

# TOWN OF WELLESLEY



**REPORTS TO THE  
ANNUAL TOWN MEETING  
7:30 P.M. ON MONDAY, MARCH 31, 2014**

**AND THE**

**SPECIAL TOWN MEETING  
7:30 P.M. ON TUESDAY, APRIL 8, 2014**

**AT THE KATHERINE L. BABSON, JR. AUDITORIUM,  
WELLESLEY HIGH SCHOOL**

**By the  
ADVISORY COMMITTEE**

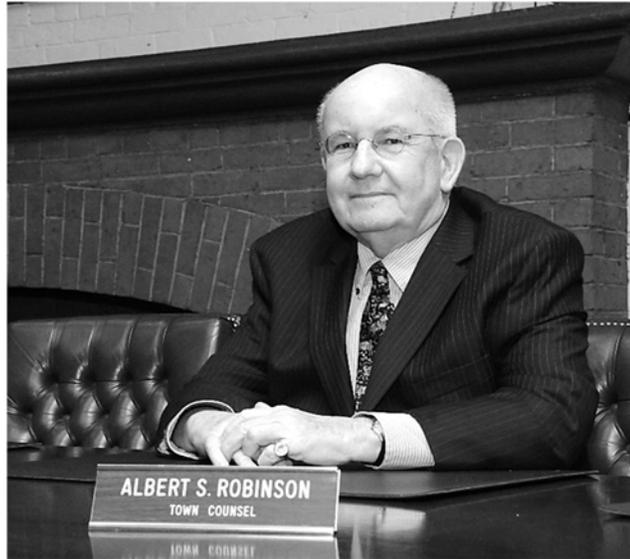
**BOARD OF SELECTMEN  
SCHOOL COMMITTEE  
COUNCIL ON AGING  
COMMUNITY PRESERVATION COMMITTEE  
FULLER BROOK PARK COORDINATING COMMITTEE  
PLANNING BOARD  
SINGLE BUILDING HISTORIC DISTRICT STUDY COMMITTEE  
SUSTAINABLE ENERGY COMMITTEE**

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

**For more information and updates, please visit [www.WellesleyMA.gov](http://www.WellesleyMA.gov)**

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With deep appreciation and gratitude, we dedicate this 2014 Annual Town Meeting Advisory Report to Albert S. Robinson, Wellesley's Town Counsel since 1977. For 37 years, Al has been our trusted and wise advisor, counselor, teacher and friend. He has taught us that open communication, collaboration, and respect for differing perspectives are the keys to successful town governance and community endeavors. He has guided us through laws, regulations, negotiations, acquisitions, redevelopment and construction projects, special legislation, zoning issues, town meetings, litigation, and much more with his extraordinary intellect, thoughtfulness, tenacity, grace and humor. We thank Al for his invaluable service and contributions to our community.

Town of Wellesley  
Board Members, Staff and Residents

March 13, 2014

TOWN OF WELLESLEY



**ADVISORY COMMITTEE LETTER**  
**ANNUAL TOWN MEETING March 31, 2014 at 7:30 p.m.**  
**SPECIAL TOWN MEETING April 8, 2014 at 7:30 p.m.**  
**Katherine L. Babson, Jr. Auditorium**  
**Wellesley High School**

**TERM ENDS 2014**

Robert Capozzi  
Becky Epstein  
Marjorie Freiman, Chair  
Ann Marie Gross  
Deborah Robi

**TERM ENDS 2015**

Thomas Engels, Vice-Chair  
John Hussey  
Lucy Kapples, Secretary  
Andy Patten, Vice-Chair  
Ann Rappaport

**TERM ENDS 2016**

Mary Crown  
Tom Frisardi  
John Hartnett  
Mason Smith  
Scott Tarbox

To the Citizens of the Town of Wellesley:

March 21, 2014

This year's Annual Town Meeting will convene on Monday, March 31, 2014, at 7:30 p.m. in the Katherine L. Babson, Jr. Auditorium at the Wellesley High School to consider the budget for fiscal year 2015 (FY15), requests for appropriations and construction funds, and proposals to amend Zoning and Town Bylaws. The Special Town Meeting will convene at 7:30 p.m. on Tuesday, April 8, 2014, to consider two additional articles. All residents are welcome to attend the meetings in person, or to follow the proceedings on Wellesley Media Corporation's Government Channel (Comcast Channel 8 or Verizon Channel 40). The Advisory Committee encourages citizen participation in Town Meeting, as there are many issues with broad implications, financial and otherwise, being presented this year.

This letter presents the Advisory Committee's perspective on key features of the FY15 budget and Town-Wide Financial Plan. The letter also highlights other significant issues on the Warrants for the Annual and Special Town Meetings, which are described in further detail in the accompanying *Reports to the Annual Town Meeting* (the "Report"). Noteworthy articles include:

- Acceptance of the Board of Selectmen's Town Wide Financial Plan and Five-Year Capital Budget Program (Article 2);
- Appropriations for amendments to Salary Plans, including settlement of several union contracts (Article 5);
- A proposed balanced budget for FY15 and additional budget items which will be subject to an **override vote** (Article 8) (see page 7-8 for details);
- Appropriation or borrowing of funds for:
  - The Fuller Brook Park Restoration Project construction (Article 15);
  - Repairs and renovations at a number of Town and School buildings (Article 16);
  - Extension of the 2012 Purchase and Sale Agreement for 900 Worcester Street, coverage of the un-levied real estate taxes on the taxable portion of the property, and an appropriation for legal services which may be needed (Article 18);
  - New fire apparatus (Article 23);
  - Purchase of the property at 494 Washington Street to increase the available land area for the construction of the Tolles Parsons Senior Center planned for 496 Washington Street (Special Town Meeting Article 2);

- Demolition of the former Municipal Light Plant (MLP) office building by the MLP and transfer of jurisdiction of the land from the MLP to the Board of Selectmen (Article 26);
- Adoption of the “Valor Act” to enable military veterans to provide personal services to the Town in lieu of paying a portion of their real property taxes (Article 29);
- Formation of a Town Government Study Committee (Article 30);
- Creation of two single-building historic districts (Article 33);
- Zoning provisions for Registered Marijuana Dispensaries (Article 34);
- Development of new Town-wide sustainable energy goals (Article 37); and
- Amendment of Article 19 of the Town Bylaws by adding a provision that the Selectmen, in granting licenses for the purchase of wine and malt beverages not to be consumed on the premises, shall limit the issuance of those licenses to food stores and specialty food stores (Special Town Meeting Article 3).

The Advisory Committee extends its gratitude to the Town employees, elected and appointed officials, and concerned citizens who devote their time, energy, and expertise to the Town by serving on boards and committees. Especially this year, when an override of Proposition 2 ½<sup>1</sup> will be necessary to fund all desired services and expenses, many additional hours of work have been necessary to prepare the core budget and the lists of items (the “gap list”) which will be funded only if the override is approved by Town Meeting and the voters. Moreover, dozens of meetings have been held with boards and committees requesting adjustments in their budget requests in an attempt to narrow the margin of the deficit. Advisory appreciates the extensive work of the Executive Director of General Government Services, Hans Larsen, the Finance Director, Sheryl Strother, and their staffs in preparing and providing updates to the Advisory Committee through multiple presentations and regular meetings.

The Advisory Committee Report represents months of work by the members of the Advisory Committee in hearing detailed presentations of department, board, and committee budgets; asking questions; clarifying and questioning assumptions; requesting additional information; and suggesting areas for potential cost reductions and increased efficiencies. Moreover, Advisory has spent countless hours discussing and debating the approach to financial planning beyond particular departmental budgets, including the Town Wide Financial Plan and Five Year Capital Plan. There have been many changes in budgets during this iterative process, and final results often differ from the original requests.

It is important to note that Advisory recommendations, which may or may not be unanimous, represent serious and thoughtful deliberation among one of the few Town boards charged with considering the best interests of the Town as a whole, and that many of our discussions centered on how best to balance divergent interests and needs. The *Advisory Report* provides the background and context within which Town Meeting can examine these important issues and vote as a community in the best interests of our Town and its residents.

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<sup>1</sup> Proposition 2 ½ is a Massachusetts statute, passed by ballot measure, which went into effect in 1982. It limits the amount by which municipalities can increase the real estate tax levy each year in two distinct ways. First, a town may not levy more than 2.5% of the assessed value of all property in the town; second, the levy in any given year may not increase more than 2.5% above the levy limit of the prior year plus the amount attributable to taxes from new development. One way to authorize the assessment of taxes beyond the 2.5% limit is for the voters to authorize a Proposition 2 ½ override, which increases the levy limit by the amount of the override; the override then becomes a permanent part of the levy limit base. Note that the US inflation rate has exceeded 2.5% in 26 of the past 32 years.

## Key features of the Proposed Fiscal Year 2015 Budget

The details of the FY15 budget are presented in this Report under Article 8 (see pages 33-98) and the FY15 Sources and Uses statement is provided below. Advisory has presented its perspective on and analysis of the major components under that article. The following information is useful in viewing the Town's financial situation in a larger context:

1. The Town's expenses are rising faster than its revenues. Real property taxes, State Aid, Local Revenue, and Free Cash are increasing at lower levels than our costs ("Sources" for FY15 are projected to increase 0.8% and "Uses" are projected to rise 3.2%<sup>2</sup>);
2. As of March 21, the FY15 Budget (Article 8) reports a deficit of \$3.345 million and the current Town-Wide Financial Plan shows projected deficits increasing from \$2.8 to \$4 million from FY16-FY18;
3. At the time this report went to press, the Library Association, Teachers, DPW Production, Firefighters, and School Custodians were all engaged in collective bargaining;
4. Health insurance and pension contribution costs continue to rise, and the ten-year debt exclusion for Other Post-Employment Benefits (OPEB) will expire at the end of FY17;
5. Cash-capital spending on facilities maintenance continues to rise at the same time as multiple Town and School renovation/reconstruction projects are being contemplated;
6. At least four debt exclusions are planned between now and FY19 (for the proposed Tolles Parsons Senior Center; Fiske and Schofield Schools; Hardy, Hunnewell, and Upham Schools; and the Middle School); additional facilities work is being contemplated at Town Hall; and the Facilities Maintenance Department needs a permanent office location;
7. Levels of reserves, projected to be 9% at the end of the current fiscal year, are at the low end of the 8-12% range specified by the new Selectmen's policy;
8. The median tax bill rose 4.7% in FY14, and is projected to grow by 5.3% in both FY15 and FY16. Above the 2.5% increase allowed under Proposition 2 ½, the additional increase in the median tax bill is attributable to the increase in the levy growth, the override, and planned debt exclusions. Offsetting these increases, several dozen of the Town's housing units are replaced each year by larger and more valuable homes, which has the effect of raising the median home value and correspondingly lowering the median tax rate.

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<sup>2</sup> Adding the annual, permissible Proposition 2 ½ increase to new growth yields a number that is lower than the sum of the increases in the Town's contracted personal services costs, pension contributions, and health insurance premiums, even without considering other cost increases. Thus, each year the Town faces a "structural deficit" in which its available revenue cannot keep pace with its increased costs.

	<b>FY14</b>	<b>FY15</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	\$ 101,404,728	\$ 105,477,347	\$ 4,072,619	4.0%
State Aid	9,022,255	8,996,255	(26,000)	-0.3%
Local Revenue	10,208,477	10,443,703	235,226	2.3%
Free Cash	2,866,108	2,250,000	(616,108)	-21.5%
Other Sources	3,954,445	1,626,959	(2,327,486)	-58.9%
Exclusions & Exemptions	11,169,533	10,942,965	(226,568)	-2.0%
<b>Total Sources</b>	<b>\$ 138,625,546</b>	<b>\$ 139,737,229</b>	<b>\$ 1,111,683</b>	<b>0.8%</b>
<b>Uses of Funds</b>				
School	\$ 60,139,338	\$ 63,894,619	\$ 3,755,281	6.2%
Facilities Maintenance	6,432,097	6,624,780	192,683	3.0%
Other Town Departments	26,074,611	26,696,771	622,160	2.4%
Employee Benefits	22,174,678	23,667,021	1,492,343	6.7%
Cash Capital	3,872,341	4,282,768	410,427	10.6%
Debt Service (inside Levy)	3,179,465	3,728,096	548,631	17.3%
Other Uses	5,390,495	3,245,210	(2,145,286)	-39.8%
Exclusions & Exemptions	11,362,521	10,942,965	(419,556)	-3.7%
<b>Total Uses</b>	<b>\$ 138,625,546</b>	<b>\$ 143,082,230</b>	<b>\$ 4,456,684</b>	<b>3.2%</b>
<b>Surplus/(Deficit)</b>				
	\$ 0	\$ (3,345,000)		

### **Balanced Budget and Override**

Advisory entered FY14 with the expectation that an override would be needed to balance the FY15 budget. Guidelines were issued which were consistent with the Town-Wide Financial Plan – a 1.75% increase in personal services, and a 0% increase in expenses. Departments were advised in early fall that the Town could cover that level of increase within a balanced budget, and that amounts in excess of the guidelines would require a favorable override vote in May to provide necessary funding.

Several departments submitted budgets that exceeded the guidelines. In almost all cases, departments with large variances from guidelines were asked to submit a list of services and expenses close, or equal to, that variance, which would be at risk should the voters not approve the override. Two exceptions to that practice were the Town Clerk's Office and the Assessor's Office. Additional expenses in the Town Clerk's budget are necessary because there will be three elections in FY15 compared with one in FY14; and the Assessor's Office has an extended workload in the coming year resulting from the recertification of all taxable property in Town. Advisory appreciates the efforts of those boards and departments which submitted budgets within the prescribed guidelines and acknowledges that the necessary choices were not always easy.

Advisory was also aware that several union contracts were being renegotiated during the year. It is challenging to issue budget guidelines and confer with Town departments during the pendency of the negotiations, as not all information is available during the budget preparation process. Certain assumptions have been made about the budgetary impact of the as-yet

unsettled union contracts, and allowances have been made so that even if the override is not approved, the affected departments will be in a position to meet their negotiated expenses.

The Town's operating budget will be presented in two parts: a proposed balanced budget of \$137 million (the "core budget"), and the additional items which exceeded the guidelines, totaling \$3.345 million, the inclusion of which will be contingent upon a favorable vote on the override. The specific departments included in the override have been asked to prepare lists detailing which items will be at risk in their budgets should the override fail. The Schools' share of the override is \$2.83 million and the School Committee has presented a detailed "Gap List" which may be found on their website at [www.wellesley.k12.ma.us](http://www.wellesley.k12.ma.us) and throughout the Schools' section of this Advisory Report on pages 59-87. Other Town department participants in the override are the Board of Selectmen (\$222,000), Department of Public Works (\$100,000), Permanent Building Committee (\$92,000), Library (\$82,000), Recreation Department (\$12,000) and Morses Pond (\$7,000). Town Meeting will be asked to approve the core budget so that if the override does not pass, a balanced budget will remain in place.<sup>3</sup> The wording of the ballot question, which will be asked of voters in May, has not yet been determined by the Board of Selectmen.

Advisory recognizes that with respect to the proposed override, voter approval is required to raise the tax levy beyond the Proposition 2 ½ limits. The mechanism exists exactly for this purpose – to allow the voters to determine whether they choose to support particular appropriations beyond those that would yield a balanced budget. It is important for residents to consider whether those Proposition 2 ½ limits present a reasonable and realistic cap to the expenditures the Town should (or wishes to) make during the coming fiscal year to further its stated objectives. The override vote provides the opportunity for voters to voice their opinion on the level of proposed expenditures -- whether they consider them reasonable and are willing to support them.

## **Sources of Funds**

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

The proposed budget reflects a \$4 million increase in inside-the-levy tax revenue, including the allowed 2.5% increase to the existing tax base plus \$1.5 million from new growth. The level of State Aid is projected to decrease by \$26,000, while an increase of \$235,226 (2.3%) is assumed for Local Revenue from increases in fees and excise taxes. The decrease in Exclusions of 2.0% reflects the pay-down of the Town's excluded debt.

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

In addition to the budgetary reductions that departments were asked to make which will return to the budget if the override is approved, the Board of Selectmen proposes to use \$2.25 million of Free Cash toward balancing the FY15 budget. After carefully reviewing the potential options, Advisory members support the use of this level of Free Cash to balance the budget. The Town had \$14 million in reserves (Stabilization Fund balance of \$3 million plus \$11 million in certified Free Cash) at the start of the current fiscal year, representing 11.3% of current net operating

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<sup>3</sup> This practice differs from the procedure that was followed at the 2006 Annual Town Meeting at which the most recent override was sought in Wellesley. The language in the Article 8 motion at the 2006 ATM read, in relevant part, as follows: "Provided further, that the foregoing appropriations, excluding debt service, are contingent upon the passage of a referendum question under Paragraph (g) of Section 21C of Chapter 59 of the General Laws, as amended, authorizing \$2,961,718 of said appropriation to be raised in excess of the Proposition 2 ½ limits." In that case, had the override not been successful, technically there would have been no approved appropriations at all.

revenue. This percentage falls well within the 8-12% of operating revenue guidelines set by the Selectmen in the new reserves policy. With the proposed use of \$2.25 million in reserves to balance the FY15 budget, the projected level of reserves at the end of the fiscal year would drop to 9.0%, still within the guideline. Advisory notes that the level of reserves available next year to apply to balance the FY16 budget and still stay above the 8% reserves-to-revenue ratio will be closer to \$1 million, quite a bit lower than the \$3.0 million average in Free Cash used annually since FY10.<sup>4</sup>

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

### ***Personal Services***

The increase in salary expense is driven mostly by increases for existing employees, not by the expansion of positions or the addition of new staff. Employees covered by collective bargaining agreements are entitled to “step” increases (for longevity) each year, and in the School Department, there are also “lane” increases for educational advancement. Employees who are not yet on the top step are entitled to these step increases (which range from 4.2% to 5.6% for Police Patrolmen, Superior Officers, DPW Production, Firefighters and Teachers, for example) in addition to the contracted increase.<sup>5</sup> This year, there are also a substantial number of new school employees (net equivalent of 28.38 full-time employees (FTEs), 18 of whom are teaching assistants). These combined increases contribute \$3.7 million dollars to the budget, including placeholder salary increases for certain departments pending successful conclusion of collective bargaining agreements. There are also other increases under consideration in Articles 5 and 6.<sup>6</sup>

At the time this letter was written, collective bargaining discussions for MLP Production, MLP/DPW Supervisors, and Police Patrolmen, Superior Officers and Dispatchers have been concluded, while negotiations of five bargaining units remain ongoing, including some of the Town’s largest. Facilities (School Custodians), Firefighters, DPW, and Library Association collective bargaining agreements will be subject to approval and funding appropriation by Town Meeting; the Teacher collective bargaining agreements are subject to approval by School Committee and funding appropriation by Town Meeting.

Generally, the FY15 annual cost of living salary increases are expected to range from 0% to 3%. The Human Relations Board (HRB) recommended salary increases in the amount of 3% for all Series 40 (non-exempt) employees, noting that the salaries and ranges lagged significantly behind the towns whose pay scales serve as benchmark measurements for Wellesley. When movement along “steps” is included, total wage increases can range from 7-8%, though the average is closer to 3.8%.

### ***Employee Benefits***

The cost of employee benefits, which include health insurance, retirement pension contribution and health insurance for retirees (Other Post-Employment Benefits - OPEB), continues to exhibit high growth, primarily because of the increase in pension funding (the tax-impact portion of which has increased approximately \$1 million over FY14) and increases in health care costs. The pension fund was fully funded in 1997 and the Town did not contribute any additional amount for ten years prior to the fund’s decline in value in late 2008. Since that time, the Town has worked to rebuild the assets in accordance with the recommendations of the Retirement Board by funding not only current-year contributions (“normal costs”) but also catching up with

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<sup>4</sup> The amount of Free Cash used was \$0.98 million in FY10, \$3.72 million in FY11, \$3.11 million in FY12, \$3.63 million in FY13 and \$3.64 million in FY14.

<sup>5</sup> The percentages of unionized contract employees on steps include: 22% of Police Patrolmen, 21% of Firefighters, 6% of DPW Production, and 57% of Teachers.

<sup>6</sup> The proposed increase under Article 6 will be appropriated under Article 8.

the now-unfunded, already-incurred liability. These increases have consumed a significant proportion of the levy growth over the last five years. There has been positive news, however; pension assets exhibited positive performance in calendar year 2013, and the *rate* of increase in pension funding is expected to decrease after this fiscal year. Nevertheless, 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.

A health insurance rate increase of between 1.6% and 17.8% for active employees and 3% for retirees is included for FY15; in FY16 and beyond, an average increase of 5% is anticipated. In the fall of 2013, the Board of Selectmen instituted a policy whereby each time a department adds a net new full-time benefitted position, it must increase its budget in that year by \$20,000 (\$7,500 for new teaching assistants) to cover the anticipated benefits of that position. In subsequent years, the costs are included in the Group Insurance line in the Employee Benefits portion of the budget. The objective is to reinforce to departments the true costs of adding new, full-time employees. This year, the Town opted not to adopt Massachusetts General Laws (MGL) Chapter 32B, Sections 21/22, which would initiate the process for the Town to move to Group Insurance Commission (GIC)-comparable rates, but if the rate comparisons prove substantially favorable during the coming fiscal year, that option may be reconsidered. Finally, a plan will be needed to extend OPEB funding when the debt exclusion expires in 2017. The Town voted a ten-year debt exclusion in 2007 for \$1.8 million per year toward the \$3 million annual cost, with the balance of \$1.2 million being paid from current funds.

Municipal, state and national governments are all struggling to adequately fund their pension and health care obligations to current and retired employees. Wellesley is taking aggressive action to address these funding obligations. The pension and OPEB contributions are substantial for past and present employees and divert significant Town resources that, under other circumstances, could be used to fund Town operations. However, they must be made, as delaying or lowering the payments will only compound the problem in future years. In fact, Wellesley is quite progressive in its plan to address these obligations, as many other localities have not yet begun to fund their future obligations or are doing so at a much lower rate.

#### ***Facilities Maintenance Department (FMD)***

The FY15 budget includes funding for the fully-staffed department, which is responsible for 1.1 million square feet of municipal building space. The funding of a new full-time Building Operations Liaison position was approved at the 2013 Special Town Meeting; however, the position has not yet been filled, and should the override prove unsuccessful, this position would be eliminated from the budget for FY15.

#### ***Permanent Building Committee (PBC)***

PBC expanded a formerly part-time Projects Assistant position to full time to assist with project management, finances, and planning. Originally, PBC had planned to change its budget structure to recapture all of its personal service expenses, formerly allocated proportionally to individual projects, within its own operating budget. The result would be a substantial increase in its personal services budget, but it would simplify financial accounting and monitoring of project expenses and represent within the Committee's budget the full personal services cost attributable to its active projects. PBC has since been asked to postpone that change if the override does not pass. Advisory notes that if and when the accounting change is made, project budgets will no longer include personal service costs, which will lower the reported cost of a project, but the project figures will not fully represent total project costs.

### **Capital Budget**

The cash capital budget reflects the expanded capacity of the FMD to undertake repairs and furthers the Town's objective to conduct appropriate building repair and renovation. Prior to the creation of the FMD, facilities maintenance and planning were decentralized and facilities work was often delayed in favor of other projects and expenses. With the FMD in place and fully-staffed, addressing the long-overdue maintenance of Town buildings is critical to maintain these assets and extends the life of the buildings themselves.

