within the 10,000 square foot single residence district would create lots of approximately 5,000 square feet, too small to remain compatible with existing neighborhoods.

**ARTICLE 28.** To see if the Town will vote to amend the Zoning Bylaw SECTION XVIII. AREA REGULATIONS by striking subsection B. Alternative Area Regulations in Subdivisions of Ten Acres or More (Cluster Residential Developments) in its entirety, and by adding a new section to allow innovative, context sensitive design of subdivisions having 5 or more lots where such cluster design shall achieve the protection of primary and secondary conservation resources that are protected through local, state or federal law including wetlands and regulated buffers, rivers and streams and regulated buffers, floodplains, and habitat for rare or endangered species, as well sites that contain valuable natural or cultural resources that are not regulated by local, state or federal law; the bylaw amendments currently being proposed to be available for inspection in the Planning Board office; or take any other action relative thereto.

**(Planning Board)**

*Please see the 2013 Advisory Report on pages 126-129 for a summary of the proposed amendment to the Zoning Bylaw to create a new Section XVIG. Natural Resource Protection (NRP) Cluster Development. The final Bylaw language is printed in its entirety below and the Advisory recommendation is given.*

MOTION 1: That the Town vote to amend the Zoning Bylaw by inserting a new SECTION XVIG. NATURAL RESOURCE PROTECTION (NRP) DEVELOPMENT. to create by-right innovative, context sensitive design for subdivisions having 5 or more lots where such cluster design shall achieve the protection of primary and secondary conservation resources that are protected through local, state or federal law, following XVIF. INNOVATIVE NEIGHBORHOOD DESIGN. to read as follows:

## SECTION XVIG. NATURAL RESOURCE PROTECTION (NRP) DEVELOPMENT

### A. PURPOSE

To allow innovative, context sensitive design of large subdivisions as a matter of right where such design shall achieve the following:

1. To allow for greater flexibility and creativity in the design of residential developments.
2. To minimize the destruction of, and to encourage the permanent preservation of open space, wildlife habitat, recreational uses and other resources including aquifers, water bodies and wetlands, groundwater, historical, cultural and scenic areas.
3. To promote a less sprawling, less intense and more sustainable and efficient form of development that consumes less open land and conforms to existing topography and natural features.
4. To minimize the total amount of disturbance, grade changes and run-off on or from the site.
5. To facilitate the construction and maintenance of housing, streets, utilities, and public services in a more economical and efficient manner.

### B. DEFINITIONS

Primary Conservation Areas – Areas of a potential development site that are protected or where development is limited by federal, state or local law or private land use restrictions including, without limitation:

1. Easements (including, without limitation, easements or restrictions for conservation, preservations, agricultural use, aquifer protection or similar easements and restrictions) and similar covenants land use restrictions;
2. Wetlands, Isolated Wetlands, Bordering Vegetated Wetlands, and the 25-foot No-Disturbance Zone as defined in the Wellesley Wetlands Bylaw;
3. Vernal Pools as defined in the Wellesley Wetlands Bylaw;
4. 100 Year Flood Plain as defined by SECTION XIVB. FLOOD PLAIN OR WATERSHED DISTRICTS;
5. Wildlife habitat;
6. Steep slopes having a grade over 10% or as defined by federal or state law or regulation, whichever is the lesser grade; and
7. Lakes, ponds, rivers, streams, and brooks;

Secondary Conservation Areas – Areas of a potential development site that contain valuable natural or cultural resources including, but are not limited to:

1. Specimen trees;
2. Stone walls;
3. Significant geological features, including, without limitation, eskers, exposed ledge and significant boulders;
4. Mature woodlands;
5. Scenic and wet meadows;
6. Historical or archaeological sites; and
7. Portions of a site within a Scenic Road or Scenic Road Layout.

Yield Plan – A conceptual subdivision plan containing all of the elements required by the Subdivision Rules and Regulations that depicts the number of single family house lots that could reasonably be developed according to local, state and federal law.

### C. APPLICABILITY

1. NRP Development is required as a matter of right for any property that would yield 5 or more residential lots. To determine yield, the Planning Board shall consider the following:

- a. The following formula shall be used for yield determination related to NRP Cluster Development:

$$\begin{aligned}
 \text{Where A} &= \text{Total Property Area} \\
 \text{PCA} &= \text{Area of primary conservation areas} \\
 10\% &= \text{Assumed infrastructure area such as roads, etc. In} \\
 &\quad \text{the formula below, this is expressed as the inverse} \\
 &\quad \text{(i.e., multiplying by 90\%)} \\
 \text{L} &= \text{Minimum Lot Size per Section XVIII. Area} \\
 &\quad \text{Regulations, without regard to Subsection F.} \\
 &\quad \text{ALLOWABLE DESIGN FLEXIBILITY of this Section.} \\
 \text{Y} &= \text{Assumed number of residential units} \\
 \frac{(\text{A}-\text{PCA}) * 0.9}{\text{L}} &= \text{Y}
 \end{aligned}$$

- b. Separate contiguous properties under common ownership, or contiguous properties that will otherwise be connected through future development activity, shall be considered in the aggregate when determining applicability through the

yield calculation. The intent and requirements of this Section shall not be avoided by segmentation or any incremental approach to development.

- c. Where a property owner believes that the property is encumbered by physical, legal or other unforeseen constraints that would reduce the property yield to below 5 lots, the property owner may develop a Yield Plan to demonstrate that the actual expected yield is below 5 lots and therefore NRP Cluster Development is not required. The Yield Plan shall contain the information required in the *Rules and Regulations Governing the Subdivision of Land* and shall be submitted to the Planning Board. The Planning Board's determination as to the accuracy of the Yield Plan shall be made at a regularly scheduled Planning Board meeting within 45 days of the submittal of an adequate Yield Plan. The determination of the Planning Board shall be used only to establish whether or not NRP Cluster Development is required and shall not be interpreted as approval of a subdivision or the vesting of any development yield on the property.
2. This Section does not apply to the construction of homes or businesses on individual lots that existed prior to the effective date of this Section of the bylaw.
  3. A Special Permit application to the Planning Board is required for any subdivision that does not conform to the development requirements herein. In order to approve such Special Permit, the Planning Board must find that the proposed alternative plan advances the purposes of the NRP Cluster Development bylaw as well as or better than a plan that conforms to this Section. If the Planning Board determines that the land with the greatest natural resource value (as identified in the required materials) cannot be protected except by the use of a NRP Cluster Development plan, the Planning Board shall deny the Special Permit for the deviation and require the applicant to submit a plan that complies with the requirements of the NRP Cluster Development process. The Planning Board may impose conditions on the grant of any such Special Permit.

#### D. DESIGN STANDARDS

The following Design Standards shall apply to all plans for NRP Cluster Development and shall govern the development and design process:

1. Overall site design and development shall be performed in a manner that protects the conservation areas identified pursuant to the procedures established in the *Rules and Regulations Governing the Subdivision of Land*. Techniques to ensure adequate protection shall include, but shall not be limited to:
  - a. Avoidance and protection of Primary and Secondary Conservation Areas that are to be preserved both during and after construction.
  - b. Installation of natural boundaries or demarcation markers to ensure the protection of sensitive resources. Markers such as boulders, wooden fencing, and similar features may be used for this purpose.
  - c. Proper selection, installation, and maintenance of erosion and sediment control practices during construction activities.
  - d. Fencing used to protect trees during construction activities installed minimally to the drip line of the tree(s).