The FY15 request of \$1.5 million for FMD cash capital represents an intermediate level of funding (compared to the FY14 request of \$1.1 million) and is projected to reach the FMD's target level of \$2 million by FY17. Other capital requests from debt and other funding sources include Fuller Brook Park (Article 15); repairs and renovations at a number of Town and School buildings, design funds for which were appropriate at the 2013 ATM (Article 16); forgiveness of real estate tax and the potential legal fees in furtherance of the acquisition of the land at 900 Worcester Street (Article 19); and new fire apparatus purchase (Article 23).

### **Future Facilities Spending**

The School Committee requested design and study funds at the 2013 Special Town Meeting for projects at several schools and construction funds for those projects are on the Warrant for this ATM. Debt exclusions are anticipated at a fall 2014 Special Town Meeting for renovations to Fiske and Schofield Schools; in FY17 and FY19 for design and construction, respectively, for Hardy, Hunnewell and Upham Schools; and in FY18 for renovations at the Middle School. Last year the Board of Selectmen had included potential renovations at Town Hall on its capital plan, and the FMD does not have a suitable, permanent home. These projects may be raised again at a future time.

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

#### *Article 15 – Fuller Brook Park*

Planning for the renovation and construction of Fuller Brook Park commenced in 2004 and has proceeded completely through Phases 1-3, planning and design. Design plans have been completed, and a maintenance and management plan for the Park is in place. Bids have been received and this Article would approve dual-source funding for the project; the Community Preservation Committee has committed \$4.5 million, and the remaining \$970,205 will be funded by borrowing under the levy.

#### *Article 18 – 900 Worcester Street*

At the spring 2012 Special Town Meeting, purchase of the property at 900 Worcester Street, the site of the former Saint James the Great Church, was approved subject to the resolution of all Canon Law appeals and the satisfactory completion of due diligence work. Since that time, one appeal to the Vatican has been resolved, but the second and final appeal remains pending. The Purchase and Sale Agreement also provided that after two years, either party would have the right to withdraw from the transaction. The Town and Archdiocese are asking to extend the time within which the Archdiocese has to satisfy the Canon Law Conditions for one more year. Moreover, an appropriation of \$27,000 is being sought to cover the un-levied real estate taxes on the non-exempt portion of the property, and \$20,000 is being sought to cover potential legal expenses related to the acquisition or due diligence work.

#### *Article 26 – Demolition of the former MLP building*

The MLP relocated its offices to the new building on Municipal Way in 2013 and has no further need for its former building located at 2 Municipal Way. Pursuant to Town Bylaws, it made the building available to any other Town department which might wish to use the space, and every department declined to accept the offer. Two citizens' groups considered bringing a Citizen

Petition to this Town Meeting to delay demolishing the building until studies could be performed on the suitability of using the space for local artist groups. They have since declined to pursue the Petition. Article 26 seeks approval for the MLP to conduct and pay the costs of appropriate abatement and to demolish the building, and then to transfer jurisdiction of the land from the MLP to the Board of Selectmen.

*Article 29 – Acceptance of the Valor Act I*

The Board of Selectmen seeks authorization to adopt Section 5N of Massachusetts General Laws Chapter 59 and establish a local program whereby military service veterans may satisfy up to \$1,000 of their property tax obligations through the provision of personal services, either personally or through a representative. Several neighboring communities have adopted the Valor Act and it is on the Warrant for ATM in many others throughout the Commonwealth.

*Article 30 – Town Government Study Committee*

The Board of Selectmen seek authorization to create a nine-member, Moderator-appointed Town Government Study Committee to study and make recommendations on the structure of Town government, roles and terms of elected Boards and Committees, the authority of the Executive Director of General Government Services, centralization of Town functions, and the structure and operation of Town Meeting. The Committee will report findings and recommendations at the 2015 Annual Town Meeting.

*Articles 33 – Historic District Overlay*

The Board of Selectmen and Planning Board seek approval to amend the Zoning Bylaws to create single-building historic district overlays at two locations in Wellesley: 26 Elmwood Road (the Sylvia Plath House) and 126 Woodlawn Avenue (the Joseph Fiske House).

*Article 34 – Marijuana Cultivation, Use, Sale and Regulation of Dispensaries*

The Board of Selectmen and Planning Board seek approval to amend the Zoning Bylaw to regulate many issues relating to the use and sale of marijuana in Town, and to define and regulate Registered Marijuana Dispensaries. Certain other issues, such as hardship cultivation and delivery, are not addressed in these regulations.

*Special Town Meeting Article 2 – Purchase of Real Property at 494 Washington Street*

The Board of Selectmen seeks approval to borrow or otherwise appropriate funds to purchase the property at 494 Washington Street, adjacent to the proposed site of the Tolles-Parsons Senior Center at 496 Washington Street. The proposed purchase will increase the amount of useable land area for the construction of the Tolles-Parsons Center; increase the number of parking spaces on-site, thereby obviating the need for redesign and renovation of the parking lot across the street next to the Police Station; and make unnecessary extensive redesign or changes to the traffic signalization patterns along Washington Street and adjacent streets.

*Special Town Meeting Article 3 – Amendment to Town Bylaws Limiting Issuance of Licenses for the Sale of Wine and Malt Beverages*

The Board of Selectmen seeks an amendment to Article 19 of the Town Bylaws stating that in granting licenses for the sale of wine and malt beverages not to be consumed on the premises, the Board shall limit the issuance of those licenses to food stores and specialty food stores. The Special Legislation sought by the Town to allow the sale of wine and malt beverages was granted, but the final version omitted the limitation on issuance of the licenses to specific kinds of vendors. The Board has issued a policy statement describing the public interest in allowing the sale of wine and malt beverages, but wishes to limit the circumstances under which the beverages will be sold.

## **Conclusion**

The Town has operated without an override for the past seven years by employing several different methods of financial operation:

- Changing health insurance plans for Town employees to Rate Saver plans under the West Suburban Health Group and moving employees from the more costly Legacy plans;
- Funding more capital projects with debt exclusions rather than by borrowing under the levy;
- Taking advantage of the favorable interest rates which have prevailed for the past several years of borrowing;
- Reviewing and revising investment income assumptions to more conservative levels;
- Using Free Cash;
- Receiving large amounts of turn-back at the end of the year from some departments.

However, Wellesley's costs are rising faster than its revenues. With Proposition 2 ½ in place, limited opportunities for new growth, and the uncertainty of the level of State Aid, revenues are not keeping pace with the rising costs of personnel, health insurance, pension and OPEB funding.

At the same time, re-investing in our facilities is a major undertaking that will carry significant costs over the next decade. The SMMA report identified nearly \$87 million of work needed by the schools, and there are a few other significant projects on the horizon, such as the redevelopment of 900 Worcester Street, and the construction of the Tolles Parsons Center and Fuller Brook Park. Moreover, other Town buildings require renovation.

The options of funding these projects are limited: increase revenue or decrease costs. Advisory strongly suggests continued, and indeed increased, stringency on budget guideline development. In many cases, quantitative data does not exist as a means of evaluating efficiency and effectiveness of service delivery; without metrics, it is difficult to gauge the productivity of a department or to create financial modeling for the future. Each department should have metrics established by which it gauges its work each year. Advisory also believes there are significant opportunities to gain efficiency in the delivery of services through the consideration of consolidating functions that are duplicated in Town (for example, IT, payroll and human resources); and in questioning long-held assumptions and thinking creatively about different approaches to funding or delivering the same services.

In a town such as Wellesley, a decentralized form of local government requires high levels of cooperation and transparency among all Town boards, committees and departments to address financial challenges. Rigorous analysis, prioritization and compromise in budget planning are critical tools to be used so that the Town can best match its revenue to its needs over the next several years.

I would like to thank my colleagues on the Advisory Committee for devoting their time and expertise to the betterment of the Town. They are a dedicated, thoughtful, and extraordinary group, and it has been my privilege to work with them.

Sincerely,  
Marjorie R. Freiman, Chair  
Advisory Committee

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## ANNUAL TOWN MEETING

**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 Budget Program (“Capital Program”), including supporting exhibits, are included in this Report on pages 156-183. The TWFP and Capital Program, together with Advisory’s comments, provide a comprehensive view of the Town’s finances for FY15 and the following three years. Reading the information together will assist Town Meeting Members (TMMs) in making decisions with knowledge of the Town’s future obligations, challenges and opportunities. The process of building the Town’s annual budget is a fluid and dynamic one, as assumptions and projections change frequently during the course of the year and small changes in budget assumptions may have large effects on the projections. It is helpful for TMM to contextualize the Town’s current financial plans and priorities by having a perspective on several years of planned and projected costs in one document.

It is important to note that Article 2 calls for TM to “receive” or “take any other action relative [to]” the Capital Plan and the TWFP. Advisory does not make a recommendation or “approve” the Plan, but will provide the comments shared by Advisory members during our discussion of both the Capital Program and the TWFP.

### TOWN-WIDE FINANCIAL PLAN

The BOS works with other Town boards to coordinate the preparation of the TWFP and takes into account:

- i. The Town’s ability to generate the real estate property taxes assumed in the TWFP and to fund any deficit balance in the Plan;
- ii. The relative need for and level of the various expenditures proposed to be made by the Town; and
- iii. Alternatives to any of the various sources and uses of funds in the TWFP<sup>7</sup>.

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<sup>7</sup> Wellesley Town Bylaws, Article 19.16.2 (a).

The Executive Director of General Government Services has articulated the guiding principles for development of the TWFP as follows:

1. To pay the full cost of current operations;
2. To proactively address emerging issues;
3. To protect the Town against material risks;
4. To preserve the Town's assets; and
5. To plan for the long term.

The TWFP sets forth current fiscal conditions and looks ahead as far as FY18. It identifies current planning issues; addresses the current financial situation; reviews the status of the contract negotiations of the Town's collective bargaining units; sets forth health insurance cost assumptions and information on the funding of pension and other post-employment benefit (OPEB) plans; reviews the debt exclusions planned for the next five years; and shows the levels of projected debt service over a ten-year period.

### **Forecasting Horizon**

The TWFP projects both revenue and spending ("Sources and Uses") beginning in FY15 and continuing through FY18. With a consistent rate of assumed growth from year to year<sup>8</sup>, there is a deficit which grows from \$2.8 million in FY16 (after assuming passage of a \$3.345 million override in FY15) to over \$4 million in FY18<sup>9</sup>. Simply put, expenses are rising more quickly than revenues. The projections show a growing gap between Sources and Uses, fueled by expense increases in nearly every category. The means by which the budget can be brought into balance are limited: increase revenue, decrease spending, and/or increase department and board turn-back<sup>10</sup> at the end of the fiscal year.

There are several drivers of the projected increases in the Uses of Funds over the next several years: premium rate increases in health insurance for the Town's employees for FY15 range from 1.6-17.8% and are projected to grow at a rate of not less than 5% thereafter. Moreover, collective bargaining negotiations for five unions (including the Teachers) have not been concluded, and future personal services costs are not fully known.

The Town has not had an override since FY07; favorable turn-backs from Town departments and the annual average use of \$2.9 million from Free Cash over the past eight years (FY07-FY14) have allowed the Town to balance its budget. Specific and non-recurring conditions (such as much lower-than-anticipated energy costs and not-yet full-level staffing of the new FMD in FY13) contributed significantly to the turn-back in that year. However, it would be unwise to rely on equally high levels of turn-back in the near future. Budget guidelines are now being set more modestly, closer to actual expenses. In addition, to protect reserves, the BOS last year adopted a policy that sets the recommended level of reserves (a combination of Free Cash and Stabilization Funds) at between 8-12% of annual net revenue. Continuing to use Free Cash at the over \$3.5 million level of the past two fiscal years will not be in accordance with this policy and will put at risk the Town's fiscal health and municipal bond credit rating.

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<sup>8</sup> Growth is assumed to be about 4%, including 2.5% as allowed under Proposition 2 ½ plus \$1.5 million from new growth.

<sup>9</sup> This scenario makes assumptions that align with the Town's recent financial history, assuming an annual 4.5% increase for the Schools, 2.5% for all other Town departments, 5% for health insurance, 2.5% for other employee benefits, and an annual 2% increase for local revenue and State Aid over the next five years.

<sup>10</sup> Turn-back is the amount of unspent funds each department or board returns to the General Fund at the end of the year.

Reserves at the beginning of FY14 were at \$14,044,858, or 11.3% of current net revenue. Based on a projected use of reserves of \$3,790,054, the projected level of reserves at the end of FY14 is \$11,254,844, or 9.0% of current net revenue (\$124,832,812), within the BOS policy range.<sup>11</sup> Based on current projections for FY15 (which include \$47,000 for the taxes and legal fees associated with the 900 Worcester Street project; \$1,150,000 to balance the FY16 budget, snow and ice appropriations of \$600,000 and an estimated \$1 million in turn-back), the reserves at the end of FY15 will be close to 8%. This is near the bottom of the range within which the BOS directed in their policy that Town reserves be kept, and all efforts should be made to raise that percentage rather than further deplete the reserves in FY16 and beyond.

An expectation of using only \$1,150,000 of Free Cash to balance the FY16 budget may be overly optimistic when compared with Free Cash levels of the past several years. Increases in health care costs, employee benefits and personal services costs, the principal drivers of the budget, have outpaced, and will continue to outpace, the annual growth in revenue. The Town has been able to function for several years without an override but Town Meeting needs to consider carefully the implications of continually-rising costs and the ability of the Town to allocate reserves in order to arrive at a balanced budget. Deficits continue to rise in FY16 and beyond and there is not currently in place a mechanism by which balanced budgets can be created. Simply put, in a climate of limited new growth revenue and Proposition 2 ½ limits, the only options to balance the budget are for the Town to limit cost increases, increase turn-back, or be willing to ask the voters for an override of Proposition 2 ½ after careful consideration of Town priorities.

### **Preparation of Multiple Scenarios**

In its 2013 *Report*, Advisory recommended that the Town develop multiple financing scenarios for the next fiscal year's budget. For example, one scenario should represent anticipated revenue and cost projections that yield a balanced budget. Much of the Town's revenue can be predicted in advance as the majority comes from property taxes and new growth, about 4% annually absent an override. A base budget could be set using this revenue projection which accounts for prioritized expenses such as debt service and benefit obligations. Budget guidelines could then be set based on available funds and communicated to Town departments to create their budgets accordingly.

Alternative scenarios could be proposed that would allow departments to provide level services compared with the previous year and/or enhancements and investments that reflect Town desires and departments' evaluations of need. Proceeding in this way would set expectations of the affordability of Town services at the outset and would be transparent about the necessity for additional revenue to be able to incorporate any additional services or expenses. Town Meeting members and residents would be able to evaluate those items that would only be provided upon the passage of an override and determine whether they would support the necessary additional tax levy. The budget process this year started with this form of zero-based budgeting, where the guidelines were set at 1.75% for personal services of all departments and 0% for expenses. Nearly all departments were subsequently asked to place any budgeted items that exceeded their core budgets on a "gap list" which would be funded only with Town Meeting and voter approval of an override of Proposition 2 ½.

Another alternative to create the budget would be to change projections by lowering the allowable percentage increases in departmental budgets; *i.e.*, reduce the level of School Department increases from 4.5% to 4% and other departments from 2.5% to 2%.

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<sup>11</sup> This Free Cash estimate includes \$1 million in turn-back for FY14.

Advisory conducted extensive discussions about an appropriate response to the Motion under Article 2 and the ways in which department budgets are built, and referred to the Town's Bylaw section in Article 19 describing the factors which the BOS is directed to consider in developing the TWFP. Specifically, Advisory considered the relative need for the various expenditures proposed by Town departments and alternatives to any of the various sources and uses of funds in the TWFP. While Advisory does not make recommendations on whether to accept the TWFP, members believe that more rigorous scrutiny on the need for and level of expenditures proposed might yield further departmental budget reductions. Moreover, Advisory believes that deeper investigation at a line-item level may surface alternatives to projected levels of spending not currently being considered.

### **Year-round Budget Process and Town Board Participation**

In September 2013, BOS and Advisory asked all departments and boards to build their FY15 budgets and to make projections for FY16 as well. While recognizing that longer-range planning is challenging as a result of constantly-changing assumptions and unanticipated cost increases, Advisory believes the exercise can be extremely valuable. Looking at a two-year horizon may help departments anticipate and plan next steps for changes they propose to make in the current fiscal year. Advisory suggests that a standard format or template be designed so departments are clear about the information they are being asked to provide.

Advisory has also noted that there is substantial variation in budget reporting methods, in metrics and transparency, the rigor of analysis and, in some cases, willingness to challenge long-held assumptions in order to streamline the process and/or work together to reach a balanced budget. The Town's decentralized system requires cooperation and hard work by all boards and departments in order to function at an optimal level. The TWFP will only be a useful tool as long as all boards and departments use meaningful, reasonable and realistic assumptions to make their projections. In a time of rising personnel costs and with significant funding required to invest in the Town infrastructure, the meticulous and transparent preparation of budgets is critical. Assumptions should be supported by articulated rationales, and anticipated changes provided for not only the next fiscal year but also beyond.

Neither the BOS nor Advisory is pleased with the prospect of having to seek another override for FY16, but without strict controls leading to increases in revenue and/or decreases in costs, an override for FY16 may be unavoidable. Additionally, if the deficit continues to grow over the next five years at the same time as multiple debt exclusions are being sought to conduct work on Town facilities (see discussion under Five Year Capital Budget Program, page 174), further overrides beyond FY16 may be necessary.

The proposal at this ATM to create a Government Review Study Committee is a timely one. Advisory strongly suggests that in the course of the Committee's work, it consider possible departmental and/or board consolidations, increased cooperation and planning among Town departments and boards, methods of centralizing certain operations, potential changes to the budgeting calendar and/or budgeting process, the development of metrics for all departments with which to measure efficacy and efficiency of services, and the potential cost savings of outsourcing specific functions or bringing them in-house.

## **FIVE YEAR CAPITAL BUDGET PROGRAM**

The Capital Program provides an overview of projected spending in the current year (FY15), the following year (FY16) and the out-years (FY17-19) and is found in Exhibit D on page 177. This schedule presents details on the long-term costs associated with capital spending projects and facilitates conversation on how to prioritize the projects. Significant and necessary work has been identified by the School Facilities Master Plan Task Force and School Facilities Committee for a majority of the Town's elementary schools and the Middle School. This work will be spread over a period of approximately seven years and totals approximately \$87 million. Other Town buildings and infrastructure will also require investments in the coming years, including the Tolles Parsons Senior Center, 900 Worcester Street property, Town streets (requiring additional funds beyond Chapter 90 revenue), the Town Hall, the Central Street Fire Department Station, new FMD offices, the Warren Building and the Hills Branch Library.

A debt exclusion is expected in the fall at a Special Town Meeting (STM) for the Tolles Parsons Senior Center and for work at Fiske and Schofield Schools. Within the next five years, debt exclusions are expected for work at Hardy, Hunnewell and Upham Schools (FY17/19), and for work at the Middle School (FY18). Moreover, the Town may also decide to proceed with a recreation center at 900 Worcester Street and a new high school stadium. The five-year window on capital projections is a useful tool for TM in considering the potential expansion of the Town's debt service on the Town's finances.

Advisory has suggested the creation of an additional, consolidated statement of large, anticipated expenses over the next several years, such as potential increases in the MLP's transmission costs beyond their control; potentially higher pension costs due to revaluations in mortality and longevity rates; and costs for other Town facilities work that is being contemplated for a future date, such as renovations to Town Hall and the provision of office space for the FMD. This document would allow TMMs and Town residents to review at a glance any potential expenses that are currently contemplated in addition to anticipated school facilities work and other projects currently on the Five Year Capital Budget Program. The proposed override contributes to the increase in the median tax bill (*i.e.*, the tax bill for a home valued at \$896,000) by 5.3% in FY15, and the proposed debt exclusions will contribute to the additional 5.3% increase in the median tax bill in FY16.<sup>12</sup> A fuller view of expenses will provide more transparency and information for future planning.

### **Public Discussion and Transparency**

Advisory appreciates the work of the BOS and Executive Director in creating the TWFP and in guiding boards and departments in the development of their budgets. The presentation of the TWFP and Capital Program under this Article provides TMMs the means by which to evaluate and analyze the Town's fiscal position, and to comment on underlying assumptions and projections. ATM does not approve the contents of the TWFP nor the Capital Program, it only acknowledges receipt of them, but Advisory is hopeful that delivery of the reports will encourage TM discussion and analysis, and the voicing of feedback and concerns regarding both plans.

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

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<sup>12</sup> Embedded in these increases are the annual allowable increases under Proposition 2 ½ and anticipated new growth, as well as other factors.

**ARTICLE 3.** To see if the town will vote to take action on certain articles in this warrant by a single vote, pursuant to a consent agenda; or take any other action relative thereto.

**(Board of Selectmen)**

This Motion seeks Town Meeting approval of a consent agenda that includes motions under five Warrant articles. A consent agenda allows the motions under the included articles to be acted on by a single vote without oral presentations on the individual articles, with information to Town Meeting Members (TMMs) provided solely by the *Advisory Report*. The articles proposed for inclusion are:

- Article 4: Amend Job Classifications Plan;
- Article 11: Appropriation – Water Program (Enterprise Fund);
- Article 12: Appropriation – Sewer Program (Enterprise Fund);
- Article 13: Appropriation – Authorize/Reauthorize Revolving Funds; and
- Article 44: Appoint Fire Engineer

Motions under articles included in the consent agenda go through the full Advisory Committee vetting process; they are as thoroughly discussed and analyzed by the Advisory Committee as any other articles in the Warrant. They also are fully written up in the *Advisory Report*.

The objective of a consent agenda is to expedite consideration of certain routine, self-explanatory and/or non-controversial issues for which no discussion on the floor of ATM is anticipated so time can be devoted to discussion of motions under articles which involve more complex or controversial issues. Use of a consent agenda is being tested for the first time at the 2014 ATM. The Moderator has worked with the Board of Selectmen (BOS) and Town Counsel to establish criteria for including articles in the consent agenda:

1. The proponent, the Moderator and the BOS must agree that the motion can reasonably be voted by TMMs on the basis of information in the *Advisory Report*; that the motion is likely to be non-controversial; and that the motion is unlikely to generate debate based on its content and historical precedent;
2. The Advisory Committee must recommend favorable action unanimously; and
3. Approval of the article must require a majority vote (not a super-majority vote) of TMMs.

Under this Motion, the Moderator will specifically refer to each article included in the consent agenda, and TMMs will have an opportunity to ask questions about any motion(s) under that article, or request to remove a particular article from the consent agenda to enable the motion(s) under that article to be more fully discussed on the floor of Town Meeting. A representative of the board or committee proposing the article will respond to questions raised by a TMM, and if a TMM requests that an article be removed from the consent agenda, it will be taken up in its regular order within the Warrant.

Advisory deems the use of a consent agenda to be reasonable and productive and agrees that the five articles proposed for inclusion meet the Moderator's criteria. In cases where issues are straightforward, there is no need for further elaboration and discussion is not anticipated, Advisory agrees that the use of a consent agenda is both expedient and sensible. Advisory supports the potential expansion of a consent agenda in the future, where appropriate, to further streamline Town Meeting proceedings.

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

**ARTICLE 4.** To see if the Town will vote to amend ARTICLE 31 of the Town Bylaws by making changes in Schedule A entitled “Job Classifications by Groups” which constitutes part of said Bylaws; or take any other action relative thereto.