- e. The recording of any easements or covenants required for the long term maintenance of any access ways or open space as described in subsection G.
  - f. To keep storm water run-off from any parcel on such parcel to the fullest extent reasonably practical, employing low impact development techniques when practicable.
2. Streets shall be designed and located in such a manner as to maintain and preserve natural topography, significant landmarks, and trees; to minimize cut and fill, to handle storm water run-off (if any) through low impact design techniques, and to preserve and enhance views and vistas on or off the subject parcel.
  3. Dwellings shall be oriented and placed on lots in such a manner so as to promote visual interest, while preserving the neighborhood streetscape, if applicable.
  4. The landscape shall be preserved in its natural state, insofar as practicable, by minimizing tree and soil removal. Any grade changes shall be in keeping with the general appearance of the neighboring developed areas. The orientation of individual building sites shall be such as to maintain maximum natural topography and cover.
  5. All open space shall be set aside and/or designed to add to the visual amenities of the area through the siting of houses, the creation of "no-cut" buffers, low impact trail design, or other similar methods.
  6. Open space parcels with public access shall have physical and legal access from a street of not less than 20 feet in width. Such access shall be demarcated by stone bounds to distinguish between the edge of the public access and amenities from private property.
  7. The removal or disruption of historic, traditional or significant uses, structures, or architectural elements shall be minimized insofar as practicable, whether these exist on the site or on adjacent properties.
  8. Exterior lighting shall be only as needed to accomplish safety and design objectives and shall be arranged so as to minimize the impact on neighboring properties.
  9. Shared driveways may be constructed to access a maximum of three (3) residences and shall comply with the following standards:
    - a. Shared driveways shall have a minimum surface width of sixteen (16) feet along that portion that is shared by more than one residence.
    - b. No shared driveway shall be connected or attached to any other driveway, nor shall any common driveway be extended without prior approval of the Planning Board.
    - c. Shared driveways shall be located within an easement which may allow space for installation of water lines and utilities as needed.
    - d. Shared driveways shall not exceed three hundred (300) feet in length, measured from the street line to the end of the shared portion of the driveway.

- e. To provide better traffic safety and reduce the visual impacts of traffic on abutting properties, the Planning Board may require shared driveways to be set back from lot lines and/or screened with a buffer of trees and/or shrubs.
- f. Sight distances at the entrance of a shared driveway along the intersecting road shall be at least one hundred (100) feet along the intersected roadway or as far as the next intersection, whichever distance is shorter.

**E. DESIGN PROCESS**

At the time of the application for NRP Development, applicants shall demonstrate to the Planning Board that the following design process was performed, in the order so prescribed, by a multidisciplinary team of qualified professionals to determine the layout of proposed streets, house lots, including designation of all common areas and open space.

1. Identifying Conservation Resources. Identify Primary and Secondary Conservation Areas. The Potentially Developable Area of the site shall consist of land outside identified Primary Conservation Areas to the extent required by this Section, and outside the Secondary Conservation Areas to the fullest extent practicable.
2. Locating House Sites. Locate the approximate sites of individual houses within the Potentially Developable Area and include the delineation of private yards and shared amenities, so as to reflect an integrated community within the subdivision.
3. Locating Streets and Trails. Layout streets in order to access the house lots. Trails should be laid out to create internal and external connections to existing and/or potential future streets, sidewalks, and trails.
4. Lot Lines. Draw in the lot lines using assumed lot lines if the ownership is in condominium, cooperative or other similar form of common ownership.

**F. ALLOWABLE DESIGN FLEXIBILITY**

Dimensional Requirements. To facilitate the design process provided in Subsection E above, the following housing and dimensional standards shall apply to NRP Development.

1. Housing Types. Only detached single family homes are allowed in NRP Development.
2. Lot Dimension. To facilitate the design process provided in Subsection E above, the following housing and dimensional standards shall apply to NRP Cluster Development.

Table 1

	SINGLE RESIDENCE DISTRICT				
Area Regulation District	10,000 s.f.	15,000 s.f.	20,000 s.f.	30,000 s.f.	40,000 s.f.
Minimum Lot Size	7,500 s.f.	7,500 s.f.	10,000 s.f.	15,000 s.f.	20,000 s.f.
Minimum Frontage	50 ft.	50 ft.	75 ft.	100 ft.	100 ft.
Minimum Front Yard Width	50 ft.	50 ft.	75 ft.	100 ft.	100 ft.
Minimum Front Yard Depth (Setback)	30 ft.	30 ft.	30 ft.	30 ft.	30 ft.
Minimum Side Yard Width	15 ft.	15 ft.	20 ft.	20 ft.	25 ft.
Minimum Rear Yard Depth	15 ft.	15 ft.	20 ft.	25 ft.	30 ft.

3. Frontage and Setbacks. Lots having reduced area shall not have frontage on a street other than a street within the NRP Development.
4. Accessory Structures. Detached accessory structures over 100 square feet shall have a minimum side yard and rear yard setback of fifteen (15) feet.

#### G. OPEN SPACE

1. Minimum Open Space Requirement. A minimum of fifty percent (50%) of the site shall be protected open space. The percentage of this open space that may include wetland shall not exceed the percentage of wetland of the entire site under existing conditions.
2. Contiguous Open Space. Preserved open space shall be contiguous to the greatest extent practicable. Where noncontiguous pockets of open space are preferable to protect conservation areas, applicants shall attempt to connect these resources area to the greatest extent practicable through the use of trails and/or vegetated corridors. Open space will still be considered contiguous if it is separated by a shared driveway, roadway, or an accessory amenity (such as a barn, paved pathway or trail, or shed for the storage of recreational equipment).
3. Restrictions on Open Space. Any land required to be set aside as open space shall be permanently protected pursuant to Article 97 of the Articles of Amendment to the Constitution of the Commonwealth of Massachusetts or a perpetual restriction under M.G.L. Chapter 184 Section 31-33. Unless conveyed to the Natural Resources Commission, the required open space shall be subject to a permanent Conservation, Watershed, or Agricultural Preservation Restriction conforming to the standards of the Massachusetts Executive Office of Environmental Affairs, Division of Conservation Services, or Department of Agricultural Resources in accordance with M.G.L. Chapter. 184 Section 31-33, approved by the Planning Board and the Board of Selectmen and held by the Town of Wellesley, the Commonwealth of Massachusetts, or a non-profit conservation organization qualified to hold conservation restrictions under M.G.L. Chapter 184, Section 31-33.

The restriction shall specify the prohibited and permitted uses of the restricted land, which would otherwise constitute impermissible development or use of the open space, consistent with the Allowable Use of the Open Space subsection of this bylaw and any permits. The restriction may permit, but the Planning Board may not require, public access or access by residents of the development to the protected land.

4. Allowable Use of the Open Space. Open space used to satisfy the minimum open space requirement shall be perpetually kept in an open state, preserved exclusively for the purposes set forth herein and in the deed and/or in the restriction, and maintained in a manner which will ensure its suitability for its intended purposes. Proposed use(s) of the open space consistent with this Section shall be specified in the application. At the applicant's discretion, conservation restrictions may be placed on open space beyond the minimum amount required by this bylaw.
  - a. The open space may be used for wildlife habitat, conservation, historic or cultural resource preservation, outdoor education, active or passive recreation, community gardens, or a combination of these uses, and shall be served by suitable access for such purposes.

- b. Open space may include paved and/or developed areas to be paved or built upon (preferably, and to the fullest extent possible, using permeable pavement and other means of retaining natural hydrology) for structures accessory to the dedicated use or uses of such open space (e.g., parking to facilitate public access for passive recreation, informational kiosks, pedestrian walks, ADA access features, and bike paths) so long as the conservation values of the open space are not compromised.
  - c. Open space may include vegetated storm water management practices including swales, rain gardens, bio-retention facilities and constructed wetlands.
5. Ownership of the Open Space. At the Planning Board's determination, the open space may be owned by:
- a. A private owner for agricultural, horticultural, forestry or any other purpose not inconsistent with the conservation restriction;
  - b. A non-profit organization or agency of the Commonwealth, with their consent, whose principal purpose is the conservation of open space for any of the purposes set forth herein;
  - c. The Natural Resources Commission; or
  - d. A homeowners association (HOA) as defined herein owned jointly or in common by the owners of lots or units within the project. If a HOA is selected as the means of ownership, the following shall apply:
    - i. The documents organizing the HOA shall be drafted and approved by the Planning Board before final approval of the NRP Cluster Development, recorded prior to the issuance of building permits, comply with all applicable provisions of state law, and pass with conveyance of the lots or units in perpetuity. Each individual deed, and the deed, trust, or articles of incorporation, shall include language designed to effect these provisions.
    - ii. Membership must be mandatory for each property owner, who must be required by recorded covenants and restrictions to pay fees to the HOA for taxes, insurance, and maintenance of common open space, private roads, and other common facilities.
    - iii. The HOA must be responsible in perpetuity for liability insurance, property taxes, the maintenance of recreational and other facilities, private roads, and any shared driveways.
    - iv. The assessment levied by the HOA must be able to become a lien upon individual properties within the development.
    - v. The HOA must be able to adjust the assessment to meet changed needs.
    - vi. The applicant shall make a conditional grant to the Town, binding upon the HOA, of the fee interest to all open space to be conveyed to the HOA. Such offer may be accepted by the Town at the discretion of the Board of Selectmen, upon the failure of the HOA to take title to the open space

from the applicant or other current owner, upon dissolution of the association at any future time, or upon failure of the HOA to fulfill its maintenance obligations hereunder or to pay its real property taxes.

- vii. Ownership shall be structured in such a manner that real property taxing authorities may satisfy property tax claims against the open space lands by proceeding against individual property owners in the HOA and the dwelling units they each own.
  - viii. The Town of Wellesley legal counsel must find that the HOA documents presented satisfy the conditions above, and such other conditions as the Planning Board shall deem necessary.
- e. Selection of an ownership option other than the Natural Resources Commission shall require the following:
- i. The conveyance of a conservation restriction as outlined herein; and
  - ii. The granting of an access easement over such land sufficient to ensure its perpetual maintenance as specified in the conservation easement. Such easement shall provide that in the event the trust or other owner fails to maintain the open space in reasonable condition, the Town of Wellesley may, after notice to the lot owners and public hearing, enter upon such land to maintain it in order to prevent or abate a nuisance. The cost of such maintenance by the Town shall be assessed against the properties within the development and/or to the owner of the open space. Pursuant to G.L. Chapter 40 Section 58, the Town may file a lien against the lot or lots to ensure payment for such maintenance. Pursuant to G.L. Chapter 40 Section 57, the Town may also deny any application for, or revoke or suspend a building permit or any local license or permit, due to neglect or refusal by any property owner to pay any maintenance assessments levied.

### **Advisory Considerations**

This Motion asks Town Meeting to amend the current Zoning Bylaw by inserting a new SECTION XVIG. NATURAL RESOURCE PROTECTION (NRP) DEVELOPMENT. that would **require** Natural Resource Protection Zoning (NRP) Cluster Zoning for all land parcels that would yield five or more single residential residences if that land were subdivided. The subdivision would apply a formula that shelters primary and secondary conservation areas.

If approved, this Bylaw would complement the zoning changes proposed in Article 27, under the new Bylaw SECTION XVIF. INNOVATIVE NEIGHBORHOOD DESIGN. It would protect open space in perpetuity for large parcels of land (five or more lots) by clustering residences creatively on the site and providing for the ownership and maintenance of the open space. The Planning Board's purposes are stated clearly in the language of the Bylaw in Section A on page 249 and examples of primary and secondary conservation areas are given in Section B immediately following.

The Planning Board and Department have created a process for the subdivision of large parcels that begins when the owner/developer calculates the total number of lots (yield) available on the

parcel, applying a formula that protects (subtracts from the total acreage available) primary conservation areas in order to determine that yield. This formula is given on page 250.

For example, if the parcel to be developed was located in the L=20,000 square foot single residential district and contained 10 acres of land (A=435,600 square feet) with 30% of it protected as primary conservation area (3 acres or PCA=130,680 square feet), the formula would allow Y=13.72 (13) building lots:

$$\frac{(A-PCA)*0.9}{L} = Y = \frac{(435,600-130,680)*0.9}{20,000} = 13.72$$

The factor of 0.9 reduces the total parcel size to allow for roads and other infrastructure. Those 13 residential lots would be the maximum number allowed on that site. Additionally, the proposed Bylaw stipulates that 50% of the site must be protected as open space so the 13 single residential lots would be clustered on **no more** than five of the ten acres. The minimum open space provision in Subsection G.1 on page 254 would further reduce the buildable portion of the parcel if the parcel contained wetlands. Continuing the example above, if 20% (or 2 acres) of the total 10 acre parcel was wetlands, only half of the wetland parcel (or 1 acre) could be “sheltered” in the open space portion of the site, leaving a five acre parcel containing one acre of wetlands on which development could occur.

In order to facilitate the design process, the Planning Board calculated standards for lot sizes and setbacks for each of the five single residential districts: 10,000 through 40,000 square feet. The minimum lot size in the 20,000 square foot district, according to Table 1 in Subsection F.2 on page 253, would be 10,000 square feet. Only 3 acres would be required for the 13 10,000 square foot lots, which would allow some or all of the lots to be larger than the minimum size requirement even if the parcel contained 20% wetlands. A developer might also choose to site larger homes on the parcel, using fewer than the maximum number of lots.

Table 1 provides the sizes, setbacks and frontages for cluster development in all districts and is meant to facilitate the design process. For the most part, lot sizes for NRP Cluster Development are one-half of the lot size for a conventional subdivision. The exception is the 10,000 Residence District where using 5,000 square feet as the minimum lot size in a cluster did not allow enough buildable lot area when front, side and rear setbacks were applied to the parcel; the minimum lot size within that district was therefore set at 7,500 square feet.

The Planning Board feels that the most significant benefit of this proposed Bylaw to the Town is the preservation of open space. The Board and the Planning Department have structured design standards and thorough regulations for the configuration, use and ownership of the open space, once the number of residential lots on a site has been determined. Streets shall be designed to preserve natural topography and to preserve and enhance views and vistas. Dwellings shall be oriented to promote visual interest. As much as possible, the landscape shall be preserved in its natural state. Open space parcels with public access shall have physical and legal access from a street of not less than 20 feet in width. Shared driveways for up to three residences shall be permitted. Preserved open space shall be contiguous to the greatest extent practicable. All land set aside for open space shall be permanently protected. Ownership of and potential property tax responsibility for the open space shall be recorded as part of the subdivision plan.

The Planning Board also examined whether this proposed Bylaw would deter development or impact the owners of large parcels of land. The developers and interested Town residents who attended the public forums that the Planning Board sponsored were supportive of the Bylaw's

intent and strategic regulations. The largest private property owners, Wellesley and Babson Colleges, have indicated to the Planning Department that they have no current plans to release any of their respective acreage.

In general, Advisory believes that the Planning Board has crafted a Bylaw that is responsive to the 2007-2017 Town of Wellesley Comprehensive Master Plan Update that recommended the establishment of mandatory cluster zoning as a proactive measure to maximize and protect open space. A concern was noted that the proposed Bylaw amendment, being obligatory and not optional, might be construed as the taking of private property (as open space) without compensation, thus raising a constitutional conflict. The majority of Advisory is satisfied that past case law has supported the approach taken by this proposed Bylaw and that NRP Cluster Zoning will help to preserve the residential character of the Town.