**(Human Resources Board)**

Schedule A of Article 31 of the Town Bylaws is a list of job classifications (designated by job group) for all Town employees other than School Department employees. The Human Resources Board (HRB) is empowered under Article 31 to establish new classifications, to amend existing 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 or are initiated by the HR Department during the fiscal year and reviewed by the HRB.

This Motion seeks Town Meeting approval for actions taken since the 2013 Annual Town Meeting (ATM), as is required by the Town Bylaws. Since the 2013 ATM, there have been three types of changes: *New Classifications, Reclassifications, and Title Changes.*

**New Classifications** are new positions that have been created since the 2013 ATM. This year, there are two new classifications:

<u>CLASSIFICATION</u>	<u>DEPT</u>	<u>JOB GROUP</u>
Executive Assistant to the Executive Director	BOS	51
Assistant Finance Director	FIN	58

**Reclassifications** are existing positions for which the duties, functions, or requirements in the job description have changed. The HRB re-evaluates these positions using the Hay System of Job Evaluation<sup>13</sup> based on revised position descriptions provided by the appropriate Town boards. A revised position description might reflect changes in the knowledge or skills required to perform a job, expansion of services being provided, and/or the position requiring more independence and decision-making responsibility. This year, there were six reclassifications resulting in a change in *Job Group* but no change to *Job Title*:

<u>TITLE</u>	<u>DEPT</u>	<u>PRIOR JOB GROUP</u>	<u>NEW JOB GROUP</u>
Deputy Director	BOS	58	60
Projects Administrator	PBC	54	55
Projects Assistant	PBC	48	49
Assistant Administrator	ASR	51	52
Program and Office Assistant	COA	44	47
Inspector of Buildings	BLD	58	59

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

<u>PRIOR TITLE and JOB GROUP</u>	<u>DEPT</u>	<u>NEW TITLE and JOB GROUP</u>
Secretary - 45	ASR	Office Assistant - 47

<sup>13</sup> The Hay Job Evaluation System was introduced in the early 1950s. It assigns points to job components such as required knowledge, problem-solving ability and level of accountability, to determine relative value among different positions. The Hay System is used by an estimated 8,000 organizations including half of the Fortune 500 companies and has been used by the HRB for many years.

Lastly, there were three reclassifications resulting in a change in *Job Title* but not *Job Group*:

<u>PRIOR TITLE</u>	<u>NEW TITLE</u>	<u>DEPT</u>	<u>JOB GROUP</u>
NIS Director	IT Director	IT	61
Assistant NIS Director	Assistant IT Director	IT	58
Deputy Fire Chief	Assistant Fire Chief	FIRE	60

This Motion does not require a budget appropriation, as the costs associated with new classifications were funded by the affected departments in FY14, and the incremental costs associated with reclassifications were either absorbed by the department or funded by the 2013 ATM appropriation under Article 4 to the HRB (the reserve for mid-year adjustments). Future funding for these positions will be included in the appropriate 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 appropriate union. These changes are incorporated in Part 2 of Schedule A.

Advisory appreciates that it is the responsibility of the HRB to review requests for changes to job classifications and to ensure fair, appropriate and consistent classification of positions across the Town. Individual boards are responsible for ensuring that such requests fall within current and projected budgets. Advisory considers the actions of the HRB in FY14 consistent with these objectives.

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

**ARTICLE 5.** To see if the Town will vote to amend ARTICLE 31 of the Town Bylaws by making changes in Schedule B entitled “Salary Plan – Pay Schedule” established under Section 31.6 which constitutes part of said Bylaws; to raise and appropriate, or otherwise provide, money therefor; or take any other action relative thereto.

**(Human Resources Board)**

**ARTICLE 5, 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, 2014**

*Hourly rates – reflects 3% increase over FY14*

<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	22.69	23.71	24.78	25.90	27.08	28.28
48	21.81	22.77	23.79	24.85	25.99	27.15
47	20.91	21.85	22.82	23.87	24.93	26.05
46	20.03	20.94	21.88	22.88	23.91	24.98
45	19.10	19.96	20.87	21.81	22.77	23.79
44	18.21	19.03	19.89	20.80	21.71	22.69
43	17.30	18.09	18.90	19.76	20.63	21.57
42	16.41	17.15	17.91	18.74	19.57	20.46
41	15.67	16.39	17.13	17.88	18.69	19.51
T19*	26.04	27.33	28.71	30.13	31.64	33.22

\* Trade positions – non-union

The proposed Schedule B adjusts the Series 40 salary schedule to grant a 3% pay rate increase for the entire group. These positions are non-union, non-management staff and are eligible for overtime.

The proposed increase is based on a benchmark survey of fifteen comparable communities,<sup>14</sup> which indicates that the Town’s Series 40 employees’ compensation continues to lag behind the market; the Town’s average maximum pay rate (Step 6 above) is 6% lower than the average of the benchmark towns. The HRB has also taken into consideration current and projected inflation rates.

Based on this data, the HRB has determined that a 3% increase in the Series 40 Salary Plan Pay Schedule is appropriate and equitable. The total impact on the Town budget of the proposed increase is approximately \$69,500. This increase is included in the budget requests of the affected Town departments.

<sup>14</sup> The benchmark communities are Arlington, Belmont, Brookline, Concord, Framingham, Lexington, Milton, Natick, Needham, Newton, Sudbury, Wayland, Weston, Westwood and Winchester.

The existing step increases, which average 4.55%, remain unchanged. Twenty percent of the Town's 56 Series 40 employees are eligible for a step increase.

Advisory expressed some concern about a 3% increase in a year in which a budget override is being proposed. At the same time, Advisory notes that the Town appears to lag behind comparable communities in its average compensation levels for Series 40 employees, and that the Town's best interests are served by offering fair and competitive pay levels to employees. Advisory considers the proposed increase to the Series 40 Pay Plan and Pay Schedules to be reasonable and appropriate.

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

**ARTICLE 5, MOTION 2**

The HRB seeks Town Meeting approval to amend Schedule B: Salary Plan - Pay Schedules for the Series 50/60 employees by adjusting the salary ranges as follows:

SCHEDULE B  
SALARY PLAN – PAY SCHEDULES  
**Salary rates effective as indicated as of July 1, 2014**  
*Reflects 2.0% increase over FY14 ranges at midpoint*

<b>Job Group</b>	<b>Minimum</b>	<b>Midpoint</b>	<b>Maximum</b>
69	123,870	157,800	191,730
68	114,850	146,300	177,750
67	106,450	135,600	164,750
66	98,520	125,500	152,480
65	91,300	116,300	141,300
64	85,170	108,500	131,830
63	79,850	101,400	122,950
62	74,810	95,000	115,190
61	69,930	88,800	107,670
60	65,570	83,000	100,430
59	61,070	77,300	93,530
58	57,350	72,600	87,850
57	53,820	67,700	81,580
56	50,320	63,300	76,280
55	47,060	59,200	71,340
54	44,980	56,400	67,820
53	42,910	53,800	64,690
52	40,670	51,000	61,330
51	38,880	48,600	58,320
50	37,120	46,400	55,680

### Information Technology

Job Group	Minimum	Midpoint	Maximum
61	78,990	100,300	121,610
60	74,180	93,900	113,620
59	69,360	87,800	106,240
58	64,540	81,700	98,860
57	60,740	76,400	92,060
56	56,920	71,600	86,280
55	54,060	68,000	81,940
54	51,680	64,800	77,920
53	49,290	61,800	74,310
52	46,890	58,800	70,710
51	44,880	56,100	67,320

The proposed 2% adjustment to the midpoint in the job group salary ranges does not result in an automatic salary increase unless an employee falls below the minimum of his or her range. The proposed increase 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 50/60 salary ranges reasonable and appropriate.

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

### ARTICLE 5, MOTION 3

The HRB seeks approval for an appropriation of \$150,000 to fund a \$135,000 Merit Pay Plan for Series 50 and 60 employees and a \$15,000 reserve for mid-year adjustments.

#### ***Merit Pay Plan***

The Town of Wellesley provides for salary increases to the Series 50/60 employees based both on performance and standing in their respective salary ranges. The \$135,000 Merit Pay Plan request for FY15 yields a projected average increase of 2.5% for the current 78 employees within the 50/60 Series Job Groups. The salary increases are not automatic, but are instead based on an employee's position within the salary range of his or her job group, as well as his or her annual performance rating. The Merit Pay Plan is designed to accelerate the movement of low-range employees to the midpoint (market rate) of their range and the 0.5% differential between the average salary increase and the movement of the salary midpoint is usual practice by the HRB, allowing underpaid employees to get to midpoint and rewarding long-serving and high-performing people. The incremental pay increases incurred during FY15 will be funded from this Merit Pay Plan pool; it is important to note that the FY15 Series 50/60 employee salary increases do not appear in the departmental budgets listed in Article 8, Motion 2.

#### ***Salary Adjustment Reserve***

This \$15,000 Reserve Fund is designed to enable the funding of incremental salary increases for: 1) positions identified as being significantly below market comparables, which may result in Job Group changes for those positions; 2) individual salaries identified as being significantly below market rate, which may be addressed by salary adjustments within the Job Group range;

and 3) mid-year promotions or other reclassifications that cannot be funded within the respective Town departmental budgets.

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 funds provided in the Salary Adjustment Reserve will enable progress toward these stated objectives.

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

#### **ARTICLE 5, MOTION 4**

This Motion 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 Dispatchers Association ("the Union"). Schedule B sets the rates of pay for all Town employees except School Department personnel. The agreement is a three-year contract through June 30, 2017. The incremental costs for FY15 associated with this negotiated contract have been included in the Police Department's FY15 budget in Article 8, Motion 2. With the settlement of this contract, the Personal Services component of the Police Department budget is \$4,963,989, which represents an increase of 3.7% from FY14.<sup>15</sup> The principal terms in the agreement are the following salary adjustments:

- **Base Salary and Step Increases** – Under the terms of the agreement, job classifications and rates of pay will increase by 2% in each of the three years of the contract, starting on July 1, 2014.<sup>16</sup>
- **Shift Differential** – Employees who are assigned to a regularly scheduled second or third shift (the night shifts) will be paid a premium of 2% of their regular hourly rate for all regularly scheduled hours on these shifts starting on July 1, 2014. This differential will increase to 2.25% on July 1, 2015, and 2.5% on July 1, 2016.

Advisory has reviewed the key elements of the contract and has received summary information on benchmark data and competitiveness. 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 and is pleased that a three-year agreement was achieved, which provides greater certainty for planning purposes. 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, 12 to 0.**

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<sup>15</sup> The increase also includes the new traffic officer, but that position is non-tax impact, being funded half from Traffic and Parking and half from the Police Detail account.

<sup>16</sup> The differential between the six step increases is worth 4.5%, 5.0%, 4.0%, 4.1% and 4.4%, respectively, the same as in the previous contract.

## **ARTICLE 5, MOTION 5**

This Motion 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 DPW/MLP Supervisory Unit (“the Union”). The agreement is a three-year contract through June 30, 2017. The incremental costs for FY15 associated with this negotiated contract have been included in the DPW’s FY15 budget in Article 8, Motion 2 but because the DPW Production contract has not yet settled, the full impact of union contracts on the DPW budget remains unknown. The principal term in the agreement is the following salary adjustments:

- **Base Salary and Step Increases** – Under the terms of the agreement, job classifications and rates of pay will increase by 2% in each of the three years of the contract, starting on July 1, 2014.

Some of the DPW supervisor Job Groups have 7 steps and others have 8. The step increases range from 3-5%.

Advisory has reviewed the key elements of the contract and has received summary information on benchmark data and competitiveness. 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 and is pleased that a three-year agreement was achieved, which provides greater certainty for planning purposes. 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, 12 to 0.**

## **ARTICLE 5, MOTION 6**

This Motion 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 one year contract extension through June 30, 2016, of the current contract which was approved at the 2013 ATM for FY14 and FY15. Because this extension does not take effect until FY16, there is no tax-impact to this settlement in FY15. The Superior Officer’s contract is now in alignment with the Patrolmen’s contract. The principal term in the agreement is the following salary adjustment:

- **Base Salary Increase** – Under the agreement, wage rates will increase by 2% effective July 1, 2015, and 0.5% effective January 1, 2016.

Note that the contract has no steps.

Advisory has reviewed the key elements of the contract and has received summary information on benchmark data and competitiveness. 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 increase stipulated in FY16 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. No longevity increases are specified in this contract.

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, 12 to 0.**

### **Other possible motions**

As this *Advisory Report* goes to press, the Town has concluded collective bargaining negotiations with four of the nine non-school unions and is actively conducting further negotiations with the rest.<sup>17</sup> The MLP has also reached a settlement with the union that represents its production employees. If further settlements are reached before the end of Town Meeting, a motion or motions will be made under Article 5 to approve any change in the pay schedules associated with such settlements.

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<sup>17</sup> The following non-school contracts are still outstanding: Library, Firefighters, DPW Production, and Facilities Maintenance (School Custodians and Tradesmen). The Police Patrolmen's contract was settled at 2013 STM through June 30, 2016.

**ARTICLE 6.** 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) requests 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 5 as well as other factors. For FY14, the Town Clerk's salary is \$80,048. The BOS recommends a 2% increase, to \$81,649 for FY15 based on a 52.2 week year. This raise is within the Human Resources Board's projected average salary increase for Series 50 employees in FY15 and Advisory considers it to be reasonable.

**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 2013 Annual Town Meeting; or take any other action relative thereto.

**(Board of Selectmen)**

#### **ARTICLE 7, MOTION 1: WINTER SUPPLEMENTAL APPROPRIATION**

This Motion requests a supplemental FY14 appropriation of \$500,000 to the Board of Public Works (BPW) for winter maintenance. The winter maintenance budget includes the cost of equipment maintenance and fuel, 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 Department of Public Works (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 actual average cost over the previous several years. Under the provisions of Massachusetts General Law Chapter 44, Section 31D, a town may make expenditures in excess of the current year's winter maintenance appropriation provided that such expenditures are approved by the Selectmen and the Advisory Committee and the appropriation must equal or exceed that of the prior year. The Town is in compliance with this requirement; the appropriation for FY13 was \$348,703 and the FY14 appropriation was the exactly the same. 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 approach.

Higher costs for materials, labor and pre-season winter vehicle preparation have significantly impacted the winter maintenance budget. By January 31, 2014, there had been fourteen snow

and ice events, some of which required overnight snow removal in the commercial districts. In February 2014, the BPW secured the necessary approvals from the Board of Selectmen (BOS) and the Advisory Committee to spend up to \$500,000 in excess of the original budget. The BOS is now requesting ATM approval of this supplemental FY14 appropriation from Free Cash to cover this spending. Any funds which are unspent at the end of five years will be returned to the Town's General Fund.

The Board of Selectmen and Advisory Committee have discussed at length the appropriate budget level for winter maintenance, which was budgeted at \$323,952 in FY04 and increased in each of the next five years to \$348,703 (its current level) in FY09. It has not been increased since that time. In every year but one (2012), actual costs have exceeded the budgeted amount, often significantly; ATM has approved supplemental appropriations for the winter maintenance budget in 2008 (\$400,000), 2009 (\$600,000), 2010 (\$300,000), 2011 (\$750,000), and 2013 (\$450,000). Although the BPW can request and receive supplemental appropriations to cover its additional expenditures, continuing to budget at an arbitrary figure that in most years does not cover actual costs creates unpredictability in the level of Free Cash as the next fiscal year and budget cycle approach. Some members of Advisory believe that the level of funding should be increased, and that reports of actual expenses for winter maintenance should be submitted by the DPW to the Selectmen's office during the winter season. Other members are satisfied with the current level of budgeting and the practice of requesting additional appropriations as needed, not finding the uncertainty of the Free Cash levels unduly disruptive to the budgeting process and not wishing to unnecessarily encumber Free Cash in years with low winter maintenance needs.

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

#### **ARTICLE 7, MOTION 2: TRANSFER AUTHORIZED BUT UNUSED PROJECT FUNDS**

The Permanent Building Committee (PBC) requests Town Meeting approval of a transfer of \$252,031 to the Municipal Light Plant (MLP). The 2010 ATM authorized borrowing in the amount of \$1,920,000 for the design and construction of the MLP Administration Building and the 2011 Special Town Meeting authorized a supplemental appropriation of \$819,975 in construction funds for the project. These non-tax impact funds were taken from the MLP's budget. The MLP Administration building was completed in July 2013, leaving unspent funds in PBC's account. PBC is requesting authorization to transfer this \$252,031 balance back to the MLP.

Advisory is pleased that the MLP Administration building was completed under budget and considers this transfer of funds, which has no tax impact, to be a bookkeeping measure.

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

**ARTICLE 8.** To see what sums of money the Town will raise and appropriate, or otherwise provide, including transfer from available funds, or borrowing, for the following:

a) for the operation of the several Town departments, including capital outlay, maturing debt and interest, and to provide for a Reserve Fund;

b) for extraordinary maintenance, special capital projects and other capital outlay items for the several Town departments;

c) for such purposes as may be voted contingent upon passage by the voters of referendum questions as authorized by 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 2015 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 FY15 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 FY15 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 to add this motion whenever Free Cash is used to balance the budget.

#### **ARTICLE 8, MOTION 1: MLP CONTRIBUTION**

This Motion authorizes the Town to accept a \$1 million payment from the Municipal Light Plant (MLP) in FY15, as approved by the Municipal Light Board (MLB). 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 FY15.

Annual passage of this Motion permits the Town's taxpayers to continue receiving the benefit of owning the MLP. Although the MLP's annual cash payment of \$1 million has remained the same for the past 12 years, it remains among the most generous of the 40 municipally-owned electric utilities in Massachusetts. The MLP's payment is even more impressive when compared to the real estate tax an investor-owned utility would pay to the Town. Based on the net book value of the MLP's Wellesley assets, an investor-owned electric utility would make an annual real estate tax payment of \$577,000.

During the past year, the MLB retained a firm to complete a survey of its residential and commercial customers. Not surprisingly, reliability and competitive rates were given the highest

priority by customers. Only one percent of the respondents considered increasing the \$1 million payment to be a priority.

The MLP provides a number of other financial benefits to Wellesley. In addition to electric rates that are more than 30% below surrounding communities, all municipal departments receive an added discount of 4%. The current streetlight rate of 11.687/per kilowatt-hour is less than half the cost charged by investor-owned utilities. The MLP also provides a fiber interconnection to all Town buildings at no cost to the taxpayers. The FY15 Capital Budget includes \$117,000 for the LED retrofit of one-half of the streetlights on Route 9 and all savings from the energy reduction goes to the Town. In the past, the MLP has also funded numerous projects such as energy audits of Town buildings, installation of the High School solar panels, and LED retrofit of 545 ornamental streetlights.

### **Advisory Considerations**

Advisory values the contribution of the \$1 million payment and its importance to the operations of Town government as a funding source. Discounted electric rates and reliability as measured by the MLP's survey firm are but a few of the benefits for customers. Based on the responses to the survey, Advisory believes the \$1 million payment is appropriate. Advisory notes that despite the best efforts of the MLP to provide stable electric rates, significant challenges and potential rate increases resulting from higher transmission and capacity costs may potentially negatively impact operations.<sup>18</sup> For that reason, Advisory supports a conservative approach to any potential increase in expenditures at the MLP, including the \$1 million payment.

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

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<sup>18</sup> For further information on the MLP's financial projections, see the discussion under Article 10 on pages 99-102.

## 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:

<u>Funding Item</u>	<b>Personal Services</b>	<b>Expenses</b>	<b>Total Operations</b>
<b>GENERAL GOVERNMENT</b>			
To the Board of Selectmen for General Government; \$3,324,464 for Personal Services and \$2,141,258 for Expenses. And it is recommended that the sums be allocated as follows:			
<b><i>Board of Selectmen - Administration</i></b>			
122 Executive Director's Office	398,708	30,550	429,258
126 Sustainable Energy	0	15,033	15,033
199 Central Administrative Services	0	38,500	38,500
133 Finance Department	380,314	8,000	388,314
155 Network & Information Systems	468,458	219,009	687,467
145 Treasurer & Collector	265,011	123,863	388,874
195 Town Report	0	4,000	4,000
<b><i>Board of Selectmen - Human Services</i></b>			
541 Council on Aging	236,455	122,438	358,893
183 Fair Housing Committee	0	200	200
543 Veterans' Services	0	104,875	104,875
542 Youth Commission	73,309	17,190	90,499
<b><i>Board of Selectmen - Other Services</i></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	49,559	7,115	56,674
<b><i>Board of Selectmen - Shared Services</i></b>			
151 Law	0	250,000	250,000
945 Risk Management	0	504,000	504,000
135 Audit Committee	0	56,250	56,250
458 Street Lighting	0	227,000	227,000
Provision for Contract Settlements	310,000	0	310,000
<b>Subtotal - Board of Selectmen - General Government</b>	<b>2,181,814</b>	<b>1,742,223</b>	<b>3,924,037</b>
-			
<b><i>Other General Government</i></b>			
To the following Town boards and officials:			
161 Town Clerk/Election & Registration	249,314	49,790	299,104
141 Board of Assessors	258,644	89,700	348,344
175 Planning Board	226,522	42,600	269,122

185	Permanent Building Committee	121,557	6,450	128,007
152	Human Resources Board	279,408	18,803	298,211
131	Advisory Committee	7,205	16,692	23,897
132	Advisory Committee - Reserve Fund	0	175,000	175,000
<b>Subtotal - Other General Government</b>		<b>1,142,650</b>	<b>399,035</b>	<b>1,541,685</b>
<b>GENERAL GOVERNMENT TOTAL</b>		<b>3,324,464</b>	<b>2,141,258</b>	<b>5,465,722</b>
<b>Funding Item</b>		<b>Personal Services</b>	<b>Expenses</b>	<b>Total Operations</b>

**FACILITIES MAINTENANCE - BOARD OF SELECTMEN**

To the Board of Selectmen for Facilities Maintenance, \$3,619,002 for Personal Services and \$2,937,778 for Expenses. And it is recommended that the sums be allocated as follows:

192	Facilities Maintenance	3,619,002	2,937,778	6,556,780
<b>FACILITIES MAINTENANCE TOTAL - BOARD OF SELECTMEN</b>		<b>3,619,002</b>	<b>2,937,778</b>	<b>6,556,780</b>

**PUBLIC SAFETY - BOARD OF SELECTMEN**

To the Board of Selectmen for Public Safety, \$10,107,408 for Personal Services and \$931,348 for Expenses. And it is recommended that the sums be allocated as follows:

210	Police Department	4,963,989	636,494	5,600,483
299	Special School Police	101,730	2,955	104,685
220	Fire Department	4,593,169	262,749	4,855,918
241	Building Department	432,860	26,350	459,210
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
<b>PUBLIC SAFETY TOTAL - BOARD OF SELECTMEN</b>		<b>10,107,408</b>	<b>931,348</b>	<b>11,038,756</b>

**PUBLIC WORKS**

To the Board of Public Works, \$4,022,957 for Personal Services and \$2,625,712 for Expenses. And it is recommended that the sums be allocated as follows:

410	Engineering	491,672	69,489	561,161
420	Highway	1,023,366	505,950	1,529,316
454	Fleet Maintenance	133,561	56,462	190,023
430	Park	1,076,014	295,370	1,371,384
440	Recycling & Disposal	955,268	1,301,443	2,256,711
450	Management	343,076	48,295	391,371
456	Winter Maintenance	0	348,703	348,703
<b>PUBLIC WORKS TOTAL</b>		<b>4,022,957</b>	<b>2,625,712</b>	<b>6,648,669</b>