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

**Advisory recommends favorable action, 12 to 1.**

## **SUPPLEMENTAL REPORT OF THE BOARD OF SELECTMEN AND THE COUNCIL ON AGING TO THE 2013 ANNUAL TOWN MEETING**

*This report supplements the Report of the Board of Selectmen and Council on Aging to the 2013 Annual Town Meeting found in the Advisory Committee Report on page 193.*

On February 14, 2013, representatives from the Wellesley Community Center (“WCC”) met with Town officials to present a new proposal for locating the Tolles-Parsons Center (“TPC”) at 219 Washington Street, where the Council on Aging (“COA”) and its programs are currently located.

### **Wellesley Community Center Proposal**

The key elements of the proposal were as follows:

- For the WCC to construct, own and control a new building adjacent to the current WCC building to house the TPC under a lease agreement;
- To connect the new building with the current WCC building by a second floor bridge/café;
- To provide an additional 65 parking spaces at the rear of the parking lot abutting the Cochituate Aqueduct (owned by the Town).

### **Tenancy vs. Land/Building Ownership**

Currently, the Town leases space from the WCC to house the COA offices and associated senior programs and services at a rate of approximately \$80,000 per year for 810 square feet (plus access to additional spaces). It is anticipated that the WCC proposal assumes a similar tenant relationship, with the Town paying annual rent to the WCC for use of the space.

A complicating factor in the proposal as described is the ownership of the land. The property at 219 Washington Street is owned by the Wellesley Friendly Aid (“WFA”) and consists of two distinct lots. The WCC holds a lease with WFA on the land on which its building is located through 2020. The Wellesley Historical Society also has a lease on a portion of the land through 2075.

Given that the land is owned by WFA, it was prudent to explore not only the proposal as made by the WCC, but also the option of either a direct lease with WFA or acquisition. Town officials contacted a representative of WFA and inquired as to whether it would be interested in leasing or selling its land at 219 Washington Street directly to the Town so that the Town could design, construct, own and operate the TPC at that location. The WFA representative indicated that there may be interest in selling the property at fair market value. However, the full WFA Board had not been consulted.

Before moving forward with potential negotiations between the Town and the WCC or WFA, the Town determined that it would conduct its due diligence to evaluate the feasibility of the site for the TPC.

### **Summary of Due Diligence**

In order to evaluate the WCC proposal, the Town conducted comprehensive due diligence, albeit in a condensed time frame, in consult with the following Town officials:

Mike Pakstis, Director of the Department of Public Works  
Dave Hickey, Town Engineer  
Meghan Jop, Director of Planning Department  
Kien Ho, Town Traffic Engineer

Al Robinson, Town Counsel  
Hans Larsen, Executive Director, General Government Services

### **Zoning**

A preliminary zoning analysis indicates that the siting of the TPC on the WFA lot will be challenging given the required setbacks for the structure, retaining wall, and parking from the side and rear property lines. The Single Residence District, in which the property is located, has lot coverage requirements, which are limited to 15% for lots over 40,000 square feet in area. The existing 219 Washington Street lot has a total area of 80,513 square feet. The maximum lot coverage for the site is 12,076 square feet (15%). The lot is currently occupied by approximately 10,140 square feet which includes the existing WCC building and a garage. Even if the garage (approx. 817 sf) is demolished the addition of approximately 6,000 square feet for the proposed TPC would significantly exceed the allowed lot coverage. This would require a variance, which is considered unlikely.

If WFA retains ownership of the land:

- The lots (219 and 229 Washington Street) cannot be merged to avoid setback issues and increase the lot area. If merged, the site would no longer comply with zoning, given the existing structure on 229 Washington Street (the Dadmun-McNamara house), as there cannot be more than one primary use on a lot.
- The tree bylaw will require mitigation or a payment in lieu for all trees over 10" in caliper located within 10 feet of the side and rear property lines, and within the first 20 feet of the front yard setback.

If the Town acquired the land currently owned by Friendly Aid:

- The parcels could more readily be merged together as a municipal purpose.
- The parcels could be combined with some portion of the Cochituate Aqueduct (Town Land) to the north of the site, thereby alleviating some setback and lot coverage concerns and exempting the parcel from the tree bylaw.

It should also be noted the existing WCC building is nonconforming and any connection or modification to the structure would require a Special Permit Finding with the Zoning Board of Appeals.

### **Traffic**

The preliminary evaluation of traffic impact suggests the signalized intersection at the site drive will be impacted significantly. The intersection operations analysis revealed that the additional traffic added to the Washington Street eastbound left turn into the site will exceed the travel lane capacity and block the through traffic. The blockage will create a queue length that will spill back to and beyond the Washington Street / Route 9 Eastbound off-ramp intersection, which is located approximately 500 feet west of the project site. Currently these two intersections are congested even with signal coordination. The roadway capacity or travel lanes between these two intersections currently are at capacity with queue problems during the peak hour periods, therefore any additional traffic added to this section of Washington Street will further degrade the operational level of service.

Thus, access into the WFA site for vehicles travelling east on Washington Street is considered the most problematic traffic issue. The traffic volume on the main line (Washington Street) has historically precluded a dedicated left-turn phase for that approach. Even if such a phase were possible, we believe there would be insufficient queuing space for a dedicated left-turn lane. We have considered several alternatives for mitigating this problem, including:

- Access to the site via Chapel Street – This will likely not work as the short distance from the current signal at the site drive would preclude an additional signal, and here again, there would be inadequate queuing space for a dedicated left-turn lane.
- One way access at the site drive, with all vehicles exiting via Chapel Street or the Route 9 westbound on-ramp – This would ease the burden at the site drive, potentially allowing us to steal sufficient time for a leading left-turn phase, but it would still require queuing space for a dedicated left turn lane. It would also necessitate an agreement with the Congregational Church regarding traffic flow on Chapel Street (potentially including changing the current direction of traffic flow) and improvements to the Church’s parking area. In the absence of a signal at the intersection of Chapel and Washington Streets, motorists would need to cross two lanes of westbound traffic in order to make a left turn onto Washington Street.
- Two way access on the Route 9 westbound on-ramp – This would also necessitate a left-turn phase and queuing space for a dedicated left turn lane.
- Access via Municipal Way – Given the grade issues at the rear of the WFA site, this would likely require construction of a service road paralleling the Route 9 westbound on-ramp. We concluded this was infeasible, as it would force seniors to regularly negotiate the difficult intersection at the bottom of the ramp, and it would commingle TPC and DPW/MLP/Fire Dept. traffic.

### ***Parking***

While the combination of the planned parking at 496 Washington Street and the additional parking to be constructed adjacent to the Police Station is considered adequate, the WFA site appears to offer the potential of more on-site parking (assuming the setback issues can be resolved). However, the parking analysis will need to make assumptions regarding the “re-tenanting” of the WCC building following the construction of the TPC, and the attendant impact on parking requirements. Thus, it is not a simple issue of analyzing the increased parking demands of a more active senior center. The parking requirements for a potential roster of new WCC tenants and future programming activities, combined with those of a more active senior center are difficult to assess; however, if both are at full capacity, parking at the site will not be adequate.

### ***Proximity to other Town Services***

The Community Center is located in close proximity to the Hills Branch Library and in reasonable proximity to the Warren Building, which houses the Board of Health and the Recreation Commission. Currently, the Recreation Commission offers programs to seniors including fitness classes and art classes. In addition, seniors can access the Board of Health in the same building; although programming is often done by the Board of Health at the WCC. In contrast, many municipal departments and services are near 496 Washington Street. Senior housing is located across the street; the Wellesley Free Library is within two blocks and provides opportunities to enhance and expand programming for the COA; Town Hall is within one block; and the Wellesley High School, Wellesley Middle School and Hunnewell School are in close proximity, allowing for intergenerational opportunities. Morton Park is located directly across the street from the site for passive recreation and the Trails Committee is interested in expanding its trail system to access the site.