Provided that the cash on hand in the RDF Baler and Compactors Major Repairs and Replacement Fund on June 30, 2014 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	1,635,027	484,845	2,119,872
620	Regional Services (Non-Tax Impact)	0	0	0
<b>LIBRARY TOTAL</b>		<b>1,635,027</b>	<b>484,845</b>	<b>2,119,872</b>

**RECREATION**

To the Recreation Commission:

630	Recreation Commission	312,824	20,000	332,824
<b>RECREATION TOTAL</b>		<b>312,824</b>	<b>20,000</b>	<b>332,824</b>

**HEALTH**

To the Board of Health:

510	Board of Health	352,946	68,540	421,486
523	Mental Health Services	0	215,691	215,691
<b>HEALTH TOTAL</b>		<b>352,946</b>	<b>284,231</b>	<b>637,177</b>

<b>Funding Item</b>	<b>Personal Services</b>	<b>Expenses</b>	<b>Total Operations</b>
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**NATURAL RESOURCES**

To the Natural Resources Commission:

171	Natural Resources Commission	185,761	18,575	204,336
172	Morses Pond	11,745	155,670	167,415
<b>NATURAL RESOURCES TOTAL</b>		<b>197,506</b>	<b>174,245</b>	<b>371,751</b>

<b>NON-SCHOOL TOTAL</b>	<b>23,572,134</b>	<b>9,599,417</b>	<b>33,171,551</b>
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**WELLESLEY PUBLIC SCHOOLS**

To the School Committee, \$55,688,507 in the aggregate for Personal Services and \$7,836,112 for Expenses. And it is recommended that the sum be allocated as follows:

320	Instruction	40,790,340	2,274,263	43,064,603
330	Administration	922,076	150,528	1,072,604
340	Operations	750,725	530,047	1,280,772
360	Special Tuition/Transportation/Inclusion	13,225,366	4,881,274	18,106,640
	Subtotal	55,688,507	7,836,112	63,524,619

<b>SCHOOL TOTAL</b>	<b>55,688,507</b>	<b>7,836,112</b>	<b>63,524,619</b>
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**EMPLOYEE BENEFITS**

To the Board of Selectmen for the purposes indicated:

914	Group Insurance	0	16,586,944	16,586,944
919	Other Post Empl. Benefits Liability Fund	0	3,000,000	3,000,000
910	Retirement Contribution	0	5,943,377	5,943,377

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>25,837,021</b>	<b>25,837,021</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>79,260,641</b>	<b>43,272,550</b>	<b>122,533,191</b>
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<b>Funding Item</b>	<b>Personal Services</b>	<b>Expenses</b>	<b>Total Operations</b>
<b>CAPITAL &amp; DEBT</b>			
To the following Town boards and officials for the purposes indicated:			
<i>Departmental Cash Capital</i>			
400	Board of Public Works - Capital	0	1,611,000
300	School Committee - Capital	0	791,030
122	Board of Selectmen - Capital	0	262,238
161	Town Clerk - Capital	0	7,000
192	Facilities Maintenance - Capital	0	1,500,000
610	Library Trustees - Capital	0	46,000
171	Natural Resources Commission - Capital	0	65,500
<b>Subtotal - Cash Capital</b>		<b>0</b>	<b>4,282,768</b>
To the Town Treasurer and Collector for:			
700	Current Inside Levy Debt Service - Issued	0	2,923,614
700	New Debt Service - Inside Levy	0	804,482
700	Current Outside Levy Debt Service - Issued	0	9,142,965
700	New Outside Levy Debt Service - Unissued	0	0
<b>Subtotal - Maturing Debt &amp; Interest</b>		<b>0</b>	<b>12,871,061</b>
<b>CAPITAL &amp; DEBT TOTAL</b>		<b>0</b>	<b>17,153,829</b>
<b>RECEIPTS RESERVED FOR APPROPRIATION</b>			
To the Board of Selectmen, to be taken from the Parking Meter Receipts Account:			
293	Traffic & Parking Operations	240,619	608,450
<b>RECEIPTS RESERVED TOTAL</b>		<b>240,619</b>	<b>608,450</b>

<b>TOTAL APPROPRIATIONS - ARTICLE 8, MOTION 2</b>	<b>\$ 140,536,089</b>
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To meet said appropriations, transfer \$127,000 from the Police Detail Account and \$54,750 from Parking Meter Receipts. Provided further, that of the foregoing appropriations, the following amounts are contingent upon passage of Motion 8.3 (Free Cash appropriation) and the passage of a referendum question under paragraph (g) of Section 21C of Chapter 59 of the General Laws, as amended, authorizing \$3,345,000 to be raised in excess of the Proposition 2 1/2 limits:

320-360	School Department	\$2,830,000
Various	Selectmen	222,000
410-456	Department of Public Works	100,000
185	Permanent Building Committee	92,000
610	Library	82,000
630	Recreation	12,000
172	Morse Pond	7,000
		\$ 3,345,000

In the event of a failed referendum, the department budgets will be reduced as listed above.

### OMNIBUS BUDGET OVERVIEW

The FY15 tax-impact budget request is \$140,536,089, a 5.0% increase over the FY14 budget request of \$133,852,665.

Revenue from property taxes both inside and outside the levy, including property taxes on new growth, is projected to increase by 3.4%. Changes in other revenue currently provide for a net 0.8% increase in *Sources of Funds*. However, the total *Uses of Funds* is \$143,082,229, a 3.2% increase over FY14. The FY15 budget is phrased so as to provide a **core** balanced budget which matches available revenue to project expenses, and for a **total** budget which includes appropriations that are contingent upon voter approval to raise an additional \$3,345,000 in taxes beyond the amount authorized in Proposition 2 1/2.

In order to balance the core budget, \$2.25 million from Free Cash will be used (see the *Sources and Uses* statement on page 162 in the Town-Wide Financial Plan (TWFP)). Free Cash will also be used to fund certain appropriations not covered in Article 8, including \$150,000 for the Merit Pay Pool (Article 5, Motion 3), \$500,000 for Winter Maintenance (Article 7, Motion 1) and \$47,000 to pay the taxes and potential legal fees associated with the acquisition of 900 Worcester Street (Article 18). These additional uses of Free Cash, totaling \$2.95 million, all require Town Meeting approval. To balance the total proposed budget, approval of a Proposition 2 1/2 override in the amount of \$3,345,000 also will be necessary. If the override is not approved by ATM and the Wellesley voters, only items in the core budget will be allowed for FY15. Each of the affected departments and the amounts of their budget reductions should an override fail is listed in the Motion language above.

## Major Budget Drivers

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

	<b><u>Change from FY14 to FY15</u></b>	
Total Personal Services (an estimated value which includes placeholder for possible contract settlements)	\$3,684,743	+5.2%
Retirement Contribution	\$935,172	+18.7%
Group Insurance (Including contribution for new School hires)	\$927,171	+5.9%
Facilities Maintenance (Cash Capital, Personal Services, new Building Operations Liaison position & Expenses)	\$583,868	+7.7%

Under Proposition 2 ½, the allowable levy growth for FY15 is \$4,072,618. In the proposed FY15 budget, the top three drivers of the budget increase alone total \$5,547,086.

For the past several years, increases in Personal Services and a commitment to fund retirement benefits at our current pace (with full funding of the Town's pension liability planned for 2030), have exceeded the Town's ability to fund growth under the levy limit and challenge the Town's ability to fund other priorities.

### **Personal Services**

The increase in Personal Services continues to be the primary driver of the budget increase at approximately \$3.68 million (+5.2% over FY14). Several contracts were renegotiated this year<sup>19</sup> and their increases are included in Personal Services along with placeholder salary increases for school employees (within the Schools line item) and the four non-school unions (within "Provision for Contract Settlements" under the BOS – Shared Services line item) who were still in collective bargaining negotiations at the time this Report went to press.

Generally, the FY15 annual cost of living salary increases are expected to range from 0% to 3%, but additional increases due to movement along "steps" (for longevity) and "lanes" (for education advancement) are additive, yielding an expected average increase of 3.8% across all departments. In FY15, The Human Resources Board (HRB) recommended a 3% increase for Series 40 employees to bring them more in line with salaries of employees in benchmarked, comparable towns (see Article 5 Motion 1 on page 25 for more details). The HRB also recommended an appropriation of \$150,000 to cover other Personal Services increases (\$135,000 in the Merit Pay Pool for 50/60 series employees and \$15,000 for other unanticipated adjustments throughout the year). A summary of the provisions negotiated by the Town with the major bargaining units in FY15 is provided in the TWFP on page 157.

At the time this report was prepared, collective bargaining discussions for the Teachers, Facilities Maintenance (School Custodians and Tradesmen), Firefighters, DPW Production and the Library remain open. Teacher collective bargaining agreements are subject to approval by School Committee and funding appropriation by Town Meeting; the other union agreements are subject to approval and funding appropriation by Town Meeting.

### **Employee Benefits**

The cost of Employee Benefits which includes health insurance, contributory retirement pension and Other Post-Employment Benefits (OPEB), continues to rise (+7.9% over FY14). The major driver of this increase is a \$935,172 (18.7%) increase in pension funding, followed by a \$557,171 (3.6%) increase in health care benefits for current employees and a \$370,000

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<sup>19</sup> See Article 5 Motions 4-6 which describe the settlements for the Wellesley Police Dispatchers Association, the DPW/MLP Supervisory Unit, and the Wellesley Police Superior Officers, respectively.

appropriation to the General Insurance Fund by the school department to cover the benefits costs of its new employees.<sup>20</sup>

Since late 2008, when the value of the Pension Fund declined, the Town has increased annual contributions in accordance with the recommendations of the Retirement Board. These contributions cover “normal costs” (contributions which would normally be made for employees in a given year), plus an amount to rebuild the value following the market decline, which resulted in a level of unfunded but already-accrued liability. 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 Actual	FY15 Requested
Contributory Retirement Pension Contribution	0	\$1,000,000	\$2,000,000	\$3,125,026	\$3,813,733	\$5,940,854	\$6,996,626
Tax Impact Portion	0	1,000,000	1,732,000	2,630,273	3,209,844	5,008,205	5,943,377
Year-over-year increase in tax impact portion	0	+1,000,000	+732,000	+898,273	+579,571	+1,798,361	+935,172
Percentage increase in tax impact portion			73%	52%	22%	56%	19%

Contributions from the Enterprise funds comprise the difference between tax-impact portions and total contributions. The tax-impact portion of the pension contribution will continue to increase until 2015, at which time it will begin decreasing. The Town’s objective is to fully fund the pension liability by the year 2030. Additional discussion of the retirement contribution is provided on page 90.

<sup>20</sup> A new BOS policy last fall requires that any department proposing to add a benefited position must make a one-time payment of \$20,000 to the General Insurance Fund to cover the new employee’s benefits for one year. Similar contributions to the Group Insurance Fund are made annually on behalf of each existing full-time Town employee to cover his or her benefits, but these employee benefits do not appear in the operating budgets of the individual departments. The \$20,000 payment is a reminder to Town Meeting and Town departments of the non-salary costs associated with benefited positions. In the case of teaching assistants, the payment is \$7,500, reflecting the fact on average, this group of employees selects Individual rather than Family health plans and that not everyone enrolls in the Town’s health plans. The school department contribution reflects the cost of 31 new employees, 18 of them teaching assistants.

### **Facilities Maintenance**

During FY13, the Facilities Maintenance Department (FMD) was created and since FY14 it has been fully staffed, providing the Director with managers overseeing each of the four major units. The addition of a new full-time Building Operations Liaison (BOL) position was authorized at the 2013 Special Town Meeting to provide additional project management skills and support for the FMD's cash-capital planning needs, and to act as a liaison to the Permanent Building Committee (PBC) on major construction projects. However, the BOL position has not yet been filled, and it will remain unfilled in FY15 if the override fails.

The FMD cash capital budget has increased from \$1,141,200 to \$1,500,000 as part of a planned ramp up to a target level of \$2 million by FY17. The FY15 FMD cash capital request will adequately fund ongoing building maintenance, repair work and feasibility studies for future projects. The increases in the FMD operating budget and in Facilities Cash Capital contribute \$124,683 (up 1.9%<sup>21</sup>) and \$358,800 (up 31.4%), respectively, to the FY15 budget increase.

### **BUDGET PROCESS AND GUIDELINES**

The annual budget process began at the 2013 Annual Town Meeting with the presentation of the TWFP. At that time, the plan projected deficits of \$4.2 million in FY15 and \$4.5 million in FY16, suggesting that an override to Proposition 2 ½ in FY15 would be necessary to offset these deficits (see *2013 Advisory Report* on page 155). The Executive Director and BOS requested that departments and boards prepare budgets for FY15 and FY16 at the same time, thereby obtaining sufficient information to project an override number that would provide sufficient funds to carry the Town through both fiscal years. Ultimately, projections were not developed in time to allow for a fully-developed plan for a two-year override.

### **Reserve Policy and Use of Free Cash**

The Town has worked to maintain an appropriate level of reserves, as sufficient reserves play a key role in the Town's maintenance of a high credit rating and provide financial flexibility. The primary reserves are *Free Cash* and the *Stabilization Fund*<sup>22</sup>; the level of Total Reserves is measured as a percentage of total net revenue. At the end of FY13, funds were returned to the General Fund from FY13 appropriations and FY12 school encumbrances ("turn-back"<sup>23</sup>) totaling \$2.49 million or 2.0% of current net revenue. The turn-back increased the Town's reserves to a total of \$14,044,858 (\$10,950,782 in Free Cash and \$3,094,076 in the Stabilization Fund), for a reserve level of 11.3%. Over the past seven years, the Town has fluctuated from a reserve level of 6.5% to more than 12%.

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<sup>21</sup> If the Building Operations Liaison position, approved at 2013 STM, is included then the increase rises to \$225,068 or 3.5% from FY14.

<sup>22</sup> Free cash is derived from the unspent funds remaining in the previous year's budget plus revenue in excess of budget less unpaid back taxes, and must be certified each year by the Massachusetts Department of Revenue before it can be used by the Town. Stabilization Funds are reserve accounts which are invested until used. At the 2013 Special Town Meeting, a new Special-Purpose Municipal Stabilization Fund was created and funded with \$250,000 to provide for costs related to on-duty injuries sustained by Police officers and members of the Fire Department. This Special-Purpose Municipal Stabilization Fund is not considered when calculating the level of available reserves because it is designated for a specific, rather than general, Town purpose.

<sup>23</sup> "Turn-back" is the amount of unspent funds in a given fiscal year that are returned to the General Fund. Over the last 7 years, turn-back has ranged from \$1.67 million to \$3.09 million. The turn-back from FY13 appropriations was large because of an increase in the reimbursement from the state for Special Education expenses incurred in FY12 and an unusually high return from FMD due to lower-than-expected utility costs. Turn-back from the Recreation Department was lower than anticipated, primarily because of the closure of Morses Pond from Memorial Day until the end of June.

Town of Wellesley Reserves					
Year	Prior year Free Cash	Prior Year General purpose Stabilization	Total Reserves	Current Net Revenue*	General Reserves % of Revenue
2014	\$10,950,782	\$3,094,076	\$14,044,858	\$124,832,812	11.3%
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 or retained earnings from the Enterprise funds.

The use of stabilization funds requires approval by two-thirds of Town Meeting while Free Cash can be appropriated by a simple majority vote. Generally, it is 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. Last year, the BOS, Executive Director of General Government Services and Advisory Committee discussed the appropriate and prudent level of Free Cash and what might be considered excess Free Cash. After discussion and review, the BOS adopted a Financial Reserves Policy<sup>24</sup> with the following provisions:

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

The use of \$2.87 million of Free Cash to balance the FY14 budget was consistent with the Policy on Reserves, maintaining reserves at approximately 11.3% of current net revenue. The total Free Cash used since 2013 ATM is \$3,837,054 and is comprised of \$890,054 in appropriations from the 2013 fall STM<sup>25</sup>; \$697,000 to be appropriated at this ATM in Articles 5(3), 7(1) and 18<sup>26</sup>; and \$2,250,000 to be used to balance the budget in Motion 3 of this Article. With no turn-back and no override, the projected reserve level is 8.2% of revenues; with \$1 million in projected FY14 turn-back, the reserve level rises to 9.0%. If the Town were to not consider an override but take \$3.345 million from Free Cash instead, the Free Cash reserve level would drop to 6.2%,<sup>27</sup> well below the BOS Reserve Policy. The BOS therefore proposes to add \$3.345 million to Free Cash by an override of Proposition 2 ½ (or, if the override fails, to

<sup>24</sup> The complete policy can be found at:

[http://wellesleyma.gov/Pages/WellesleyMA\\_Finance/policies/reserves.pdf](http://wellesleyma.gov/Pages/WellesleyMA_Finance/policies/reserves.pdf)

<sup>25</sup> Appropriations included \$68,632 for union contract settlements, \$32,527 for the PBC assistant, \$3,000 for the WFL Ethernet switches, \$250,000 for the Special Purpose Municipal Stabilization Fund, \$62,000 for a partial year of the new FMD Building Operations Liaison, and \$308,885 for a supplemental appropriation for the Tolles-Parsons Center.

<sup>26</sup> Appropriations include \$150,000 for the Merit Pay Pool and HRB Reserve Fund, \$500,000 for Winter Maintenance and \$47,000 for 900 Worcester Street.

<sup>27</sup>

make a total reduction in departmental spending of \$3.345 million). Assuming \$1,000,000 in turn-back in FY15 and \$600,000 in appropriations from Free Cash at the 2015 ATM, only \$1,150,000 can be taken from Free Cash to keep the reserves levels above 8.0%. (For comparison, in FY13, a total of \$2,837,757 of Free Cash was used to balance the budget while in FY12, a total of \$1,041,064 was used.)

### **Budget Guidelines**

The revised budget outlook in September 2013 and the inclusion of funding from Free Cash provided the basis for the FY15 budget guidelines issued by the BOS:

- Limit personal services growth to 1.75% generally and to 3% for Series 40/50 employees;
- Level fund expenses (*i.e.*, 0% increase).

The resulting guidelines for Departmental budgets were as follows:

1. All departments' personal services – 1.75%
2. Series 40 employees – 3%
3. Capital Budgets – as projected in Five Year Capital Budget Program
4. All Operating Budgets – No increase in expenses

The School Department operating budget is \$3.385 million over the guidelines (the School budget's net increase of 5.6% reflects a placeholder for a collective bargaining agreement; level service increases based on rising high school enrollment; and the implementation of portions of the Superintendent's Strategic Plan). In addition, the Schools are required to contribute an additional \$370,000 to the Group Insurance Fund to cover the benefits costs of all new employees and employees who have become benefits-eligible in FY15; the total cost of the School budget is therefore \$63,894,619 or 6.2% over FY14. If the override does not pass at this ATM and in a Town-wide vote, the Schools are responsible for reductions totaling \$2,830,000 which would bring their budget to 1.54% over FY14.<sup>28</sup> See page 59-87 for a full discussion of the School Department FY15 Operating Budget and the items and amounts expected to be included in the override vote in May. Other departments were also over guideline and their budgets are discussed explicitly below.

A summary of FY15 Sources and Uses is found in the TWFP on page 162. Summary information on departmental tax-impact budget requests is shown below and more information is provided in the sections that follow. A chart detailing requests, including a breakdown of Personal Services, Expenses and Variances in each department from FY14 to FY15 may be found as Exhibit B to the TWFP on page 168. Many Departments, including Schools, DPW, MLP, Recreation 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.

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<sup>28</sup> Because the guidelines allow only the Personal Services component of the operating budgets a 1.75% increase, the "aggregate" guidelines are actually lower. For the schools, the largest single budget, the aggregate guideline is 1.54% = 0.88 of 1.75% which reflects the 88% / 12% split between Personal Services and Expenses in the School budget.

**GENERAL GOVERNMENT** <sup>29</sup>

General Government includes those Departments and Boards under the Supervision of the BOS:

	<b>FY13 Actual</b>	<b>FY14 Appropriation</b>	<b>FY15 Request</b>	<b>FY14-15 Change</b>
<b>BOS - Administration</b>				
Executive Director's Office	\$322,018	\$425,783	\$429,258	0.8%
Sustainable Energy	24,960	15,033	15,033	0%
Central Admin Services	37,064	38,500	38,500	0%
Finance Department	350,420	377,312	388,314	2.9%
Information Technology*	675,052	691,468	687,467	-0.6%
Treasurer & Collector	366,534	388,874	388,874	0%
Parking Fines Processing	<i>(integrated with Traffic &amp; Parking Operations)</i>			
Town Report	2,962	4,000	4,000	0%
<b>BOS – Human Services</b>				
Council on Aging	311,303	358,866	358,893	0%
Fair Housing Committee	0	200	200	0%
West Suburban Veterans District	85,818	107,261	104,875	-2.2%
Youth Commission	90,064	90,499	90,499	0%
<b>BOS – Maintenance Services</b>				
Facilities Maintenance	5,665,740	6,432,097	6,556,780	1.9%
<b>BOS - Other Services</b>				
Housing Development Corp	3,500	6,000	6,000	0%
Historical Commission	0	750	750	0%
Historical District Commission	110	250	250	0%
Memorial Day	1,727	2,500	2,500	0%
Celebrations Committee	4,700	4,700	4,700	0%
Zoning Board of Appeals	52,637	56,674	56,674	0%
<b>BOS - Shared Services</b>				
Law	263,746	300,000	250,000	-16.7%
Audit Committee	56,250	56,250	56,250	0%
Risk Management (Including Police & Fire)	355,683	479,000	504,000	5.2%
Street Lighting	222,536	225,300	227,000	0.8%
<b>TOTAL General Government</b>	<b><u>\$8,892,824</u></b>	<b><u>\$10,061,317</u></b>	<b><u>\$10,170,817</u></b>	<b>1.1%</b>

\*NOTE: Formerly known as Network and Information Systems

<sup>29</sup> Note that the FMD has been added back to the General Government category; in previous *Advisory Reports* it had been broken out separately. Utilities are included under FMD Maintenance Services.

## **BOARD OF SELECTMEN – ADMINISTRATION<sup>30</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.

### **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. The 2009 ATM established the goal of reducing annual greenhouse gas emissions by 10% between 2007 and 2013. For the 2014 ATM, the SEC will propose a new greenhouse gas emission reduction goal of 25% between 2007 and 2020 which accelerates the target reduction from 1.7% between 2007 and 2013 to 2.6% from 2013 to 2020. In 2013, approximately 1,000 households and businesses, including all three colleges in Town and all municipal accounts, purchased renewable energy for some or all of their electricity use. In 2014 the SEC's largest campaign is "More Power to Choose," offering free home thermal images, no-cost energy assessments, encouragement to follow recommended conservation measures, a group purchase that will provide residents discounted prices for solar installations, and continued recruitment for the MLP's renewable energy program. The SEC Report on page 212 provides more information on the activities of the SEC and describes the greenhouse gas emission reduction goal proposed in Article 37 on page 145.

### **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).

### **Information Technology**

The Information Technology (IT) Department, formerly known as the Network and Information Systems (NIS) Department, works to enable other municipal departments to deliver high-quality, efficient and effective services to their customers by providing a range of centralized IT services. The IT Department oversees all information technology policies, standards and architecture, and promotes cross-department collaboration and adoption of shared services. More specifically it is responsible for network security, data back-ups, and disaster-recovery planning; support for servers, PCs, printers, and other peripherals, and for core business applications like email, word processing, and presentation software; administration of the Town's integrated financial software suite (MUNIS), including processing of all billing and payroll throughout the year; and planning, implementing, and managing all Town Geographic Information Systems (GIS) activities.