### ***Pedestrian access***

Pedestrian access to the WFA site is adequate for walkers approaching from the east on Washington Street. The intersection of Route 16 and Route 9 is difficult for pedestrians approaching the site from the west and the high vehicular speeds on the Route 9 on-ramp are a safety concern, particularly for less-mobile seniors. Conversely, 496 Washington Street is very

accessible from all directions, and the proximity to many other Town services suggests a much higher frequency of pedestrian access.

**Site development considerations**

- The retaining wall required for the WFA site is the biggest factor. It appears that something in the 18-22' height range (16' exposed 4' buried on average) will cost between \$1,000-1,200 per linear foot, or about \$400,000. There may be some options for something modular (20-25% savings), but that increases the impact to pavement and the potential need for structural fill. We note that the recently constructed MLP and DPW buildings required specialized foundations due to the presence of low bearing capacity soils, which could complicate things.
- There appears to be potential for more onsite disturbance in order to solve parking, drainage and utility issues at the WCC site. While both sites are flat, the WFA site will require more curbing, pavement repair, landscaping, etc. In addition, if the existing facility remains open during construction, this would require more coordination. On balance, these issues could add something in the range of \$150,000-200,000, depending on how drainage is solved,
- More tree removal would be required at the WFA site. We estimate 20-30 more large trees may need to be removed as compared to 496 Washington Street at an approximate cost of \$500 each, or \$12,500.
- In the event increased use of Chapel Street becomes part of the traffic mitigation plan, the Planning Board's Adequacy of the Way requirements may require upgrades (Chapel Street is a private way). Chapel Street is in good condition with proper drainage, but the water line does not loop the entire street length which can be a concern for water quality and fire flows. Pending a more detailed site analysis, it may be prudent to include 260' of water main or \$40,000 at this early stage.

**Land control / cost**

In the event it was determined necessary for the Town to acquire the land from WFA (see discussion of Zoning issues), the acquisition costs would need to be considered. The assessed value of the two land parcels (219 and 229 Washington Street, total 103,513 sq. ft.) totals \$1,110,000. An appraisal of the property has not been obtained, but it is suspected that the market value of the land exceeds the assessed value. Further, it is suspected that the market value exceeds what the Town might realize from the sale of 496 Washington Street (assuming the Town were to sell that site to offset the cost of acquiring the WFA site).

**CONCLUSION**

The BOS has weighed the pros and cons of the suitability of each site (496 Washington Street and the WFA site) based on the due diligence described above. After careful consideration of these findings, the BOS concludes that the Town is best served, both financially and in the delivery of senior services, if the TPC were built, owned and operated by the Town, on Town-owned land, at 496 Washington Street. Therefore, the BOS determined that it will not pursue the location of the TPC at the WFA site.

The BOS thanks the WCC for its continued interest in the TPC and its thoughtful proposal.

Respectfully submitted,

Board of Selectmen  
Council on Aging Board

April 1, 2013

# TOWN OF WELLESLEY



## SUPPLEMENT 2

### TO THE 2013 REPORT TO THE ANNUAL TOWN MEETING

by the  
ADVISORY COMMITTEE

### INDEX TO WARRANT ARTICLES

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Prepared on March 29, 2013

## ERRATA – 2013 ADVISORY REPORT

Article 8 on page 41 – The 1% wage increase for the Town’s Series 40 employees referenced in the penultimate paragraph is a typo and should be a 2% wage increase. The salary of the single Series 40 Library employee is calculated correctly and aggregated properly in the chart at the top of the page and in Article 8, Motion 2 on page 24.

Article 25 on pages 119-121 – Note that passage of the single consolidated motion in Article 25 requires a 2/3 vote by Town Meeting.

**ARTICLE 4.** To see if the Town will vote to amend ARTICLE 31 of the Town Bylaws by making changes in Schedule B entitled “Salary Plan – Pay Schedule” established under Section 31.6 which constitutes part of said Bylaws; to raise and appropriate, or otherwise provide, money therefor; or take any other action relative thereto.

**(Human Resources Board)**

*After the Advisory Report was mailed to Town Meeting Members, the Advisory Committee received updated information on a settled contract negotiation.*

### MOTION 4

This article seeks Town Meeting approval to amend Article 31, Schedule B of the Town Bylaws to make changes to salary and wage schedules consistent with the collective bargaining agreement reached with the Wellesley Police Superior Officers Association (“the Union”). Schedule B sets the rates of pay for all Town employees except School Department personnel.

The agreement is a two year contract through June 30, 2015. The incremental costs for FY14 associated with this negotiated contract have been included in the revised Motion 2, under Article 8. The key terms are as follows:

- **Base Salary Increase** – Under the agreement, base salary increases will be as follows:

	<u>FY14</u>	<u>FY15</u>
Sergeants	2.0%	2.0%
Lieutenants	1.5%-July 1 1.0%-Jan 1	1.5%-July 1 1.0%-Jan 1

Note that the contract has no steps.

- **Longevity** – Under the agreement, a provision for longevity at 10-14 years will be added and the other levels increase to the following, as an additional amount for services rendered in recognition of long service to the Town:

	<u>Currently</u>	<u>Under New Contract</u>
10-14 years	—	\$500
15-19 years	\$500	\$750
20-24 years	\$600	\$1,000
25-29 years	\$700	\$1,500
30 or more years	\$800	\$1,500

- **Night Differential** – Under the agreement, the night differential (the increase paid for work performed when the majority of an employee's regularly scheduled, non-overtime hours fall between 3 p.m. and 8 a.m., computed as a percentage of the employee's rate of basic pay) increase will be increased to 5.5% from 5.0% effective July 1, 2014.
- **Credit for years of services** – Under the agreement, an employee who has transferred to the Wellesley Police Department (WPD) from another police department and has completed two years of service with the WPD will receive credit for the time worked in the previous police department(s) for the purposes of calculating vacation allowance.

Advisory has reviewed the key elements of the contract and has received summary information on benchmark data and competitiveness. Advisory questioned the term of the agreement, as a three year contract has the benefit of providing greater certainty for future planning purposes. However, Advisory recognizes the many trade-offs required in good-faith negotiations and respects the decision of the parties to reach mutually-agreeable terms.

Advisory considers the annual increases stipulated in each of the two years in the term of the agreement to be reasonable and consistent with the Town's financial planning objectives. Advisory further recognizes that the contract does not include provisions for step increases as do many other Town contracts and therefore annual increases for employees under this agreement are limited to the base salary increases (plus any longevity).

Advisory believes that the negotiated agreement provides fair and reasonable compensation and is consistent with the financial objectives of the Town.

**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 Section 21c (g) of Chapter 59 of the General Laws, 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 2014 Tax Rate; or take any other action relative thereto.

**(Board of Selectmen)**

*Please see the 2013 Advisory Report on pages 21-87 for a discussion of Article 8. Additional information received after the Advisory Report went to print is provided below, which requires re-voting part of the Article. The Advisory votes on Motions 2 and 3 given on page 87 (which have now been consolidated into a single Motion 2) will be rescinded and Advisory will make its recommendation on Article 8, Motion 2 at Town Meeting.*

The following changes have been made to the tax-impact budget since the Advisory Book was printed:

<b>Department</b>	<b>Description</b>	<b>Additional Use of Free Cash</b>
Council on Aging (COA)	COA bus	\$25,000
Facilities Maintenance Department	Utilities for MLP/DPW building	(22,700)
Building Department	Re-leveling of Building Inspector's position	5,010
Police Department	Superior Officers Memorandum of Agreement	21,293
Police Department	Deputy Chief salary adjustment	(15,451)
<b>Total Adjustment</b>		<b><u>\$13,152</u></b>

The COA Expenses budget had been reduced in anticipation of transitioning from the current vendor to the Metrowest Regional Transit Authority. Because this transition now appears unlikely to happen, these funds are being restored to the COA budget. There are also incremental costs associated with the settlement of the Superior Officers contract described in Article 4, Motion 4 on page 264 and the Building Inspector's salary adjustment. These increased uses of Free Cash are partially offset by the decision not to move the FMD into the MLP/DPW building this summer which will save the Town utilities costs, as well as additional savings resulting from a Police Department salary adjustment.

An updated Sources and Uses table is provided below which replaces the one in the Advisory Book on page 4. The values which are different from the original chart are highlighted in gray.

**SOURCES AND USES AS OF 3/29/2013**

	<b>FY13</b>	<b>FY14</b>	<b>\$</b>	<b>%</b>
<b>Sources of Funds</b>	<b><u>Budget</u></b>	<b><u>Request</u></b>	<b><u>Inc/(Dec)</u></b>	<b><u>Inc/(Dec)</u></b>
Taxes	\$ 97,314,836	\$ 101,297,707	\$ 3,982,871	4.1%
State Aid <sup>1</sup>	8,872,646	8,852,646	(20,000)	-0.2%
Local Revenue	9,913,713	10,339,123	425,410	4.3%
Free Cash	2,837,757	3,156,408	318,651	11.2%
Other Sources <sup>2</sup>	1,674,310	1,855,303	180,993	10.8%
Exclusions & Exemptions	11,677,988	11,362,520	(315,468)	-2.7%
<b>Total Sources</b>	<b>\$ 132,291,250</b>	<b>\$ 136,863,707</b>	<b>\$ 4,572,457</b>	<b>3.5%</b>
<b>Uses of Funds</b>				
Schools	\$ 58,115,123	\$ 60,133,158	\$ 2,018,035	3.5%
Facility Maintenance	6,186,673	6,366,295	179,622	2.9%
Other Town Departments	25,517,269	26,000,086	482,817	1.9%
Employee Benefits	20,577,517	22,134,678	1,557,161	7.6%
Cash Capital	3,526,073	3,869,341	343,268	9.7%
Debt Service (inside Levy)	3,109,135	3,179,465	70,330	2.3%
Other Uses	3,581,472	3,818,164	236,692	6.6%
Exclusions & Exemptions	11,677,988	11,362,520	(315,468)	-2.7%
<b>Total Uses</b>	<b>\$ 132,291,250</b>	<b>\$ 136,863,707</b>	<b>\$ 4,572,457</b>	<b>3.5%</b>
Surplus/(Deficit-Override)	\$ 0	\$ 0		

In addition, the Board of Selectmen (BOS) has decided to change the structure of Article 8 and is proposing to consolidate the second and third Motions described in the Advisory Report on pages 22 and 87. (The first motion will remain the same.) Free Cash will not be appropriated in a separate motion but will be part of Motion 2 as in previous years. The sentence below will therefore be added to the end of the Article 8, Motion 2 on page 26:

“And further, to help meet said appropriations, authorize the Board of Assessors to use \$2,866,108 to be taken from Free Cash, as certified as of July 1, 2012, to reduce the fiscal year 2014 tax rate.”

In reverting to this approach, the BOS is trying to strike a better balance between the Department of Revenue’s expectations and the complexity of separating the appropriation of Free Cash from the omnibus budget motion. Note that the new Free Cash appropriation in Article 8, Motion 2 includes the additional \$13,152 described above. The total Free Cash given in the Sources and Uses chart above is this value (\$2,866,108) plus the additional \$290,300 proposed to be appropriated in Article 18 for the Tolles-Parsons Center (\$165,300) and Article 20 for the 210 Washington Street chimney/wall repair (\$125,000). Please be advised that the Sources and Uses numbers may change after this Supplement has been distributed.

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

<sup>1</sup> Note that the Local Revenue in “Sources of Funds” is \$20,000 less than previously reported; this is because the Inter-Library Loan contract has been updated. This contract, which has no tax impact to the Town, has a Personal Services component of \$143,637 and Expenses of \$106,363 with a total value of \$250,000. This contract was projected to be worth \$270,000 in the Regional Services line item under Wellesley Free Library budget on page 24 of the Advisory Report. The “Uses of Funds” has a corresponding \$20,000 reduction in the aggregated amount in the “Other Town Departments” category.

<sup>2</sup> The Other Sources now includes \$125,000 appropriated by CPC for the Article 20 chimney repair.

**ARTICLE 14.** To see what sum of money the Town will raise and appropriate, or otherwise provide, to the Permanent Building Committee for the cost of architectural, engineering and/or other services, for construction, reconstruction, remodeling, rehabilitation and/or modernization of the heating, ventilation, and air conditioning systems of the Department of Public Works Park/Highway Garages; 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)**

*Please see the 2013 Advisory Report on pages 97-98 for a summary of the proposed authorization of \$960,700 to the Permanent Building Committee (PBC) for the rehabilitation of the HVAC systems in the DPW's Park/Highway Building. Additional information received after the Advisory Report went to print is given below.*

The Board of Public Works has awarded the construction work to T. Snowden, Inc. and the PBC has recommended the following project cost structure, which is less than the \$1 million placeholder in the *Five Year Capital Budgeting Program*:

Construction	\$725,000
Alternate HVAC Temperature Controls	20,000
Architect's and Other Professional Services (including Commissioning and Hazmat testing and monitoring)	64,300
Other Professional Services (Clerk of the Works)	29,000
Other Costs (PBC Administration, PBC Expenses and Builder's Risk Insurance)	10,650
15% Contingency	111,750
<b>Total</b>	<b><u>\$960,700</u></b>

The BPW and PBC added an additional \$20,000 to the project for a superior type of HVAC controls which were included as an option in the original bid requests.

Advisory agrees that the proposed improvements to the Park and Highway Building HVAC system are necessary and appropriate. Advisory has reviewed the final costs and believes them to be reasonable and consistent with the Town-wide Financial Plan.

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

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

**ARTICLE 17.** To see what sum of money the Town will raise and appropriate, or otherwise provide, for architectural, engineering, and/or other services, for preparation of plans and specifications, for construction, reconstruction, remodeling, rehabilitation and/or modernization of;

- a) various Schools and other Town buildings; and
- b) former Municipal Light Plant substation (1 Municipal Way) for use as Facilities Maintenance Department offices;

to determine whether such sum shall be raised by taxation, through borrowing and/or by transfer from available funds including Community Preservation Funds; or take any other action relative thereto.

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

*Please see the 2013 Advisory Report on pages 100-103 for a summary of the proposed appropriations for the design development of eleven Town and School projects which are proposed to be funded through borrowing. Additional information received after the Advisory Report went to print is given below.*

It was stated in the Advisory Report that there would be one Motion under this Article. After further review, the Board of Selections (BOS) and School Committee (SC), in consultation with the Permanent Building Committee (PBC), have determined that two Motions are more appropriate. Motion 1 will cover those projects for which funds for either feasibility work or design development are being requested; Motion 2 will cover the full project costs associated with the School Department phone replacement/upgrade.

**MOTION 1**

This Motion requests the appropriation of \$771,030 to the PBC for design development of the projects listed below and to authorize the Town to fund this appropriation through borrowing.