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<sup>30</sup> For more detailed descriptions of the initiatives and accomplishments of the boards, committees and Town departments, please refer to the 2013 Annual Town Report at: [http://www.WellesleyMa.gov/Pages/WellesleyMA\\_Selectmen/townreport2013](http://www.WellesleyMa.gov/Pages/WellesleyMA_Selectmen/townreport2013)

### **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.

### **Town Report**

This budget covers the cost of printing the Town's Annual Report at the end of each fiscal year.

## **BOARD OF SELECTMEN – HUMAN SERVICES**

### **Council on Aging**

The Council on Aging (COA) provides information and referrals to seniors who need assistance 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's FY15 budget, while essentially unchanged from FY14, includes a significant restructuring of the way COA bus transportation is funded, which will be less expensive and provide greater service flexibility. The COA will be running the bus service with its own staff and assistance from the MetroWest Regional Transit Authority (MWRTA), thereby eliminating its contract with M&L Transit Systems. The COA Transportation Coordinator position will be expanded to 19 hours per week (from 8 hours/week in FY14<sup>31</sup>) and together with two new part-time drivers (18 hours/week each), make up the majority of the Personal Services increase of \$49,623. A portion (\$41,350) in funds from COA state and local grants, formerly part of the COA's Transportation Revolving Fund and used to offset the M&L contract, will now be applied to the COA's operating budget. Moreover, the Transportation Revolving Fund will be eliminated in FY15. Overall, transportation will cost \$28,544 less than it did in FY14. The grant funds released by the transportation restructuring will be used to enhance program offerings, enabling the COA to better serve the needs of the growing population of Wellesley's aged 60+ community.

### **West Suburban Veterans District (WSVD)**

Wellesley participates in an inter-municipal agreement with the Towns of Wayland, Needham and Weston to provide Veterans' services. The Veterans' agent and his full-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. The State reimburses the Town for 75% of the cost of the benefits. This

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<sup>31</sup> The 2013 STM approved the COA's transfer of \$6,850 in funds from Expenses to Personal Services to pay for a part-time Transportation Coordinator by eliminating one service hour per week of the M&L contract (see pages 11-12 of the *2013 STM Advisory Report*).

reimbursement accrues directly to the General Fund and is not accounted for as an offset to the budget.

**Youth Commission**

The Wellesley Youth Commission provides programs and services designed to ensure that Wellesley’s youth feel they are a valued part of the Wellesley community. By providing a wide variety of community-based events, programs and services, the Youth Commission strives to appeal to and meet the needs of a broad spectrum of middle- and high school-aged youth and their families. Programs and services provided by the Youth Commission are implemented and managed by the Youth Director.

**BOARD OF SELECTMEN – FACILITIES MAINTENANCE SERVICES**

	<b>FY13</b> Actual	<b>FY14</b> Appropriation	<b>FY15</b> Request	<b>FY14-15</b> Change
Building Operations Liaison (BOL)	\$3,132,157	\$3,437,524 100,385	\$3,619,002	5.3%
Total Personal Services	<b>3,132,157</b>	<b>\$3,537,909</b>	<b>\$3,619,002</b>	<b>2.3%</b>
Expenses	2,533,583	2,894,188	\$2,937,778	1.5%
<b>TOTAL Facilities Maintenance<sup>32</sup></b>	<b><u>\$5,665,740</u></b>	<b><u>\$6,432,097</u></b>	<b><u>\$6,556,780</u></b>	<b>1.9%</b>

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.

The FY15 FMD Operating Budget request is for a total of \$6,556,780, constituting a Personal Services and Expenses increase of \$81,093 (not including \$100,385 for the Building Operations Liaison (BOL) position approved by the 2013 STM). Expenses include Custodial, Maintenance, Utilities, Vehicle Maintenance and Central Office. Changes in utilities costs in FY15 are as follows:

- Electrical, +0%
- Natural Gas, +6.0% (gas price increase are 12%; the FMD plans to take aggressive action to manage natural gas usage and limit expenditures the 6% increase)
- Water and Sewage, +5% and +7%, respectively, per recommendation of the DPW
- Fuel Oil (Fells Library and back-up systems only), 0%

If the override fails, the BOL position, which has not yet been filled, and two other positions within the Selectmen’s budget will be eliminated in FY15, for a total cost reduction of \$222,000.

<sup>32</sup> Note that if the total FMD operating budget for FY15 is compared to the original FY14 budget without the BOL position, the increase from FY14 to FY15 is \$225,068, a 3.6% increase.

## **BOARD OF SELECTMEN – OTHER SERVICES**

### **Housing Development Corporation, Historical Commission, Historical District Commission, Memorial Day Service, Celebrations Committee**

There is no change in the budgets any of these groups.

### **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 (Massachusetts General Law 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 \$50,000 decrease (-16.7%) from FY14 to FY15 is in anticipation of a reduced level of expenses to be incurred during FY15 and the engagement of a new Town Counsel.

### **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.

### **Risk Management**

This budget provides for the premium costs for general liability, automobile, property insurance, and public official liability insurance for all Town operations, as well as funds for occupational health services. Injured-on-Duty Insurance coverage for Police and Fire Department officers is also included.

### **Street Lighting**

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.

	FY13 Actual	FY14 Appropriation	FY15 Request	FY14-15 Change
Town Clerk/Election & Registration	\$295,797	\$274,970	\$299,104	8.8%
Board of Assessors	312,128	338,751	348,344	2.8%
Planning Board	256,790	267,921	269,122	0.5%
Advisory Committee	11,495	22,782	23,897	4.9%
Advisory Reserve Fund	175,000	175,000	175,000	0%
Permanent Building Committee	19,284	34,231	128,007	274.0%
Human Resources Board	291,284	296,769	298,211	0.5%
HR Salary adjustments*	43,525	36,724	150,000	308.5%
<b>TOTAL Other General Government</b>	<b><u>\$1,405,303</u></b>	<b><u>\$1,447,148</u></b>	<b><u>\$1,691,685</u></b>	<b>16.9%</b>

\*Note: See 2012, 2013 ATM Article 4 for FY13, FY14 and 2014 ATM Article 5 for FY15.

### Town Clerk

The Town Clerk's office conducts all Federal, State and local elections in Town and maintains a current voting list. The budget does not include funds for unscheduled elections (approximately \$20,000 per election, normally funded by a transfer from the Advisory Reserve Fund), such as those for overrides or debt exclusions. During an election, the Town Clerk's office engages approximately 90 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. The operating budget increase (8.8%) is because of the three scheduled elections in FY15 compared with a single ATM election in FY14. For the next three years, the scheduled elections are as follows:

- FY15 - 3 elections     State Primary, State Governor, Annual Town
- FY16 - 2 elections     Presidential Primary, Annual Town
- FY17 - 3 elections     State Primary, Presidential Election, Annual Town

The Town Clerk also 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. The 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. Every third year is a recertification year, during which the Commonwealth's Commissioner of Revenue performs a comprehensive audit of local assessed

values to certify they represent the full and fair cash value of all property. This process helps ensure property owners contribute an equitable portion of the total tax burden. The recertification process, which will occur in FY15, requires additional statistical modeling and reporting and results in higher consulting costs.

### **Planning Board**

The Planning Board and the staff of the Planning Department assist in the creation and maintenance of a functional and attractive (approximately 87% residential) community through attention to municipal planning and project review. To accomplish the mission and to meet its established duties, the Board and Department are responsible for administering Subdivision processes within the Town; preparing a Comprehensive Plan for the Town; reviewing and recommending changes to the Zoning Bylaw and Zoning Map; coordinating activities with the Design Review Board; determining the adequacy of unaccepted ways; protecting the Town's Scenic Roads; considering applications for Projects of Significant Impact; and administering the Large House Review process.

### **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. If Town Meeting approves Article 8, there may be a request for a transfer from the Advisory Reserve Fund to cover the costs of the override vote in May.

### **Permanent Building Committee**

The Permanent Building Committee (PBC) oversees all construction projects that exceed \$100,000 in cost.<sup>33</sup> The PBC does not initiate projects, but provides management and control services to Town boards pursuing construction projects. 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.

PBC proposes this year to include all Personal Services costs within its operating budget. In prior years, a large percentage of those costs had been allocated proportionally to specific projects. PBC's FY15 budget therefore shows an increase of \$128,007 (274%), representing the full accounting of its personal services cost, compared to the 15-18% portion historically included. With the Town's renewed commitment to building maintenance and the resulting creation of the FMD, PBC's workload has increased steadily. Mid-year requests to prepare

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<sup>33</sup> The threshold was raised from \$25,000 to \$100,000 by the 2013 ATM; additionally, PBC was enabled "at its discretion" to turn over supervision of projects exceeding \$100,000 to other boards like DPW or FMD.

budgets for unfunded projects have become routine, and making precise allocations to multiple pending projects made the previous accounting methods cumbersome.<sup>34</sup> If the override fails, the PBC will be responsible for a \$92,000 reduction in its operating budget and they will postpone the reorganization of their budget, returning to their previous accounting system.

In October 2014, PBC hired a full time Projects Assistant to replace a part time position. The expanded position was approved in Article 3 Motion 1 of the 2013 STM (see pages 9-11 of the 2013 STM Advisory Report), and accounts for roughly one quarter of the PBC’s FY15 budget increase.

**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 discussions under Articles 4 and 5.

**PUBLIC SAFETY – BOARD OF SELECTMEN**

	<b>FY13 Actual</b>	<b>FY14 Appropriation</b>	<b>FY15 Request</b>	<b>FY14-15 Change</b>
Police Department	\$5,283,428	\$5,419,731	\$5,600,483	3.3%
Special School Police	70,340	102,876	104,685	1.8%
Fire Department	4,577,642	4,834,387	4,855,918	0.5%
Building Department	409,584	456,570	459,210	0.6%
Sealer of Weights and Measures	11,619	18,460	18,460	0%
<b>TOTAL Public Safety</b>	<b><u>\$10,352,613</u></b>	<b><u>\$10,832,024</u></b>	<b><u>\$11,038,756</u></b>	<b>1.9%</b>

*Note: Utilities for these departments are included under FMD Maintenance Services.*

**Police Department**

The FY15 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. A new traffic officer is being added to the department in FY15 with a neutral tax impact; the employee’s salary is being funded partially by parking meter receipts and partially by the Police Detail fund.

The Police Superior Officer’s contract was settled at the 2013 ATM through FY15 and has been extended for an additional year pending ATM approval under Article 5 Motion 6 on page 29. The Police Patrolman’s contract was settled at the 2013 STM through FY16. The Wellesley Police Dispatcher’s Association contract has been extended through FY17; Town Meeting approval of this contract is the subject of Article 5 Motion 4 on page 28.

The FY15 budget request includes \$636,494 for expenses, specifically vehicle maintenance and replacement; other equipment and training; and development costs. The Police Department

<sup>34</sup> The cost of services provided by the architects and engineering firms engaged by the PBC to execute projects are still included in the relevant project budgets.

anticipates approximately \$216,890 in revenue from fines and permit fees in FY15 and the new traffic officer's work is expected to generate additional revenue.

### **Special School Police**

The school crossing guards provide safe passage for school children at busy intersections and thoroughfares. The FY15 budget provides funds for 17 school crossing guards and one substitute guard, all of whom are part-time employees. These positions can be difficult to fill and currently several positions remain open; police officers are assigned to cover unfilled posts.

### **Fire Department**

The Wellesley Fire Rescue Department is charged with the responsibility of protecting the lives and property of the citizens of Wellesley. The Fire Rescue Department has a present complement of 57 full-time employees in the following positions: Fire Chief, Deputy Fire Chief, Captain Fire Prevention Inspector, 4 Shift Captains, 12 Lieutenants, 36 Firefighters, Administrative Assistant and Mechanic. Additionally, the Fire Rescue Department supervises the AMR Paramedics under contract with the Town. The department operates out of two stations, one at Central Street and Weston Road (Station # 1) and one on Worcester Street in Wellesley Hills (Station # 2). Front line apparatus consists of three pumping engines and one tower ladder unit; a Special Operations/Emergency Response Vehicle; and boats and specialized equipment for water and ice rescues operations. The Fire Department maintains one pumping engine in reserve. The purchase of a new pumping engine is the subject of Article 23 on page 125. The Fire Department anticipates approximately \$68,113 in receipts from permits and master box alarm fees.

The Firefighters contract expires at the end of FY14 and collective bargaining is actively occurring at the time this *Advisory Report* goes to press.

### **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 and the Town anticipates receiving \$1,502,500 from these fees in FY15.

### **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>FY13 Actual</b>	<b>FY14 Appropriation</b>	<b>FY15 Request</b>	<b>FY14-15 Change</b>
Engineering	\$524,309	\$559,127	\$561,161	0.4%
Highway	1,441,191	1,475,794	1,529,316	3.6%
Fleet Maintenance	187,404	190,023	190,023	0.0%
Park & Tree	1,352,625	1,360,275	1,371,384	0.8%
Recycling & Disposal	2,063,011	2,220,988	2,256,711	1.6%
Management	369,103	385,388	391,371	1.6%
Winter Maintenance	348,703	348,703	348,703	0.0%
<b>TOTAL Board of Public Works</b>	<b><u>\$6,286,346</u></b>	<b><u>\$6,540,298</u></b>	<b><u>\$6,648,669</u></b>	<b>1.7%</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 financed 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 103 and 105, respectively, and have been included in the Consent Agenda at this ATM.

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, brooks and streams. The Recycling and Disposal Facility (RDF) is responsible for disposing of solid waste and recyclable materials and is the Town’s most widely-used facility, with over 350,000 annual vehicle trips to the facility. 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 \$6,648,669 from Town funds to pay operating expenditures in FY15. This request represents an increase of \$109,073, or 1.7%, over the FY14 budget. A portion of this appropriation, \$132,033, supports the RDF Business Initiatives program which is reviewed in more detail below. If the override fails, the DPW will reduce \$100,000 from its FY15 budget.

The FY15 Budget projects an overall 0.2% increase in Personal Services, which reflects the 3% increase for Group 40 personnel. This request does not include any general increase for union personnel since existing contracts expire at the end of FY14 and negotiations are in process as of this writing. The budget projects a 4.8% increase in expenses, mostly a result of higher fuel costs, RDF vehicle repairs and maintenance costs, DPW Operations Building utilities, and trash and other material disposal costs.

The Winter Maintenance budget is level funded for FY15; at the time this book went to press, the DPW had requested a supplemental appropriation from the BOS and Advisory Committee of

\$500,000 (see Article 7, Motion 1 on page 31.) The initial FY15 budget of \$348,703 is significantly below the four-year average of actual snow removal costs of \$717,060 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. If actual costs are greater than the budgeted amount, as was the case in FY10, FY11 and FY13, 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, and the Town's typical practice is to exercise the former option.) 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 FY15 RDF revenues of approximately \$632,000, 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, a 0% increase from last year. 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 from the RDF Business Initiatives is \$616,365.

### **Budget Risks**

Under some circumstances, the DPW may deploy personnel for DPW capital projects or Town programs funded through other budgets. For FY15, the budget assumes that approximately \$897,000 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 FY15.

### **FY15 DPW Program Budget**

Consistent with recent budget reporting practice, the DPW FY15 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 account. Funding for any deficiencies must be obtained from the Reserve Fund or approved by Town Meeting.

## BOARD OF LIBRARY TRUSTEES

	FY13 Actual	FY14 Appropriation	FY15 Request	FY14-15 Change
Breakdown by Department:				
Circulation	\$415,074	\$408,304	\$408,634	0.1%
Children's	272,272	306,885	329,736	7.5%
Reference	506,419	547,741	557,442	1.8%
Technical Services	276,431	246,513	253,303	2.7%
Sunday Openings	45,963	48,491	49,767	2.6%
Administration	296,478	293,918	298,114	1.4%
Technology	179,967	201,575	221,075	9.7%
Maintenance*	0	1,800	1,800	0%
Breakdown by Personal Service and Expenses:				
Personal Services	1,575,558	1,596,671	1,635,027	2.4%
Expenses	417,046	458,557	484,845	5.7%
<b>TOTAL Library Trustees</b>	<b><u>\$1,992,604</u></b>	<b><u>\$2,055,228</u></b>	<b><u>\$2,119,872</u></b>	<b>3.2%</b>

\*Note: Utilities are included under FMD Maintenance Services. The FY14 and FY15 figures represent maintenance solely for the library van.

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 programming, the WFL Library provides free and convenient access to information both within and beyond its walls. In the past ten years, use of the WFL website has increase over 500%, a single database has given rise to 48 databases, and books are now available in more than four formats, including e-books and audio books. Online book renewal and self-checkout are also increasingly popular.

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 FY13, a total of \$82,670 was returned to the General Fund and FY14 estimates are comparable. Private sources of funding (non tax-impact) accounted for 19% of the total library budget in FY13 and are used to fund the annual operating expenses of the branch libraries, collection enhancement, outreach to schools, and technology enhancements.

The union contract expired in FY11 and negotiations are ongoing. The FY12-FY14 budgets and the proposed FY15 budget do not include cost of living increases. The personal services increases reflected in the proposed budget reflect step increases, longevity increases and an increase in 20.5 hours per week of part-time staffing. One Sunday has been added to the schedule to accommodate the school calendar. However, the Trustees voted to maintain the budget cuts that were requested last fiscal year by remaining closed on two non-summer Sundays in FY15. Even without a contract settlement, the FY15 library budget has increased by 3.2% from FY14, and the Library Trustees will reduce the library budget by \$82,000 in the event of a failed override. They plan to address the library budget gap almost exclusively through a

reduction in personnel costs and associated materials expenses and will maintain a budget that is compliant with State guidelines for certification.

There are no overtime hours in the Library Operating budget but there are shift differentials for working after 5 p.m. and on weekends. Personal services comprise 77% of the budget, 15% pays for library materials, while 5% covers technology and 2% covers supplies. Technology costs are a significant budget driver in FY15, with service contracts, website support and Minuteman Library Network membership increasing by \$14,500 (15.2% from FY14). More than half of the increase in expenses in FY15 is attributable to technology costs.

**OTHER COMMISSIONS AND BOARDS**

	<b>FY13 Actual</b>	<b>FY14 Appropriation</b>	<b>FY15 Request</b>	<b>FY14-15 Change</b>
Recreation Commission	\$311,590	\$321,531	\$332,824	3.5%
Board of Health (BOH)	371,413	419,980	421,486	0.4%
BOH – Mental Health Services	210,228	215,691	215,691	0%
Natural Resources Commission (NRC)	198,469	203,075	204,336	0.6%
Morses Pond Project (NRC/DPW/Rec)	135,316	160,415	167,415	4.4%
<b>TOTAL Other Commissions/Boards</b>	<b><u>\$1,227,016</u></b>	<b><u>\$1,320,692</u></b>	<b><u>\$1,341,752</u></b>	<b>1.6%</b>

*Note: Utilities are included under FMD 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 full-time and one half-time employees of the Recreation Department, headquartered in the Warren Building, conducted approximately 541 recreational programs serving 10,343 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 2013 fell by more than 50% to 17,893 visits as a result of the unanticipated beach closure in June and more than a doubling of the fee for non-resident visitors to the Pond.

The Recreation Commission FY15 operating budget includes only tax-impact costs, primarily the salaries for the full-time staff 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, deposited into the program revolving fund, are intended to cover the actual costs of the programs and pay the salary of the part-time employees. The program surplus amounts for the past three years were:

FY11 - \$113,801                      FY12 - \$123,356                      FY13 - \$92,204

The FY14 surplus is estimated to be \$124,000 and will be determined at the end of July. Beach attendance, which can be impacted by weather and Morses Pond water quality, is a major factor affecting the amount of the surplus. Barring any unforeseen events, the Recreation Commission expects beach attendance to increase this year. The FY15 Recreation budget, which is up 3.5% since FY14, will be reduced by \$12,000 in the event of a failed override. The Recreation Department plans to eliminate one brochure printing to cover this reduction.

**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, and the Charles River Center, which provides services to children and adults with developmental disabilities.

**Natural Resources Commission**

The Natural Resources Commission (NRC) manages park and conservation land, cares for public shade trees, acquires land and places 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. In the event of a failed override, the Morses Pond Project budget will be reduced by \$7,000, its total increase from FY14 to FY15.

## WELLESLEY PUBLIC SCHOOLS

**Note: The FY15 School budget does not include the contribution the Schools are making to the Group Insurance Fund, which is discussed in more detail below.**

	FY14 Appropriation	FY15 Request	FY14-15 % Change
General Education			
Instruction	\$39,827,819	\$43,064,603	8.1%
Administration	1,032,248	\$1,072,604	3.9%
Operations	1,105,122	\$1,280,772	15.9%
Total General Operating	\$41,965,189	\$45,417,979	8.2%
Special Education			
In-District	\$13,555,413	\$14,202,192	4.8%
Out-of-District	6,940,515	6,716,088	-3.2%
Circuit Breaker Offset	(2,321,779)	(2,811,640)	21.1%
Total Special Education	\$18,174,149	\$18,106,640	-0.4%
<b>TOTAL OPERATING BUDGET</b>	<b><u>\$60,139,338</u></b>	<b><u>\$63,524,619</u></b>	<b>5.6%</b>

The Wellesley Public School (WPS) system is comprised of ten school facilities, approximately 780 full-time equivalent employees (FTEs) and approximately 4,940 students. For FY15, the School Committee has approved a School Department request for a total budget appropriation of \$63,524,619, reflecting an increase of \$3,385,281 or 5.6% over the FY14 budget appropriation. Personal Services comprise the most significant segment of the budget request at \$55,688,507, or 87.7%, of the projected total School Department spending. Expenses make up the balance of the budget request, totaling \$7,836,112. This budget request includes the complete Special Education budget request of \$18,106,640 which consists of \$13,225,366 of Personal Services and \$4,881,274 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).

### FY15 Budget Guidelines

In the fall of 2013, the budget guidelines were established by the Board of Selectmen (BOS) in consultation with the Executive Director of General Government Services. The guideline was applied uniformly to all Town departments, allowing a 1.75% increase for Personal Services and a 0% increase for expenses for FY15. Any increases over guideline were to be included on an override list. Early in the budget process, the School Department recognized that adhering to the 1.75% Personal Services increase would require significant cuts to be made into the Level Service<sup>35</sup> portion of their budget. No portion of the School Department's new Strategic Plan would be implemented. Knowing the value that Wellesley residents place on strong schools, the Administration set out to build a budget based on the Strategic Plan, which they viewed as an investment in public education. The School Department's FY15 initial budget was approved by the School Committee on January 14, 2014, and an amended version was approved on March 7, 2014. It is important to note that for the School Department, the guideline allowed an increase of \$923,387 in Personal Services and \$0 increase in Expenses, resulting in a 1.54% (not

<sup>35</sup> The Level Service budget is the amount of funding which is required to provide exactly the same services in FY15 as were provided in FY14.

1.75%) aggregate increase to the Schools' FY15 operating budget, as Personal Services are 88% of the total budget.

The Cash Capital budget guideline was level funded and an appropriation of \$791,030 was approved by the School Committee. This FY15 Cash Capital budget request is \$12,105 (1.5%) **below** the \$803,135 guideline (FY14 appropriation).

### **Why is the FY15 Budget Different?**

This budget is the first in alignment with Superintendent of Schools Dr. Lussier's five-year Strategic Plan. The plan is a vision for the future of education in Wellesley, taking more than a year to create with the help of citizens, educators, Town leaders and the School Committee. Major goals in the Strategic Plan include focusing on every child in every classroom every day, investing in the Town's educators, providing broad-based learning opportunities to strengthen Wellesley's vision of being a world class public school system, and aligning resources with educational needs.

In past years, the School Department has maintained level service with minimal investments; the Town has not had an override since FY07. This year, the School Department and School Committee are requesting a major investment in the school district with the goals of strengthening Wellesley's reputation for academic excellence and closing the achievement gaps that exist across content areas and among different student populations. The School Department has also noted that in recent years, the WPS operating budget has been moving further away from representing the true cost of a Wellesley public education, with significant inequities in resource allocation across the system and an ever-larger share of costs falling on parents through school fees and donations to parent-supported school organizations like the PTOs.

The Schools' operating budgets for FY13 and FY14 had increases of 3.5% and 4.2%, respectively, over prior fiscal years. The FY15 budget represents a 5.6% increase over FY14.<sup>36</sup> This is an aggressive budget request and will require the support of Town Meeting and the citizens of Wellesley by approving an override of Proposition 2 ½. A failure to support the override will reduce the total School budget (including the benefit costs) from \$63,894,619 to \$61,064,619, resulting in a budget that is slightly below the 1.54% aggregate guideline of the (\$923,387 total school spending increase from FY14 to FY15).

### **What other sources offset the School budget?**

It is important to note that the tax-impact appropriations listed below are only a part of the total school budget, as there are significant additional resources which come from local revenue as well as state and federal grants. The FY15 local revenue includes Circuit Breaker<sup>37</sup> funding of approximately \$2.24 million to offset some special education costs, a METCO<sup>38</sup> offset of \$90,000 and \$1.15 million in parent-generated fees for arts, athletics, student activities, buses,

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<sup>36</sup> This increase does not include benefits costs arising from the policy implemented by the BOS in the fall of 2013 requiring that any new benefitted departmental position include an appropriation to the Group Insurance Fund to cover that employees benefits for one year. Details of that policy are discussed further on page 62. With the added \$370,000 in benefits costs, the school budget is 6.2% over the FY14 school budget.

<sup>37</sup> The Circuit Breaker program is the Commonwealth's special education reimbursement program, which was started in FY04 to provide additional state funding to districts for high-cost special education students.

<sup>38</sup> The METCO program is a grant program funded by the Commonwealth intended to expand educational opportunities, increase diversity, and reduce racial isolation, by permitting students in certain cities to attend public schools in other communities which have agreed to participate.

and parking. The largest state and federal grants include the Individuals with Disabilities Education Act (IDEA) grant for \$1.1 million to support special education and a METCO grant of \$815,000.

	FY14 Appropriation	FY15 Request	% Inc/Dec
Total Local Revenue & offsets	\$4,075,164	\$4,405,123	8.1%
Total State, Federal and Other	2,099,720	2,099,720	0%
<b>Total</b>	<b><u>\$6,174,884</u></b>	<b><u>\$6,504,843</u></b>	<b>5.3%</b>

### Major Drivers in FY15 Budget

The FY15 Operating Budget is constructed as shown in the chart below, detailing the portion of the 5.6% increase arising from increases in the base budget (salary adjustments, professional development and other adjustments), level service (mandates and investments), the Strategic Plan and other critical needs. In order to compare the FY14 and FY15 school budgets, the benefits allocations have not been included.

#### *Level Service*

The Level Service portion of the FY15 budget represents a 3.5% increase (\$2,135,072) over FY14. As of the publishing of this *Advisory Report*, the Administration and Teachers Union had not reached a settlement of the Teachers Union contract which expired on June 30, 2013. However, even though the successor agreement is currently in collective bargaining, the School Department has made some contractual obligation assumptions for planning purposes which are embedded in the FY15 budget, including salary increases for steps and lanes. Salary adjustments are also made for staff not covered by a collective bargaining agreement such as teaching assistants and paraprofessionals. Even without a settled contract, teachers who are eligible for step and lane increases<sup>39</sup> continue to receive them. Because the primary mission of the public schools is the education of students, Personal Services make up 88% of the Level Service budget. About 43% of the Wellesley teachers are on the top step (16) and about 32% have reached the Master's+60/Doctorate lane (4). The average step increase is 4.17% for steps 2-15 and 1% for step 16; the lane increases from Bachelor's to Master's, Master's to Master's+30, and Master's+30 to Master's+60/Doctorate are 10.25%, 7.72% and 7%, respectively.

Enrollment and mandated increases for Special Education also account for additional increase to the Level Service budget. Of the 23 additional students projected in WPS for FY15, 22 are expected at the WHS. Instructional costs and materials are more expensive as the student population enters the High School. Additionally, WHS has leveled classes and more electives available for the students, which also increases costs. As a larger population of children with Special needs continues to enter the school system, mandates for Special Education and English Language Learners (ELL) also result in increases.

<sup>39</sup> See Appendix B on page 219 for more details on steps, which are increases based on number of years of teaching experience, and lanes which are increases based on educational achievement.

<b>School Operating Budget*</b>	<b>Appropriation</b>	<b>% of Budget Increase</b>
Base Budget = Total Appropriation in FY14	<b>\$60,139,338</b>	
Level Service		
Base Increase over FY14	1,644,556	2.7%
Mandates (e.g., Special Education and ELL investments)	171,114	0.3%
Investments	319,402	0.5%
Total Level Service	<b>2,135,072</b>	<b>3.5%</b>
Strategic Plan	<b>1,212,067</b>	<b>2.0%</b>
Other Critical Needs	<b>38,142</b>	<b>0.1%</b>
Total Increase over FY14	<b>3,385,281</b>	<b>5.6%</b>
<b>Total FY15 Request (with override)</b>	<b><u>\$63,524,619</u></b>	<b>5.6%</b>
Cuts to Level Service		
Base	(1,006,291)	-1.7%
Mandates	(2,760)	0%
Investments	(362,620)	-0.6%
Total Level Service	<b>(1,371,671)</b>	<b>-2.3%</b>
Cuts to Strategic Plan	<b>(722,923)</b>	<b>-1.2%</b>
Cuts to Other Critical Needs	<b>(38,142)</b>	<b>-0.1%</b>
Total Gap List Cuts**	<b>(2,132,736)</b>	<b>-3.5%</b>
<b>Total FY15 Request (failed override)</b>	<b><u>\$61,391,883</u></b>	<b>2.2%</b>
FY15 Guideline (1.75% Personal Services)	\$61,062,725	1.5%
Amount Over Guideline	\$2,461,894	4.1%

NOTES: \*Includes Personal Services and Expenses but not new benefits allocations for FY15. \*\*Does not include cuts to the benefit appropriation to the Group Insurance Fund of \$592,500 and cuts to the school capital budget of \$94,850 which brings the total Schools gap list to \$2,820,086.

#### *Investments in the Strategic Plan*

The Strategic Plan represents 2.0% of the budget increase, with about one third of that investment (\$402,240) in the new Full Day Kindergarten program. Full Day Kindergarten, which includes the addition of 18 teaching assistants, is a key initiative in the Strategic Plan. Additional Strategic Plan investments include \$445,764 for curriculum materials in science, social studies, math and literacy, \$97,602 for math and literacy specialists, and \$35,359 to support the expansion of the 1:1 iPad program. All Strategic Plan investments are listed in detail below (see pages 73-76).

#### *Other Critical Needs*

Approximately 0.1% of the budget increase (\$38,142) is proposed to support key areas of transportation (Special Education and general bus service), additional clerical and nursing support, and the addition of a new webmaster.

#### **Benefits Allocation**

In fall 2013, the BOS and the Executive Director of General Government Services instituted a policy whereby any department which creates a newly-benefitted position or makes an existing position benefits-eligible must make a contribution of \$20,000 to the Group Insurance Fund to cover the cost of that employee's benefits for one year. This policy was modified in the case of

teaching assistants who tend to be younger, single employees who choose individual rather than family health plans; the benefits allocation for this group of employees was reduced from \$20,000 to \$7,500 per benefitted position.

The chart below is a summary of how the new benefits are allocated across the major FY15 budget categories:

Category	Appropriation without Benefits Allocation	Benefits Allocation (at \$20,000)	Benefits Allocation (at \$7,500)	Total Benefits	Total
Level Service					
Mandated	171,114	2.4	0	75,000	246,114
Investments	319,402	3.88	0	80,000	399,402
Strategic Plan	1,212,067	2.7	18	175,000	1,387,067
Other Critical Needs	38,142	1.4	0	40,000	78,142
<b>Total</b>	<b><u>\$1,740,725</u></b>	<b>10.38</b>	<b>18</b>	<b><u>\$370,000</u></b>	<b><u>\$2,110,725</u></b>

#### **FY15 Budget Increases by Category**

In the following pages, the FY15 budget is broken down in to the components of: (1) Level and Mandated Services; (2) the Strategic Plan; (3) Other Critical Needs; and (4) Special Education.

#### **SCHOOLS – LEVEL AND MANDATED SERVICES**

A chart which summarizes the Level and Mandated Service increases from FY15 over FY14 in each part of the school system is shown below. The financial impact of the override on this category is also summarized.

	Salaries	FTEs	Benefits	Expenses	Total
Pre-School	\$187,636	4.50	\$35,000	\$3,000	\$225,636
Elementary	13,014	0.20		(50,000)	(36,986)
Middle School	99,802	1.50	20,000		119,802
High School	315,289	4.58	100,000	37,651	452,940
District				74,760	74,760
	<u>\$615,741</u>	<u>10.78</u>	<u>\$155,000</u>	<u>\$65,411</u>	<u>\$836,152</u>
Circuit Breaker Offset	(187,636)	-4.50		(3,000)	(190,636)
<b>Total (with override)</b>	<b><u>\$428,105</u></b>	<b>6.28</b>	<b><u>\$155,000</u></b>	<b><u>\$62,411</u></b>	<b><u>\$645,516</u></b>
Gap List Cuts	(324,819)	(4.88)	(100,000)	(40,561)	(465,380)
<b>Total (failed override)</b>	<b><u>\$103,286</u></b>	<b>1.40</b>	<b><u>\$55,000</u></b>	<b><u>\$21,850</u></b>	<b><u>\$180,136</u></b>

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).

### Level and Mandated Services Budget Summary

The increase in the FY15 budget to support Level and Mandated Services, driven primarily by enrollment changes and the impact of different size cohorts of students as they move through the system, is \$836,152. This figure is comprised of \$615,741 in Personal Services, \$65,411 of Expenses and a benefits allocation of \$155,000. Circuit Breaker carryover from FY14 is used to offset some Special Education increases yielding a total budget increase of \$645,516 including benefits. To meet budget guidelines, the Administration has put together a gap list which identifies \$465,380 of cuts to the budget. If the Proposition 2 ½ override fails, the total Level and Mandated Services budget will be \$180,136.

Staff additions to support Level and Mandated Services are 10.78 FTE with an aggregate projected increase of 23 students in FY15, following an increase of 83 students in FY14. These enrollment increases are well over projections. A description of overall enrollment is given below, followed by analyses of the elementary, middle and high schools; proposed staff additions with associated salaries and expenses are detailed in each of those sections. Items in each section that have been identified as potential eliminations (based on the Schools' gap list at the time this report went to print) are marked as "Gap."

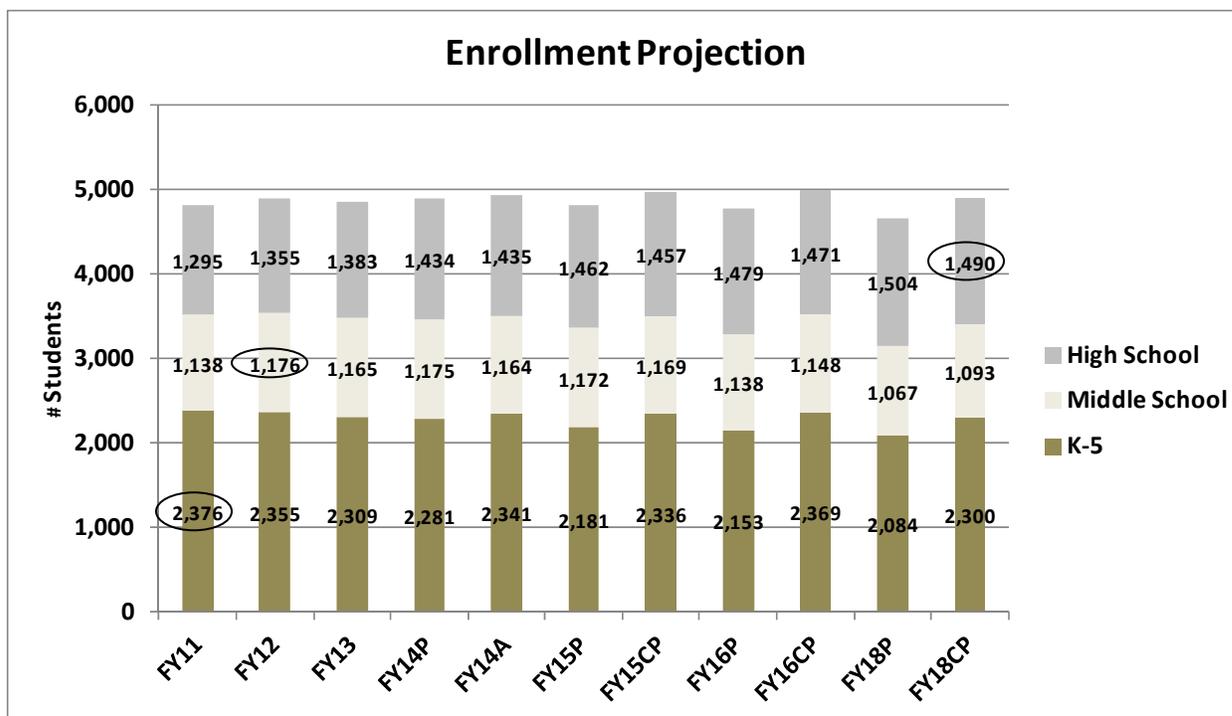
The table below presents the projected overall enrollment increase for FY15, as well as actual and projected enrollment for each of the last several years and the operating budget adjustment for each year. Actual enrollment growth is shown in bold.

ENROLLMENT PROJECTIONS AND BUDGET INCREASES <sup>40</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 / <b>+83</b>	+0.7% / <b>1.7%</b>	\$517,785	0.9%	
<b>FY15</b>	+23 /	+0.5% /	\$645,516	1.0%	

*\*NOTE: Totals K to 12, not including Pre-K or Out-of-District students*

The FY15 enrollment increase is driven by the High School with a projected increase of 22 of the 23 additional students. The graph below shows projected enrollment through FY18.

<sup>40</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.



FY11 through FY13 are actual numbers of students, while FY14P, FY15P etc. are the projections from last year's enrollment report. FY14A is the actual number of students in FY14 and FY15CP, FY16CP etc. are the current projections used for planning this year's budget. Recent and forecast peaks are circled. Although the actual peak at WMS occurred a few years ago, relatively level actual and projected enrollment is expected to delay the High School peak until 2018. Enrollment volatility is generally seen primarily at the elementary level. Elementary enrollment was projected to decrease by 28; instead, it increased by 32 for an unexpected differential increase of 60 students. Most of the projection errors were in grades K, 1, and 2. FY14 projections for WMS and WHS were reasonably accurate with errors of eleven and one student, respectively, and the FY15 projections for those schools have not changed significantly from last year.

Last year, the Administration commissioned a Population and Demographic study with the objective of improving accuracy in the enrollment forecast. The study, performed by Cropper GIS, showed significant variability through two forecast cycles as additional variables were included to improve results.<sup>41</sup> It appears that the traditional cohort-based projection approach used by the Administration is the most accurate approach for short-term forecasting. More experience with the Cropper GIS model may improve its forecasting ability.

FY15 projected enrollment shows an increase of 22 students at the High School and almost flat enrollment at the middle and elementary schools. Recent forecast results and variability in results of the external study illustrate the forecast challenges. These inherent inaccuracies will require flexibility in section formation and assignment policy at the elementary level. The Administration has instituted a central registration system and is working on early Kindergarten registration to increase visibility of the incoming student population.

<sup>41</sup> The number of new housing units constructed annually over the next ten years was increased from 0 to 30. The annual rate of sales of existing home sales relative to the 2010-12 average was increased from 0% to 5%.

The remainder of this section focuses solely on the plan to address FY15 Level and Mandated Services.

<b>Pre-School Level and Mandated Services</b>	<b>4.5 FTE</b>	<b>PS: \$187,636</b>
		<b>Benefits: \$35,000</b>
		<b>Exp: \$3,000</b>

School districts are mandated by federal special education law (IDEA) to provide services for identified students with disabilities beginning on their third birthday.<sup>42</sup> While some planning for these incoming students can be conducted based on early intervention information, recent trends indicate that more than 20 special needs students enter the preschool program during the school year. The number of special needs students dictates overall preschool enrollment. Students with moderate needs are placed in integrated classrooms with a limit of 15 students (including a maximum of seven students with disabilities and eight students without disabilities). Students with more significant needs are accommodated in substantially separate classrooms (up to nine total students with a maximum of three students without disabilities if space is available). Currently there are 54 special education students in Preschool in four full-day and four half-day programs. Three of these eight sections are currently over the mandated class size and a waiver request has been sent to DESE<sup>43</sup> to address this issue. For FY15, the Administration is projecting 42 special education students with the expectation that approximately 20 additional slots will be needed to address rolling admission during the school year (for a total projected enrollment of 62). To address the increased number of students and the projection of five students with significant needs, an additional section has been requested with the following staffing. Note that DESE will not expect a request for a waiver in a second consecutive year.

<b>Staff Increase</b>	<b>New FTEs</b>	<b>Current FTEs</b>	<b>Salary</b>	<b>Benefits Appropriation</b>
Pre-K Nurse	0.5	0.5	\$32,534	
Pre-K Special Educator	1.0	6.0	65,068	20,000
Pre-K Speech Language Pathologist	0.3	3.5	19,520	
Pre-K Occupational Therapist	0.1	2.3	6,507	
Pre-K Physical Therapist	0.1	3.0	6,507	
Pre-K Teaching Assistants*	2.5	14.5	57,500	15,000
<b>Total</b>	<b>4.5</b>	<b>29.8</b>	<b><u>\$187,636</u></b>	<b><u>\$35,000</u></b>

\*NOTE: Three TAs will be increased to full time

The current staff at the Preschool, including 1.0 FTE Psychologist and 0.2 FTE Physical Therapy Assistant, totals 31.0 FTEs. The addition of 4.5 FTEs will support the expected enrollment increase of special education students from 54 to 62 and accommodate the additional classroom for students with more significant needs.

Preschool math materials \$3,000  
 Materials for the additional preschool classroom.

<sup>42</sup> Infants and toddlers with disabilities (birth to age 2) and their families receive early intervention services under IDEA Part C. Children and youth (ages 3-21) receive special education and related services under IDEA Part B.

<sup>43</sup> Massachusetts Department of Elementary and Secondary Education

<b>Elementary School Level and Mandated Services</b>	<b>0.2 FTE</b>	<b>PS: \$13,014</b>
		<b>Benefits: \$0</b>
		<b>Exp: -\$50,000</b>

Seven elementary schools comprise Wellesley's neighborhood-based elementary school system. Elementary school class-size guidelines are 18-22 students for grades K-1, and 22-24 students for grades 2-5. Projected and actual enrollment for the past several years is given in the chart below:

<b>ELEMENTARY ENROLLMENT PROJECTIONS AND SECTIONS</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 / +86	115	20.9
<b>FY09</b>	2,481	+23 / +75	117	21.2
<b>FY10</b>	2,421	0 / -60	116	20.8
<b>FY11</b>	2,376	-16 / -45	113	21.0
<b>FY12</b>	2,355	-84 / -21	113	20.8
<b>FY13</b>	2,309	-25 / -46	116	19.9
<b>FY14</b>	2,341	-28 / +32	117	20.0
<b>FY15</b>	2,336	-5 /	116	20.1

*\*NOTE: FY15 values are all projections*

The average absolute error of the forecast is 50 students, which is about 2% based on the total elementary school population, so the forecast error of 60 students in FY14 is not that far above average. The grade level and school district in which the unforecasted students enroll is the driver of over-guideline classrooms. In the FY14 plan last year, eight over-guideline classrooms were projected. Even with 60 unplanned students, a combination of policy decisions to close five sections to new enrollment and some luck with the distribution of new students resulted in only four classrooms actually being over guideline. Moreover, class size inequities across all elementary schools were actually reduced.

<b>One Section Reduction</b>	<b>-1.0 FTE</b>	<b>PS: -\$65,068</b>
		<b>Benefits: -\$20,000</b>

Earlier projections indicated an elementary school decrease of 26 students for FY15. While the reduction was later modified to only 5 students, the Administration is reasonably confident that one elementary section can be reduced in FY15. Based on the historic forecast error rate, enrollment will have to be watched carefully, especially in grades K-2 where most of the errors occur.

**Elementary Math Materials** **-\$50,000**

Curriculum materials for the Math Investigations program will switch to a large workbook format from individual booklets, reducing direct material cost.

<b>Special Education Team Chair</b>	<b>1.0 FTE</b>	<b>PS: \$65,068</b>
		<b>Benefits: \$20,000</b>

The Elementary Special Education Department Head currently provides case management and supervision for seven elementary schools and four specialized programs. Assisting the Department Head, the Team Chair will provide case management for complex student issues,

chair team meetings, manage private school/private pay student cases, provide training for Teacher Assistants and accompany outside evaluators during observations. This model has been very effective at the middle and high schools.

Hunnewell School Nurse	0.2 FTE	<b>GAP</b>	PS: \$13,014
			Benefits: \$0

The Department Head for Nursing Services currently supplements the 0.8 FTE Nurse at Hunnewell one day per week. Because of increasing demands on the Department Head, the Hunnewell position is being expanded to the 1.0 FTE level to allow the Department Head to devote full time to that role.

<b>Middle School Level and Mandated Services</b>	<b>1.5 FTE</b>		<b>PS: \$99,802</b>
			<b>Benefits: \$20,000</b>
			<b>Exp: \$0</b>

Special Education Teacher	1.0 FTE		PS: \$65,068
			Benefits: \$20,000

There are two specialized programs at WMS: the Skills program for students with on the autism spectrum and the Integrated Specialized Services program for students with disabilities that cross domains. Each program is currently staffed with one teacher and three teaching assistants. Four students are enrolled in the Skills program and six in the ISS program. In FY15, enrollment is expected to expand to nine students and 10 students in those programs respectively. Because of the complex nature of these students' needs and the need to schedule inclusive opportunities across three grades, this additional teacher will support both these programs and provide instructional services within the general education classes in accordance with students' IEPs.

Middle School Nurse	0.2 FTE	<b>GAP</b>	PS: \$13,014
			Benefits: \$0

Because of the increased level of healthcare needs at WMS, an additional 0.2 FTE is required to address the volume of nursing office visits/day.

Fitness and Health	0.3 FTE	<b>GAP</b>	PS: \$19,520
			Benefits: \$0

In FY 14, MS Grade 8 Health and Fitness classes are at capacity with all classes at or near 25 students (except Project Adventure classes which are capped at 16). Grade 8 enrollment is decreasing in FY15 but the 0.3 FTE addition will enable two additional sections, keep total capacity constant with a reduced maximum class size of 22, and provide more flexibility in scheduling.