FACILITY	PROJECT	AMOUNT
Fire Station #2	Floor Repair	\$45,400
Fire Station #2	HVAC Renovation	\$114,700
Police Station	HVAC Renovation	\$72,600
Warren	Repairs	\$70,630
Middle School		
Donizetti Entry Plaza	Repair	\$42,000
Auditorium Seating/Flooring	Repair/replacement	\$40,000
Sprague School		
Roof	Replacement	\$55,000
Oak Street Entry Plaza	Repair	\$108,700
Hunnewell School	Roof Repairs	\$36,000
District-wide Security	Upgrade	\$186,000
<b>TOTAL</b>		<b><u>\$771,030</u></b>

Please note that the cost of some of these projects differs from the preliminary estimates provided in the Advisory Report on page 100.

There was additional discussion of the most productive process for managing major capital maintenance and repair projects going forward. Advisory encourages the PBC, BOS, FMD and SC to work together in the coming months to define a process for overall project development, from feasibility to design to construction, so as to provide a consistent approach for all projects brought to Town Meeting for appropriation.

Advisory believes that the review conducted by the PBC has provided reasonable estimates of the scope and design work for each project listed. For these projects, Advisory supports the approach of requesting design funds at this stage to provide more accurate construction estimates in the future. Advisory anticipates that some or all of these projects will be brought forward in a future Town Meeting in a request for full project funds.

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

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

#### **MOTION 2**

This Motion requests the appropriation of \$411,000 to the PBC for the replacement/repair of the School Department telephone system and to authorize the Town to fund this appropriation through borrowing.

Details of this project were previously provided on page 102 of the Advisory Report.

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

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

# TOWN OF WELLESLEY



## SUPPLEMENT 3

### TO THE 2013 REPORT TO THE ANNUAL TOWN MEETING

by the  
ADVISORY COMMITTEE

### INDEX TO WARRANT ARTICLES

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Prepared on April 4, 2013

## ADVISORY VOTES AFTER DISTRIBUTION OF SUPPLEMENT 2

### Article 4

#### Motion 4

*Please see the 2013 Advisory Report Supplement 2 on pages 264-265 for the discussion of this Motion.*

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

### Article 8

#### Motion 2

*Please see the 2013 Advisory Report on pages 21-87 and Supplement 2 on pages 266-267 for the discussion of this Motion.*

**Advisory rescinds original vote, 10 to 0.**

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

### Article 14

*Please see the 2013 Advisory Report on pages 97-98 and Supplement 2 on pages 268 for the discussion of this Motion.*

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

### Article 17

*Please see the 2013 Advisory Report on pages 100-103 and Supplement 2 on pages 269-270 for the discussion of this Motion.*

#### Motion 1

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

#### Motion 2

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

**ARTICLE 20.** To see what sum of money the Town will raise and appropriate, or otherwise provide, for architectural, engineering and/or other services for preparation of plans and specifications for renovation of the Hills Branch Library (210 Washington Street), including without limitation the chimney, 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 including Community Preservation Funds; or take any other action relative thereto.

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

*Please see the 2013 Advisory Report on pages 110-112 for a summary of the proposed authorization of \$252,250 to the Permanent Building Committee (PBC) for the repair of the chimney and exterior wall at 210 Washington Street where the Hills Branch Library is located. Additional information received after the Advisory Report went to print and the Advisory recommendation is given below.*

**MOTION 1**

That the sum of \$252,250 be appropriated to the Permanent Building Committee for repairing, preserving and restoring the east facing chimney and wall of the Wellesley Hills Branch Library (listed on the *National Register of Historic Places* in 2007); that of said appropriation

1. \$126,125 to be taken from balances on hand in the Community Preservation Fund Historic Resources Reserve<sup>1</sup> provided that the Community Preservation Committee and the Wellesley Historical Commission certify that the contract for the work complies with the Standards for Rehabilitation stated in the United States Secretary of the Interior's Standards for the Treatment of Historic Properties codified in 36 C.F.R. Part 68;
2. \$126,125 to be taken from Free Cash, as certified as of July 1, 2012;

and that the Permanent Building Committee is authorized to take all action necessary to carry out this project.

The Board of Selectmen (BOS), Library Trustees, Community Preservation Committee (CPC) and Wellesley Historical Commission (WHC) have all endorsed the restoration of the 210 Washington Street chimney/exterior wall to its original appearance but without a functional fireplace. The project scope will repair damage to the chimney and reinforce the northeast wall to ensure its continued stability. The total project cost of the project is estimated by PBC to be \$252,250, which includes design through full construction funding. If approved, the appropriation will come from two funding sources: \$126,125 from the CPC Historic Resources Reserve and the balance (\$126,125) from Free Cash.

**Current Status**

The chimney has partially collapsed and has been temporarily stabilized. The PBC has estimated that the cost to stabilize it for another extended period would be \$23,000. Significant underlying issues have been found, including water infiltration and dissolving of the wall mortar, vine

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<sup>1</sup> Other Town projects partially funded from the CPC Historic Resources Reserve in the past include the Wellesley Farms Railroad Station, the Clock Tower at Elm Park, and preservation of components of the original Town Hall (former Wellesley Country Club building).

infiltration, and reduction of core stability of the chimney structure as the mortar erodes because the stones were not originally anchored to its internal core.

The chimney/wall structure is massive and the project includes reinstalling approximately 175 stones that weigh an average of 125 pounds each. The cost of cataloging the stones to be able to accurately replace them has already been incurred, and may be partially offset because it will provide a “roadmap” for reconstruction as well as help minimize the purchase of new stones. Bracing and stabilizing work is needed to secure the base of the wall to support the rebuilt chimney. Because the chimney/wall reconstruction requires skilled craftsmen, there is a limited pool of qualified bidders. The chimney will not possess a working flue, but a brick liner will be continued from the lower part of the chimney for structural reasons only.

The PBC has provided the following estimate for the chimney/wall repair project:

Construction Estimate	\$184,457
Professional Services (design, construction administration, historic consultant etc.)	30,000
Other Costs (PBC Administration, PBC Expenses)	7,369
Contingency (15%)	30,424
<b>Total</b>	<b><u>\$252,250</u></b>

Consideration was given to other design options which included: 1) truncating the chimney height at the point of believed stability (below the roof line) resulting in a half chimney; and 2) removal of the chimney structure to the shoulder, leaving no evidence of a chimney. All involved boards unanimously rejected these options, largely because the 210 Washington Street building is a Town treasure, listed on the *National Register of Historic Places* (as approved by the 2007 ATM), and these options were believed to seriously compromise the building’s original design. Additionally, CPA funding would not be available for these partial reconstructions<sup>2</sup> and future potential historical funding would be put at risk.

The PBC has opined that no other design option (e.g., using faux stones or a creating a custom veneer made from the existing stones) would be able to restore and preserve the visual appearance of the building. The size of the structure and its mass (12’ by 6’ at its base) is the principal driver of the chimney/wall repair cost, and therefore any approach taken to preserve the original appearance would have to be done on the same scale; appreciable savings in labor costs might not be possible. Those vetting the repair options indicate that it would not be visually acceptable nor technically feasible to simply add a faux extension on top of the existing portion of the original structure. Cutting existing stones to use them for the veneer would be costly, with stones needing to be moved off site, and some fraction of the stones might disintegrate when cut. A center core would need to be built regardless of which option (original or faux stone) was chosen. Finally, PBC feels that the chimney veneer would not necessarily last 50+ years (a PBC requirement), would probably look inferior, and there might be potential difficulties in surface bonding.

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<sup>2</sup> According to the Massachusetts General Laws Chapter 44B Section 2, with respect to historic resources, "rehabilitation" shall comply with the Standards for Rehabilitation stated in the United States Secretary of the Interior's Standards for the Treatment of Historic Properties codified in 36 C.F.R. Part 68. The CPC accepts guidance from the WHC in applying Department of Interior standards with respect to historic preservation and rehabilitation. The WHC also advises the CPC about whether Town projects are eligible for funding from the CPC Historic Resources Reserve.

In considering this project, Advisory has repeatedly asked for a more comprehensive look at the repair possibilities, including cost estimates for non-historical construction which would clarify the historical "premium" that is being proposed for this project. While Advisory is not recommending a non-historical approach, a more thorough evaluation of this project would have been possible were the spectrum of options well understood and accurate cost estimates of these other options available. Advisory also notes that it would have been helpful to have had a single sponsor take ownership of this Article, and that part of the confusion in determining project scope and arriving at a timely repair estimate has stemmed from a lack of clarity over which Board is ultimately responsible for this repair project.

A substantial minority of Advisory believes that the Boards have not adequately explained what the historical regulations are for the chimney/wall repair in order to maintain *Historic Register* status. While these members completely support the preservation and maintenance of the Town's historical assets, they fear that the process this project has followed could set an unfortunate precedent for historical projects, whereby rigorous and thoughtful deliberation with a desire to control costs is perceived as a lack of respect and support for historic projects. Although the proposed chimney/wall repair option may in fact be the correct choice for the 210 Washington Street building, these Advisory members are not confident that Advisory has been able to vet the project thoroughly and responsibly.

The majority of Advisory agrees that the chimney and exterior wall need to be repaired as soon as possible as the structure is compromised by water infiltration and poses a safety liability; to continue to delay also risks further damage to the building. They feel that spending additional funds to stabilize the chimney for another extended period does not make constructive progress towards ultimately fixing the building's deficits. A majority believes that waiting until another Town Meeting to resolve this project will increase the eventual repair cost. While in large part agreeing that the process for deriving this chimney/wall design has been suboptimal, the majority of Advisory encourages Town Meeting to appropriate the \$252,250 cost of the project now so that the repairs can be completed in the fall, avoiding the time and additional expense of winter construction.

It is clear that there are a number of Town assets which are expected to require significant investment in next 10-12 years and a comprehensive plan for future facilities spending is expected to be presented to Town Meeting in fall 2013 or shortly thereafter. In Article 17, Advisory recommended that the BOS, PBC, and FMD define a process for overall project development, from feasibility to design to construction, which provides a consistent approach for all repair/maintenance projects brought to Town Meeting for appropriation. As part of this effort, Advisory recommends including a defined approach for maintaining and restoring the Town's historical assets, including a transparent and rigorous process in which the costs and benefits of construction alternatives are clearly articulated.

**Advisory recommends favorable action, 6 to 5.**

**ARTICLE 33.** To see if the Town will vote to prohibit the smoking, ingesting, or otherwise consuming marijuana on any land owned or under control of the Town by amending Town Bylaws Article 49 Police Regulations to establish a new Section 49.19A Consumption of Marijuana Prohibited to read substantially as follows (said proposed version being subject to change before or at Town Meeting):

No person shall smoke, ingest, or otherwise use or consume marijuana or tetrahydrocannabinol (as defined in Massachusetts General Laws Chapter 94C, Section 1, as amended) while in or upon any street, sidewalk, public way, including any person, in a motor vehicle while it is in, on or upon any public way or any way to which the public has right of access within the limits of the Town of Wellesley, footway, passageway, stairs, bridge, park, playground, beach, recreation area, boat landing, public building, schoolhouse, school grounds, cemetery, parking lot, or any area owned by or under the control of the Town, or in or upon any bus or other passenger conveyance operated by a common carrier within the Town, or in any place to which the public has a right of access.

Violation of this Section is punishable by a fine of \$300, ~~enforceable through criminal indictment or complaint under General Laws Chapter 40, Section 21 or by non-criminal disposition under General Laws Chapter 40, Section 41D.~~ If said fine is unpaid through the non-criminal disposition process as outlined under Bylaw Article 52, Non-criminal Disposition, such payment shall be enforceable through indictment or on complaint before a district court. Any penalty imposed under this Bylaw shall be in addition to any civil penalty imposed under General Laws Chapter 94C, Section 32L.

Copies of any new version being proposed to be available for inspection in the Selectmen's office; or take any other action relative thereto.

**(Board of Selectmen)**

*Please see the 2013 Advisory Report on page 139 for a summary of the proposed amendment to the Town Bylaw prohibiting smoking, ingesting or otherwise consuming marijuana on Town land.*

The third paragraph of the proposed Bylaw has been re-worded by striking part of the first sentence and adding the underlined sentence to make it clear that if the fine is paid under the noncriminal disposition procedure (Town Bylaw 52), the infraction will not be a criminal matter. If the fine is not paid, however, enforcement will be through the criminal side of the district court. Additionally, the relevant section of the Massachusetts General Laws in the original Motion language should have been Chapter 40, Section 21D and not Chapter 40, Section 41D.

By referencing the Town Bylaw Article 52 which clearly articulates the Non-Criminal Disposition of rule or regulation violations and references the correct section of the Massachusetts General Laws, the BOS is clarifying the penalty that non-payment of the fine will engender.

Advisory agrees that this change in language is a simple clarification with no substantive change to the original Motion. Because the Motion language was altered, Advisory has rescinded their previous vote and re-voted this Motion.

**Advisory rescinds original vote, 10 to 0.**

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

# TOWN OF WELLESLEY



## SUPPLEMENT 4

### TO THE 2013 REPORT TO THE ANNUAL TOWN MEETING

by the  
ADVISORY COMMITTEE

### INDEX TO WARRANT ARTICLES

ARTICLE	SUBJECT	PAGE
	<b>APPROPRIATIONS – OPERATING AND OUTLAY</b>	
4.	Amend Salary Plan – Pay Schedule .....	278

Prepared on April 7, 2013

**ARTICLE 4.** To see if the Town will vote to amend ARTICLE 31 of the Town Bylaws by making changes in Schedule B entitled “Salary Plan – Pay Schedule” established under Section 31.6 which constitutes part of said Bylaws; to raise and appropriate, or otherwise provide, money therefor; or take any other action relative thereto.

**(Human Resources Board)**

*After the Advisory Report was mailed to Town Meeting Members, the Advisory Committee received updated information on a settled contract negotiation.*

#### **MOTION 5**

This article seeks Town Meeting approval to amend Article 31, Schedule B of the Town Bylaws to make changes to salary and wage schedules consistent with the collective bargaining agreement reached with the Wellesley School Custodians and Tradesmen (“the Union”). This group of employees is now part of the Facilities Maintenance Department (FMD). Schedule B sets the rates of pay for all Town employees except School Department personnel.

The agreement is a one-year contract through June 30, 2014. Half of the incremental costs for FY14 associated with this negotiated contract have been included in the revised Motion 2, under Article 8 (\$23,348) and the remainder will be taken from Free Cash (\$23,348). The key term is as follows:

- **Base Salary Increase** – Under the terms of the agreement, the wages rates for all job classifications will increase by 2% effective July 1, 2013

Advisory has reviewed the key elements of the contract and has received summary information on benchmark data and competitiveness. Although a multi-year contract would provide greater certainty for planning purposes, Advisory recognizes that the recent transition of the Union to the FMD raised complexities that will be better resolved after a year of experience. Advisory recognizes the many trade-offs required in good-faith negotiations and respects the decision of the parties to reach mutually-agreeable terms.

Advisory considers the annual increase stipulated in the term of the agreement to be reasonable and consistent with the Town’s financial planning objectives. Advisory believes that the negotiated agreement provides fair and reasonable compensation and is consistent with the financial objectives of the Town.

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