Special Education After-School Coordinator Stipend	0 FTE		PS: \$2,200
			Benefits: \$0

With this stipend, the Special Education Department at WMS will manage increased participation of Special Education students in a broad range of after-school activities. Previously this support was not compensated.

<b>High School Level and Mandated Services</b>	<b>4.58 FTE</b>	<b>PS: \$315,289</b>
		<b>Benefits: \$100,000</b>
		<b>Exp: \$37,651</b>

Current and projected High School class sizes are:

<b>Grade</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15 Projection</b>	<b>FY14 to FY15 Change</b>
9	383	360	389	+29
10	342	381	360	-21
11	360	336	373	+37
12	298	358	335	-23
<b>Total</b>	<b>1,383</b>	<b>1,435</b>	<b>1,457</b>	<b>+22</b>

Recent enrollment projections for WHS have been accurate. Enrollment increased by 52 students in FY14, within one student of last year's projection. The FY15 forecast of a 22 student increase is consistent with last year's projection. The class size guidelines for the High School are: 22 students for core academics, Honors (Level 1) and Advanced College Preparatory (Level 2) classes; 15 for College Preparatory (Level 3) classes; and 20 for Science project classes.

<b>High School Range of Class Sizes by Department</b>							
<b>Area</b>	<b>FY11 # Classes</b>	<b>FY11 # Students</b>	<b>FY11 Average Class</b>	<b>FY14 # Classes</b>	<b>FY14 # Students</b>	<b>FY14 Average Class</b>	<b>FY14 % ≥2 over Guideline</b>
Math	71	1421	20.0	75	1510	20.1	29%
Science	62	1271	20.5	66	1415	21.4	44%
English	73	1443	19.8	75	1464	19.5	25%
CML	61	1165	19.1	63	1203	19.1	16%
<b>All Academic Courses</b>	<b>336</b>	<b>6665</b>	<b>19.8</b>	<b>350</b>	<b>6996</b>	<b>20.0</b>	<b>28%</b>

High School enrollment increased from 1,295 in FY11 to 1,435 in FY14 and is projected to increase to 1,457 in FY15, representing a total increase of over 150 students in that four-year span. The table above shows the increase in classes, students and average class size from FY11 through F14 for subject areas, with proposed staff additions in FY15. Staffing has not increased at the same pace as enrollment over this period, resulting in average class size increases. The percentage of classes that are two or more students over guideline (last column above) has increased from 19% in FY13 to 28% in FY14. The goal of staff additions outlined below is to maintain average class size in the face of increased enrollment and reduce the number of sections over guideline.

House Model	1.28 FTE	<b>GAP</b>	PS: \$88,574
			Benefits: \$20,000

The proposed House Model has been constructed by reorganizing current staff, adding a net 1.28 FTE to the budget, as shown below:

Staff Increase	New FTEs	Salary	Benefits Appropriation
Eliminate Data Secretary	-1.0	(\$45,000)	(\$20,000)
Eliminate Receptionist	-0.72	(36,000)	(20,000)
Eliminate Data, Operations and Scheduling Coordinator	-1.0	(70,000)	(20,000)
Assistant Principal (House Master)	1.0	105,506	20,000
Guidance Counselor	1.0	65,068	20,000
House Secretary	1.0	45,000	20,000
Student Supervisor	1.0	24,000	20,000
<b>Total</b>	<b>1.28</b>	<b><u>\$88,574</u></b>	<b><u>\$20,000</u></b>

This administrative model was a design element of the new high school and was envisioned as providing smaller student groupings to combat the social and logistical challenges that have arisen from the growing high school enrollment. With three houses, the goal is to dedicate a staff including a House Master (Assistant Principal), Guidance Counselors, a Student Supervisor and a Secretary for each third of the student body (about 500 students per house) to provide a more personalized learning experience. Reduction and redeployment of central office staff are being used to fund most of this initiative. The net salary cost is \$88,574 plus \$20,000 in benefits. For more detailed information, see page 189 of the School Committee's Report.

Math Teacher	0.8 FTE	<b>GAP</b>	PS: \$52,054
			Benefits: \$20,000

This category contains 0.4 FTE to address enrollment increases, 0.2 FTE to address high class sizes, and 0.2 FTE for incoming middle school students in Foundations 9 and Geometry College Preparatory classes. The four additional sections are planned to reduce the 29% of classes that are two or more students above guideline (22 students for Honors and Advanced College Preparatory and 15 students for College Preparatory).

Science and Technology Teacher	0.75 FTE	<b>GAP</b>	PS: \$48,801
			Benefits: \$20,000

Science is the subject area with the largest average class size. Three sections will be added to reduce the approximately 44% of science classes at WHS that are currently two or more students over guideline. Without these three additional sections, the number of sections two or more over guideline will continue to rise, based on the increased enrollment at WHS next year.

English Teacher	0.4 FTE	<b>GAP</b>	PS: \$26,027
			Benefits: \$20,000

Two sections will be added to reduce the 25% of English classes that are currently two or more students over guideline. Without these two additional sections, the number of sections two or more over guideline will continue to rise.

Classical/Modern Language (CML) Teacher	0.2 FTE	<b>GAP</b>	PS: \$13,014
			Benefits: \$0

One section will be added based on enrollment, reducing the 16% of CML classes that are currently two or more students over guideline. Without this additional section, the number of sections two or more over guideline will continue to rise.

English Language Learner (ELL) Teacher	0.2 FTE		PS: \$13,014
			Benefits: \$0

This increase covers one additional section based on enrollment, increasing ELL staff from 4.6 FTE to 4.8 FTE.

Family and Consumer Science Teacher	0.25 FTE	<b>GAP</b>	PS: \$16,267
			Benefits: \$0

This item is being restored to the operating budget; it was erroneously charged to the Child Lab revolving fund in FY14.

Special Education Teacher	0.0 FTE		PS: \$9,990
			Benefits: \$0

This item eliminates a 0.8 FTE Teaching Assistant position and replaces it with a 0.8 FTE teacher for more effective instruction and support for students. The cost increase is based on the salary differential.

Librarian	0.5 FTE	<b>GAP</b>	PS: \$32,534
			Benefits: \$20,000

The current staffing is 1.0 FTE Librarian and 2.0 Instructional Library Aids. Historical staffing levels included 2.0 FTE Librarians. Based on the actual and projected increase of 162 students between FY11 and FY15, the Administration is requesting restoration of the 0.5 FTE Librarian position.

Transitional Life Skills Teacher	0.1 FTE		PS: \$6,507
			Benefits: \$0

This staffing will address IEP goals for Special Education students that focus on daily living skills and developing increased independence as those students prepare for the Launch program, which serves students between the ages of 18 and 22.

Adaptive Physical Education Instructor	0.1 FTE		PS: \$6,507
			Benefits: \$0

This staffing increase is needed to meet the requirements for Special Education students specified on their IEPs.

United Scholars Program stipends	0 FTE	<b>GAP</b>	PS: \$2,000
			Benefits: \$0

This program helps close the achievement gap by offering a summer program for the week before school starts for some students, which previews materials for the upcoming school year and offers academic support during the rest of school year. Previously, this program was supported through donated materials and teachers' time.

Instructional Materials	<b>GAP</b>	Exp: \$37,651
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Most of these items support the additional sections proposed for FY15 or will replace outdated materials:

Additional textbooks and materials for CML	\$9,300
CML Language Lab contract	\$4,950
CML online subscription	\$1,500
Math software licenses	\$8,100
Grade 9 geometry texts	\$4,500
Guidance/Counseling dues and professional development	\$1,340
Science computer supplies	\$2,581
Family and Consumer Science textbooks	\$2,800
German textbooks	\$1,980
United Scholars materials	600

<b>District Level and Mandated Services</b>	<b>0 FTE</b>	<b>PS: \$0</b>
		<b>Benefits: \$0</b>
		<b>Exp: \$74,760</b>

Mobile device management software \$11,000  
This is a yearly subscription for software to manage all the iPads in the school system

Three-year firewall warranty \$35,000

PowerSchool student database remote hosting \$15,000  
This service also backs up the WPS Data Center, providing improved disaster recovery and redundancy for this critical student information system. It also frees up some Data Center human and hardware capacity to focus on other areas.

Google email and Google Vault archiving services \$9,500  
This service will provide a more reliable email system for staff with improved archiving.

Nursing -- Additional SNAP software license \$1,350

ELL – Increase level of Rosetta Stone capability (GAP LIST) \$2,760

Other (GAP LIST) \$150

## SCHOOLS – STRATEGIC PLAN INVESTMENTS

A chart which summarizes the Strategic Plan investments in each part of the school system is shown below. The financial impact of the override on this category is also summarized.

	Salaries	FTEs	Benefits	Expenses	Total
Elementary	\$499,842	19.5	\$155,000	\$59,000	\$713,842
Middle School	66,043	0.2		425,864	491,907
High School				24,050	24,050
District	65,068	1.0	20,000	72,200	157,268
<b>Total (with override)</b>	<b><u>\$630,953</u></b>	<b><u>20.7</u></b>	<b><u>\$175,000</u></b>	<b><u>\$581,114</u></b>	<b><u>\$1,387,067</u></b>
<b>Gap List Reductions</b>	<b>(630,953)</b>	<b>(20.7)</b>	<b>(175,000)</b>	<b>(91,970)</b>	<b>(897,923)</b>
<b>Total Retained Investment (failed override)</b>	<b><u>\$0</u></b>	<b><u>0</u></b>	<b><u>\$0</u></b>	<b><u>\$489,144</u></b>	<b><u>\$489,144</u></b>

Note: As a reference for this section, the full Strategic Plan for Wellesley Public Schools can be found on the WPS website, [www.wellesley.k12.us](http://www.wellesley.k12.us), and a summary of the Plan is included in the School Committee Report on pages 184-191 of this *Advisory Report*, detailing the rationale behind its principal components.

To meet budget guidelines, the administration has put together a gap list which identifies \$897,923 of cuts to the proposed Strategic Plan Investments in salary, benefits and expenses. Items which are on the Gap List are marked as such in the itemized lists of the Strategic Plan Investments detailed below. These items will **not** be funded if the override does not pass.

<b>Strategic Plan Investments</b>	<b>20.7 FTE</b>	<b>PS: \$630,953</b>
		<b>Benefits: \$175,000</b>
		<b>Exp: \$581,114</b>

The investments requested to support the Strategic Plan are in Early Childhood education and aligning instruction to meet requirements of new standards, particularly in the STEM (Science, Technology, Engineering and Mathematics) areas. Another key area is in maintaining the ability to recruit, develop and retain high quality educators. These requests represent 2.0% of the total Operating budget.

### Personal Services – Elementary

Full Day Kindergarten TAs	18.0 FTE	<b>GAP</b>	PS: \$402,240
			Benefits: \$135,000

\*NOTE: The offset of \$11,760 for the Kindergarten van driver is already included in the Personal Services cost of \$402,240, as WPS would no longer need to transport Kindergarten students home after four half days per week.

The transition to full day Kindergarten is a key initiative in the Strategic Plan and the principal cost is the assignment of a teaching assistant (TA) to each classroom. This will provide the necessary support to allow students more time to progress through the Common Core curriculum. Teaching assistants will help manage the constantly changing physical environment

of Kindergarten classrooms; lead small groups and individual students through activities; and help the teacher to continuously assess student progress. More time in the classroom will help to identify children requiring additional support earlier in their primary years, possibly reducing Special Education costs in later years. Statistics reveal that 20% of Wellesley first graders do not meet reading expectations and only 59% met the standards for numeracy goals. The School Committee Report on pages 186-188 provides a detailed explanation of the importance of this strategic initiative.

Math Specialist and Literacy Specialist	1.0 FTE	<b>GAP</b>	PS: \$65,068
			Benefits: \$0

This request expands the Math Coordinator and Literacy Coordinator responsibilities from 0.5 FTE each for curriculum coordination for the department to 1.0 FTE each to include coaching, supervision and evaluation of staff given the increased number of specialists in each department.

Math Coach	0.5 FTE	<b>GAP</b>	PS: \$32,534
			Benefits: \$20,000

Each elementary school in the system has a Math Coach except for the Bates School. This request will complete a District goal to have a Math Coach at each elementary school. Math Coaches work directly with teachers to help them implement new curricula, assessments and improve their instruction through model lessons and planning sessions.

**Personal Services – Middle School**

Expansion of 1:1 Program Coordinator	0.2 FTE	<b>GAP</b>	PS: \$20,159
			Benefits: \$0

This request would fund additional staffing needed for leadership and oversight of the expansion of the current 1:1 Technology Initiative into the Middle School. This is a teaching position that would support other teachers as they implement the 1:1 program in their classrooms; manage program logistics; work with staff, students and parents; and organize software application (“app”) evaluation and purchasing.

STEM Opportunities	0 FTE	<b>GAP</b>	PS: \$13,484
			Benefits: \$0

The school department is proposing to expand the current Summer Science program available to high needs students in grades 6-8 to include summer Math programs in grades 4-5, continue a lab-based summer science program for grades 6-8 and introduce a summer Computer Science program for students in grades 9-11. This request would fund tutoring support during the academic year so high-needs students maintain academic gains throughout the school year.

Substitute teachers to support development of a new curriculum	0 FTE	<b>GAP</b>	PS: \$32,400
			Benefits: \$0

This request for substitutes will provide a cost-effective way for staff to collaborate on required curriculum review in a timely manner during the school day as units are being piloted in the classroom. These funds are expected to offset significant expenditures in curriculum writing the following summer. Science and Social Studies at the Middle School will be undergoing curriculum reviews in FY15.

**Personal Services – Central Office/K-12 District**

Instructional Data Coordinator	1.0 FTE	<b>GAP</b>	PS: \$65,068
			Benefits: \$20,000

This position will support the goal of collecting student data that is relevant for instruction and learning and help interpret state and national testing requirements which are being introduced over the next several years. In order to meet new requirements from the MA DESE in which all educators must demonstrate student growth through using Common Assessments, the District will need to support educators in the development and implementation of “District Determined Measures” (DDMs) which would be supported by this position.

**Expenses – Strategic Plan**

K-5 World Language Planning		Exp: \$15,000
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This request is to hire an outside consultant who has experience in introducing a World language program that provides a strong curriculum and can be managed within the constraints of the daily elementary school schedule. The School Department anticipates future costs will be offset by reductions in staff because of declining enrollment. The World Language proposal is to be phased in over 5 years as follows:

- SY13-14: Planning
- SY14-15: After-school World Language will be offered at all schools. A consultant will work with the core team to develop the curriculum and determine optimal instructional time allotments
- SY15-16: A teacher will pilot the program in grades K-2 at one or two schools, train elementary school teachers at all grades, and communicate with parents, which will require 1.0 FTE and expenses for teaching materials.
- SY16-17: The World Language Program will be implemented in grades K-2 in all schools and piloted in grades 3-5 in one or two schools, which will require 3.5 additional FTEs and expenses for teaching materials
- SY17-18: The Program will be implemented in grades 3-5 in all schools, which will require 3.0 additional FTEs and expenses for teaching materials

Science and Social Studies Curriculum Materials		Exp: \$393,044
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*NOTE: Includes a \$6,000 offset from the HS Social Studies Lost Textbook revolving account.*

In SY12-13, the Social Studies department completed the initial phase of its curriculum review and in SY13-14, science teachers are engaged in piloting a new curriculum sequence in both the middle and high schools (Earth Science at WMS and Physics in Grade 9 WHS). New curriculum materials are needed to support both of these new units. Spending on curriculum materials has not been listed as line items in past budgets so it is difficult to compare the cost of these materials with curricular spending in previous years.

Math and Literacy Materials	<b>GAP</b>	Exp: \$44,000
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This request is for materials that will complete the alignment with the Common Core standards by extending Reading Benchmark Assessments from grades 3-5 to K-5. These funds will also support materials for writing curricula so that students across the district will have access to research-based writing experiences.

Library Books		Exp: \$47,200
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PTOs and other funding sources have been paying for library books for many years. This request is to bring this expense back into the WPS budget in an effort to reflect the true cost of a Wellesley education and increase equity District-wide.

Reduction in Fees		Exp: \$8,900
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Middle School students have been paying Industrial Technology fees ranging from \$50-\$150 for in class project materials. WPS recognizes that those fees should be borne by the school system and is adding them back into the FY15 budget.

Learning Management System	<b>GAP</b>	Exp: \$24,050
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This request is for a system that will allow WPS to build blended learning courses to prepare students for the digital learning environment they will be entering at the college level. Blended learning courses provide for online discussions forums, digital submission of assignments, etc. This system will also provide flexibility in scheduling courses for teachers.

Software		Exp: \$25,000
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This request is for the purchase of the ClearPass software for the Schools' Aruba Network. Clear Pass provides access management and control for the 1:1 environment.

1:1 Apps	<b>GAP</b>	Exp: \$15,200
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In FY14, the District implemented a 1:1 program in all fifth grades. As a continuation of that program, \$13,200 will be invested in software applications ("apps") for all devices, which allow teachers to use a range of instructional methods to engage students in learning. Apps also allow teachers to monitor how students are progressing in specific areas and to differentiate instruction for students with different paces and styles of learning. In FY15, the 1:1 program will be piloted at the seventh grade and \$2,000 is budgeted to invest in apps for the pilot.

Classical and Modern Languages	<b>GAP</b>	Exp: \$8,720
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The Classical and Modern Languages department has requested \$7,920 for replacement of German textbooks that are over 10 years old. The older texts do not include any component for online access for students nor do they contain vocabulary relevant to today's technology. In addition, \$800 is budgeted to provide one online subscription for each teacher (e.g., Yabla, Lingt Language, ChinesePod, etc.) which will allow for authentic audio and video, and for teachers to create interpersonal, interpretive and presentational language tasks that students can access in class or from home.

## SCHOOLS – OTHER CRITICAL NEEDS

A chart which summarizes the Other Critical Needs investments in each part of the school system is shown below. The financial impact of the override on this category is also summarized.

	OTHER CRITICAL NEEDS				Total
	Salaries	FTEs	Benefits	Expenses	
Elementary Middle School High School District	\$38,142	1.4	\$40,000		\$78,142
<b>Total (with override)</b>	<b><u>\$38,142</u></b>	<b>1.4</b>	<b><u>\$40,000</u></b>		<b><u>\$78,142</u></b>
<b>Gap List Reductions</b>	<b>(38,142)</b>	<b>(0.9)</b>	<b>(20,000)</b>		<b>(58,142)</b>
<b>Total Retained Investment (failed override)</b>	<b><u>\$0</u></b>	<b>0</b>	<b><u>\$20,000</u></b>		<b><u>\$20,000</u></b>

<b>Other Critical Needs</b>	<b>1.4 FTE</b>	<b>PS: \$38,142</b>
		<b>Benefits: \$40,000</b>
		<b>Exp: \$0</b>

Part-time Transportation Dispatcher	0.5 FTE	PS: \$0
		Benefits: \$20,000

*NOTE: 50% of this position is shifted to the Facilities Rental Coordinator Revolving Account (0.5 FTE, \$18,000 in Personal Services)*

The transportation office is responsible for providing all general busing as well as transportation for students with disabilities to programs within the district and to placements outside of Wellesley. The Transportation Office also coordinates buses for all field trips, in town and outside of Wellesley, and coordinates with the Police Department on any safety requirements or safety issues. Currently one person is familiar with the regulations and manages the entire operation. This is a request for 0.5 FTE dispatcher who would work an afternoon and evening schedule to ensure all of the late service buses, vans and field trips were supported. This position would also provide a back-up for the current dispatcher.

Webmaster	0.4 FTE	<b>GAP</b>	PS: \$26,027
			Benefits: \$0

A 0.4 FTE non-benefitted webmaster position is requested to lead the efforts to optimize the design, performance and content of the District and Schools' website to provide greater communication at a variety of levels. The webmaster would support the individual schools in collecting school-specific content and ensure the consistency of design and format.

Part-time clerical support	0.5 FTE	<b>GAP</b>	PS: \$12,115
			Benefits: \$20,000

This request is for an additional 0.5 FTE which will support the management of all employment information, CORI (criminal record) filing, licensure information for professional staff, leave requests, Family Medical Leave Act (FMLA) requirements, and other personnel record keeping. This position will support the needs of the Schools' Human Resources Department. The District has over 700 full and part time staff members and the current structure (one full time administrative assistant to the Assistant Superintendent and one half-time secretary) cannot handle all the needs of the department.

Nursing	0 FTE		PS: \$0
			Benefits: \$0

*NOTE: The \$5,648 in Personal Services for this position is offset from the Athletic Revolving Fund*

This is a request for two additional days (one day on either end of the school year) for nursing staff to develop care plans for medically fragile students, meet with teachers and support staff, review immunizations for current and new students, and organize supplies and medications. The cost will be offset by shifting the cost of nurses' time dedicated to athletic physicals to the athletic revolving fund.

## SCHOOLS – CUTS TO BASE SERVICES

In addition to the educational items identified in the gap list for Level Services, Strategic Plan and Other Critical Needs, there are also cuts to core services which will be implemented if the override fails. These reductions are to be applied to **current staff and programs** and have a total value of \$1,006,291 (not including the benefits allocation, which is an additional \$297,500 in reductions) with \$978,791 to be taken from Personal Services and \$27,500 from Expenses.

These cuts will be applied across the school system and they are currently projected to be:

<b>GAP</b>	<b>Personal Services</b>	<b>Benefits</b>	<b>Expenses</b>	<b>FTEs</b>
PAWS Interpreting Services			\$5,000	
Administrative Services			22,500	
Additional Elementary Sections	\$130,136	\$40,000		2.0
Elementary Building Assistants	138,000	55,000		6.0
Elementary Library Instructional Assistants	156,005	40,000		5.6
MS Guidance Secretary	7,200			0.2
MS Student Services Secretary	7,200			0.2
MS Drama Teacher	13,014			0.2
MS Guidance Counselor	13,014			0.2
MS Visual Arts Teacher	13,014			0.2
MS Accompanist	13,800	20,000		0.6
MS Library Assistant	23,000	20,000		1.0
MS Secretary	36,000	20,000		1.0
MS Teaching Assistants	46,000	15,000		2.0
MS Half Cluster	104,109			1.6
MS 25% Reduction to Departmental Supplies	27,890			
MS Fitness and Health Teacher	13,014			0.2
HS Accompanist	12,472			0.4
HS CML Paraprofessional	12,472			0.4
HS Math Paraprofessional	12,472			0.4
HS Fitness & Health Teacher	13,014			0.2
HS Adaptive Art Teacher	13,535			0.3
HS Special Education Teaching Assistant	13,800	7,500		0.6
HS TV/Video Teacher	32,534	20,000		0.5
HS Social Studies Teacher	39,041	20,000		0.6
HS Receptionist	36,000	20,000		0.72
HS Family and Consumer Science	6,507			0.1
HS English Teacher	13,014			0.2
HS Science/Technology Teacher	32,534	20,000		0.5
<b>Total Gap List (failed override)</b>	<b><u>\$978,791</u></b>	<b><u>\$297,500</u></b>	<b><u>\$27,500</u></b>	<b>25.92</b>

A summary of the gap list and the percentage of cuts coming from the major categories is found in the table below:

Breakdown of Gap List	Personal Services	Benefits	Expenses	FTE	Total	% of Gap
Base	\$978,791	\$297,500	\$27,500	25.92	\$1,303,791	46.2%
Mandated Services			2,760		2,760	0.1%
Level Services	324,819	100,000	37,801	4.88	462,620	16.4%
Strategic Plan	630,953	175,000	91,970	20.70	897,923	31.8%
Other Critical Needs	38,142	20,000		0.90	58,152	2.1%
Capital			94,850		94,850	3.4%
<b>Total</b>	<b><u>\$1,972,705</u></b>	<b><u>\$592,500</u></b>	<b><u>\$254,881</u></b>	<b>52.40</b>	<b><u>\$2,820,086</u></b>	<b>100%</b>

## PERSONAL SERVICES

### **Personal Services (Total) Increase of \$2,923,546**

Personal Services for WPS includes all salaries for Instruction, Administration, Operations and Special Education. The FY15 budget request encompassing Personal Services totals \$55,688,507 which represents 87.7% of the total school budget request. This represents an increase of \$2,923,546 (or 5.5%) over the FY14 budget. This section summarizes the impact on Personal Services of all the proposed budget increases described in detail previously in the report. Additional information may be found in Advisory March Update on Teacher Compensation in Appendix B on page 219.

Department	Total FY15 Salaries	% of Total Salaries	FTEs
320 Instruction	\$40,790,340	73.2%	499.65
330 Administration	\$922,076	1.7%	9.43
340 Operations	\$750,725	1.3%	10.15
360 Special Education	\$13,225,366	23.8%	240.45
<b>TOTAL</b>	<b><u>\$55,688,507</u></b>	<b>100.0%</b>	<b>759.68</b>

Personal Services increases are driven by the following factors:

- Assumed contractual obligations under collective bargaining for level service including salary increases for steps, lanes and cost of living. The current contract expired June 30, 2013. Negotiations were still proceeding at the time the *Advisory Report* was printed.
- Enrollment increases
- Mandated requirements – Special Education and ELL
- Strategic Plan implementation
- Turnover offsets (estimated at \$400,000 for FY15)

The School Department currently negotiates with three collective bargaining units:

1. Unit A Teachers includes classroom teachers, professional support and nurses, and represents 480.08 FTEs.
2. Unit B K-12 includes Directors and Department Heads (all of whom have teaching responsibilities) and Assistant Principals. This unit represents 27.40 FTEs.
3. Professional Support represents 37.26 FTEs.

The table below highlights the components of the School Personal Services budget for FY14 and the requested budget for FY15.

**Senior Supervisory Salaries** **Increase of \$96,205**

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. The majority of this increase is the addition of an Assistant Principal/Housemaster as part of the transition to the House model in the High School.

**Teachers and Professional Support Salaries** **Increase \$2,417,252**

The largest budget driver in the Schools is the WTA (Wellesley Teachers Association Unit A contract). This contract represents Teachers and Professional Support totaling 480.08 FTEs. In addition to contractually-driven step and lane increases, the Administration has included some provision for settlement of the open contract.

For teachers, 1.5 FTEs of the 6.28 FTE increase are based on the Strategic Plan goal to complete the staffing of Elementary Math and Literature Specialists and Math Coaches in the elementary schools. Of the remaining additions, which are for Level and Mandated Services, 2.2 FTEs are Special Educator roles in pre-school, middle and high school, and 2.4 FTEs are driven by increased enrollment at WHS.

For professional staff, a number of whole or partial FTE increases are included for Special Education Team Chair, Instructional Data Coordinator, Guidance Counselor (House Model), Librarian, 1:1 Coordinator, Webmaster and Nurses.

**Classroom and other Teaching Support** **Increase of \$444,115**

This category includes teaching and technology assistants, English Language Learners (ELL) tutors, paraprofessionals, computer technicians, student supervisors, and athletic trainers. Most of the FY15 increase is attributable to the addition of 18 teaching assistants for Full Day Kindergarten and two teaching assistants to support the additional Pre-K classroom.

	Description	FY14 Budget FTE	FY14 Budget Salaries	FY15 Budget FTE	FY15 Budget Salaries	% increase over FY14
Senior Supervisory	Central office administrators, principals & assistants, administrative time of department heads & directors	34.60	\$4,292,390	35.60	\$4,388,595	2.2%
Teachers	Classroom teachers, special educators	396.70	\$32,566,637	402.98	\$34,630,688	6.3%
Professional support	Librarians, guidance counselors, nurses, therapists, psychiatrists, math, science and technology specialists, Out-of-District Coordinator	78.67	\$6,971,929	84.70	\$7,325,130	5.1%
Classroom and other teaching support	Teaching & technology assistants, ELL tutors, paraprofessionals, computer technicians, student supervisors, athletic trainers	156.14	\$5,011,112	178.18	\$5,455,227	8.9%
Administrative Support	Secretaries, clerks, administrative assistants	37.63	\$1,715,212	37.62	\$1,694,168	-1.2%
Operations	Business office staff, van drivers & attendants	21.60	\$986,667	20.60	\$931,050	-5.6%
On Call/Temporary	Substitutes, tutors, part-time coaches, club advisers, etc.	N/A	\$1,221,014	N/A	\$1,263,648	3.5%
<b>Sub-Total (tax impact)</b>		<b>725.34</b>	<b>\$52,764,961</b>	<b>759.68</b>	<b>\$55,688,507</b>	<b>5.5%</b>
Other (non-tax impact)	Positions funded by grants/ revolving funds	47.85	\$1,572,045	51.24	\$1,801,469	14.6%
<b>TOTAL</b>		<b>773.19</b>	<b>\$54,337,006</b>	<b>810.92</b>	<b>\$57,489,976</b>	<b>5.8%</b>

**Administrative Support** **Decrease of \$21,044**

The number of FTEs remains essentially the same but salaries are reduced through elimination of higher-paid staff roles to support the transition to the House model in the High School.

**Operations** **Decrease of \$55,617**

Elimination of the Operations/Data position at the High School as part of the transition to the House model and reductions in transportation cost with the implementation of Full Day Kindergarten offset step and other increases for existing employees.

**On Call/Temporary** **Increase of \$42,634**

These are substitute teachers, tutors, coaches and others who work in the schools on a temporary or on-call basis. \$32,400 of the FY15 increase supports substitutes to allow teachers to more effectively plan and evaluate new curriculum as they are piloting the units. As a follow-up to summer math and science programs for high-needs students, \$13,484 is proposed for tutoring during the school year to maintain gains and build from the summer experience.

**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 FY15 at \$400,000, reflecting \$50,000 in additional offset to salaries relative to FY14. 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 FY14 or FY15.

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 a 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 Master’s degree, and eight years of experience. For FY15, 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. More detail on teacher compensation and step and lane profiles is included in the WPS Personal Services Appendix B on page 219. A salary comparison of Wellesley with similar towns is also included.

**SCHOOLS – SPECIAL EDUCATION**

State and Federal law mandates that Wellesley Public Schools provide Special Education services to eligible students, beginning at age three and continuing until age twenty-two or high school graduation, whichever occurs first. Students are evaluated and, if eligible, an Individual Educational Program (IEP) is developed for them. 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 (OOD), state-approved Special Education placement. For more detail on Special Education, please see the Advisory March 2014 Update in Appendix C on page 224.

The total Special Education portion of the general operating budget request is \$18,106,640 an overall decrease of \$67,509 from FY14. This is primarily the result of a decrease in OOD costs (see page 85 for more details).

Category	FY11 Actual	FY12 Actual	FY13 Actual	FY14 Budget	FY15 Request	% Inc/Dec
Personal Services	\$9,479,746	\$10,881,103	\$12,283,056	\$12,591,277	\$12,999,649	3.2%
Expenses	425,072	477,712	601,630	605,283	585,244	-3.3%
Tuitions	5,007,903	6,209,504	6,303,008	6,319,579	6,000,916	-5.0%
CB Offset	(1,165,067)	(3,202,923)	(2,213,558)	(2,321,779)	(2,238,288)	-3.6%
CB Offset carryover					(573,352)	
ARRA Funds	(325,000)	(95,081)				
Transportation	737,690	766,945	1,009,214	979,789	1,332,471	36.0%
<b>TOTAL</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><u>\$18,106,640</u></b>	<b>-0.4%</b>

Personal service expense is the primary driver of the In-District (ID) Special Education budget, as WPS looks to address the increasing level of complexity of the needs of students eligible for services. An increase in numbers of preschool-age students has created the need for a new Pre-K classroom at PAWS. In addition, as the current population of Special Education students moves through the system, needs have changed at all school levels. As a result, the Schools are requesting a Special Educator at both WMS and WHS and a Team Chair for the elementary schools. The schools are also requesting a stipend to fund the position of After-school Coordinator at WMS which will help students with disabilities access after school activities.

To offset the costs generated by these mandated programs, the Schools receive reimbursement from the state in the form of Circuit Breaker<sup>44</sup> (CB) funding. This reimbursement is designed to assist school districts in managing the increasing, high costs associated with OOD tuition. The CB offset is based on the actual percentage of reimbursement in FY13 and FY14. This FY15 budget was additionally offset with CB funds that were carried over from FY14.

### In-District Budget

Program	FY11 Actual	FY12 Actual	FY13 Actual	FY14 Budget	FY15 Request	% Inc/Dec
Inclusion	5,395,725	\$6,258,294	\$7,456,921	\$8,374,149	\$8,306,498	-0.8%
Specialized Programs	4,084,021	4,639,260	4,826,135	4,217,128	4,693,151	11.3%
Expenses	87,355	110,956	126,480	149,183	152,349	2.1%
Student Specific Costs	337,717	350,305	475,150	456,100	432,895	-5.1%
Transportation	221,600	233,149	368,726	358,853	617,299	72.0%
CB Offset Carryover					(204,516)	
<b>Total In-District</b>	<b><u>10,126,418</u></b>	<b><u>\$11,591,964</u></b>	<b><u>\$13,253,412</u></b>	<b><u>\$13,555,413</u></b>	<b><u>\$13,997,676</u></b>	<b>3.3%</b>
<i>Number of students*</i>	<i>850</i>	<i>888</i>	<i>809</i>	<i>772</i>	<i>877</i>	

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

The In-District (ID) costs include the salaries of special educators, expenses, student-specific costs and transportation. The \$258,446 increase in transportation costs for FY15 results from the specific population of ID students projected for next year. Transportation is necessary when student placements are too far to use school vans or there exist scheduling conflicts that result in the need to use contract drivers to deliver students.

WPS works to implement the IEPs of as many students as possible in the general education classroom. Those students whose needs can't be met in that capacity take part in specialized programs that have been developed at specific elementary schools as well as WMS and WHS. To meet the increased need the addition of the following staff has been requested:

<sup>44</sup> Circuit Breaker funding does not fund any transportation costs nor is it calculated on an aggregate basis for the school system but rather on an individual student basis if that child's costs exceed the CB threshold. Circuit Breaker funding reimburses a percentage of costs above the CB threshold and both the threshold and percentage are set by the state and vary annually. In addition, a certain percentage of CB funding may be carried over for one additional fiscal year to help "smooth out" the OOD budget, which is subject to large, unpredictable swings. For FY15, the CB threshold is estimated to be \$42,000 and the percentage is expected to be 70%. See Appendix C on page 226 for more details.

<b>Staff Increase</b>	<b>FTEs</b>	<b>Salary</b>	<b>Benefits Appropriation</b>
Pre-K Nurse*	0.5	\$32,534	
Pre-K Special Educator*	1.0	65,068	20,000
Pre-K Speech Language Pathologist*	0.3	19,520	
Pre-K Occupational Therapist*	0.1	6,507	
Pre-K Physical Therapist*	0.1	6,507	
Pre-K Teaching Assistants*	2.5	57,500	15,000
MS Special Educator	1.0	65,068	20,000
HS Special Educator		9,990	
Elementary Team Chair	1.0	65,068	20,000
MS After-School Coordinator		2,200	
<b>Total</b>	<b>6.5</b>	<b><u>\$329,962</u></b>	<b><u>\$75,000</u></b>
<b>Circuit Breaker Offset</b>	<b>(4.5)</b>	<b><u>(\$187,636)</u></b>	<b><u>(\$35,000)</u></b>
<b>Total Tax-Impact</b>	<b>2.0</b>	<b><u>\$142,326</u></b>	<b><u>\$40,000</u></b>

\*NOTE: Positions funded by Circuit Breaker.

### Out-of-District Budget

<b>Program</b>	<b>FY11 Actual</b>	<b>FY12 Actual</b>	<b>FY13 Actual</b>	<b>FY14 Budget</b>	<b>FY15 Request</b>	<b>% Inc/Dec</b>
Transportation	\$516,091	\$533,796	\$640,888	\$620,936	\$715,172	15.2%
Collaborative	649,322	718,209	678,370	47,282	45,580	-3.6%
Private Day	3,645,363	3,091,988	2,745,304	2,601,557	3,094,472	18.9%
Private Residential	713,218	2,399,307	1,924,894	2,173,452	1,700,560	-21.8%
MA Schools			954,039	575,672	754,667	31.1%
Out of State				921,616	405,637	-56.0%
CB Offset	(1,165,067)	(3,202,922)	(2,213,558)	(2,321,779)	(2,238,288)	-3.6%
CB Offset Carryover					(368,836)	
ARRA Funds	(325,000)	(95,081)				
<b>Total Out-of-District</b>	<b><u>\$4,033,927</u></b>	<b><u>\$3,445,297</u></b>	<b><u>\$4,729,937</u></b>	<b><u>\$4,618,736</u></b>	<b><u>\$4,108,964</u></b>	<b>-11.0%</b>
<i>Number of Students*</i>	<i>84</i>	<i>78</i>	<i>75</i>	<i>66</i>	<i>67</i>	

The Out-of-District (OOD) 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 OOD students. Tuition costs can vary from year to year based upon the school where the student attends and the level of services a student may require.

**SCHOOLS – CASH CAPITAL**

The School Committee is requesting \$791,030 for the FY15 capital budget; \$163,562 for Furniture, Fixtures and Equipment (FF&E) and \$627,468 for Technology. This budget is \$12,105 (1.5%) below the FY14 Cash Capital appropriation of \$803,135.

	<b>FY12 Actual</b>	<b>FY13 Actual</b>	<b>FY14 Appropriated</b>	<b>FY15 Request</b>
FF&E	\$275,526	\$296,544	\$212,666	\$163,562
Technology	\$610,184	\$553,661	\$590,469	\$627,468
<b>Total</b>	<b><u>\$885,710</u></b>	<b><u>\$850,205</u></b>	<b><u>\$803,135</u></b>	<b><u>\$791,030</u></b>

**Furniture, Fixtures & Equipment (FF&E) **\$163,562****

Items included in this portion of the budget have a limited life cycle but are not replaced annually. Almost half (44%) of this budget, or \$72,117, is to equip the science departments at both the WMS and WHS as they work to implement the new science curriculum that moves Earth Science from the high school into middle school. The two departments have worked together to trade what equipment they could. An additional 26% of the total is for furniture replacement, including outfitting a new Pre-K classroom at PAWS to meet increased enrollment (\$4,000); replacing furniture in three first grade classrooms at Schofield (\$24,000); and replacing 10 area rugs at Sprague (\$4,000). Other investments include partitions to subdivide an existing classroom at Hunnewell to make the space compliant with the Americans for Disabilities Act (ADA) and Section 504 of the Rehabilitation Act (which prevent discrimination on the basis of disability) totaling \$10,371, or 6% of the FF&E budget. Furnishings and equipment for the Art/Performing Arts department at both the middle and high schools (\$14,756 or 9% of the FF&E budget) is also requested.

**Technology **\$627,468****

Three components make up the technology piece of the capital budget: replacement hardware, infrastructure and investment in the 1:1 initiative. Computers, tablets and accessories are for both students and staff. They support the new online Department of Elementary and Secondary Education (DESE) Assessment system and Partnership for Assessment of Readiness for College and Careers (PARCC) field testing beginning in FY14 with full implementation planned for FY15.

<b>TECHNOLOGY</b>	<b>FY15 Request</b>
Hardware - new	\$37,212
Hardware - replacement	\$410,031
Infrastructure	\$85,733
1:1 initiative	\$94,942
<b>Technology Total</b>	<b><u>\$627,468</u></b>

The replacement cycle for desktop and laptop computers is 7 and 5 years, respectively. In FY15, \$410,031 will be spent on the replacement of 120 desktops and 213 laptops in keeping with this schedule, as well as the replacement of uninterrupted power supplies (UPS) and three work group laser printers. The new hardware cost of \$37,212 will be spent on 15 new

computers, 8 new laser jet printers, and 4 new color printers for the libraries as the School Department transitions from printing with classroom inkjets to printing with one centralized printer in each library.

The Schools plan to spend \$85,733 in FY15 on the school network infrastructure which includes switch replacements and wireless access points to complete the managed wireless environments throughout the elementary schools.

The Schools continue to move forward with the 1:1 initiative and teachers report using the devices in many areas of the curriculum and to differentiate instruction. The \$94,492 request is for the purchase of tablets for educators, charging carts, loaner tablets, and tablets for those students who do not have their own. Also included in this number are 20 Apple TVs and projectors to support this program. There is a \$24,000 offset for those student stations that will not need to be replaced in Grade 6 because of the existing 1:1 program.

The iPads currently used by the fifth grade will remain at the elementary schools. Beginning in Grade 6, parents will have three options for participation in the 1:1 program: they may provide their student with an iPad 3 or newer, they may lease/purchase an iPad Air through WPS, or they may choose to have their student use a school-based loaner iPad during the day with the underlying assumption that they have one at home to use for homework. The iPads provided by the students will be wiped clean of any data and safeguards will be installed by the school's IT department. The current sixth grade iPads will be repurposed for the Grade 7 pilot. New apps for those iPads will come from the operating budget.

Additional cash capital funds are provided to the School Department through its partnership with the Wellesley Education Foundation (WEF) to help fund the 1:1 initiative. The Schools are also using revolving funds to replace gym backboards at Upham and Fiske. An inventory of furniture and equipment at each school, which will enable the District to evaluate its FF&E needs more accurately, is ongoing but is taking longer than expected. The Schools work together to trade furniture and equipment when possible.

The following items have been identified for the gap list should the override not pass. All are from the Technology portion of the budget and would reduce the overall amount of this budget by \$94,850 to \$532,618.

GAP	Cost
Grade 6 1:1 Implementation	\$115,350
Original replacement devices	(24,000)
Document scanner replacement	920
Digital video camera replacement	2,580
<b>Total</b>	<b><u>\$94,850</u></b>

Implementation of the Grade 6 1:1 initiative includes iPad loaners for students who don't provide their own, accessories (iPad keyboards and cases), projectors, and Apple TVs.

**BOARD OF SELECTMEN – EMPLOYEE BENEFITS**

	<b>FY13 Actual</b>	<b>FY14 Appropriation</b>	<b>FY15 Request</b>	<b>FY14-15 Change</b>
Group Insurance	\$15,436,184	\$15,659,773	\$16,216,944	3.6%
Group Insurance for new school employees	0	0	\$370,000	
OPEB Liability Funding	3,000,000	3,000,000	\$3,000,000	0%
Retirement Contribution	3,209,844	5,008,205	\$5,943,377	18.7%
Unemployment Compensation	250,000	200,000	\$200,000	0%
Compensated Absences	50,075	90,000	\$90,000	0%
Non-Contributory Pensions	16,688	16,700	\$16,700	0%
<b>TOTAL Employee Benefits</b>	<b><u>\$21,962,791</u></b>	<b><u>\$23,974,678</u></b>	<b><u>\$25,837,021</u></b>	<b>7.8%</b>

The Town’s Employee Benefits costs have historically been appropriated and managed at the Town-wide level, under the oversight of the Board of Selectmen. Many municipalities, including Wellesley, operate differently than private sector businesses; the Town until this year has budgeted these costs centrally and did not formally allocate them to the boards and departments that were generating the costs. The challenge under that model is for boards and residents to understand the full costs to the Town of adding additional staff. Those costs have not been represented within department budgets but instead have been shown cumulatively within the employee benefits section of the omnibus budget. Not including the costs within the originating department’s budget results in a less-than-complete picture of the department or board’s actual costs of operation. In fact, considering the attendant costs to hiring is important in the decision whether to use full-time staff, consultants, or part-time staff.

This year, the BOS approved a policy whereby a board or department must add \$20,000<sup>45</sup> in employee benefits to its budget for every net new FTE. The resulting transparency makes more evident the true cost of bringing a new full-time employee on board. In the second year of the new FTE’s employment and beyond, the costs are transferred to the group insurance line in the budget; the cost is still represented, but has already been built into the base budget for the following year.

**Group Insurance**

The Group Insurance budget covers the Town’s share of FY15 health insurance premiums for active and retired employees. In addition, it includes worker’s compensation; an employee assistance program; and the Town’s share of the Federal Medicare tax, dental insurance, long-term disability insurance, and life insurance. The tax-impact budget request is net of a reimbursement from the Enterprise Funds for their personnel, and a credit for interest earnings on the Group Insurance Fund.

The Group Insurance benefits for active and retired Town employees continue to be a significant percentage of the total budget (\$16.2 million, a 3.6% increase and 13.0% 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. The Town is also part of a health insurance collaborative, West Suburban Health Group (WSHG). Last year, WSHG had a \$21 million reserve which at that time was recognized as being in excess of required reserves. It seemed possible that WSHG might consider a rate reduction or a one-time dividend to reduce the level of reserves. However, rates

<sup>45</sup> In the case of teaching assistants in the School Department, the required contribution is \$7,500.

have actually increased this year, with increases ranging from 1.6% to 17.8% for active employees and 3.0% for retirees (reflected in OPEB). The Town may reconsider whether it will leave the WSHG and join the Group Insurance Commission<sup>46</sup> instead.

### **OPEB Liability Fund**

Other (than pension) 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.<sup>47</sup> Drivers of OPEB liabilities include health care costs, the size of the eligible population, and the level of benefits provided. Health care cost inflation, an aging population, and longer life expectancy have all served to increase costs in recent years.

Until FY06, Wellesley, like other municipalities, funded retiree health care costs entirely on a pay-as-you-go basis, which left a large unfunded liability for benefits earned during prior years. As of June 30, 2012, the unfunded liability was \$106.3 million, and it will continue to grow through FY19. The annual \$3 million appropriation is intended to eliminate that unfunded liability by 2037, and is made in addition to the pay-as-you-go ("normal") costs. Of the \$3 million funding, \$1.2 million comes from within the tax levy and \$1.8 million comes from a ten-year exclusion voted in FY07. The BOS is currently evaluating how to address the obligation when the exclusion expires in FY17. One option is to vote a new 10-year debt exclusion, which will have no new tax impact to Town residents. Another option is to increase the amount included under the levy each year by \$600,000 until the full \$3 million is covered without a debt exclusion (*i.e.*, increase the OPEB contribution to \$1.8 million within the levy in the first year, to \$2.4 million the next, and finally to \$3 million. This is not the approach the BOS has taken in its current projections.) If the debt exclusion were to be extended by Town Meeting and the voters, it would not increase the tax rate as Town residents would continue to pay \$161 annually in OPEB costs for a median tax bill as they have done over the past eight years. Allowing the debt exclusion to end would reduce property taxes by that same amount and would put more pressure on the budget by reducing available under-the-levy borrowing. The Town's Electric, Water and Sewer enterprises fully fund their own share of the OPEB liability.

In February 2013, Governor Patrick filed legislation that would reduce the 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, the Town plans to follow the current funding schedule.

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<sup>46</sup> The Group Insurance Commission provides health insurance benefits for state employees and some other municipalities, including Bedford, Brookline and Weston.

<sup>47</sup> Teachers do not participate in the Town's pension program because they are covered by the teachers' pension system administered by the state. Municipalities do, however, bear a portion of the cost for the teachers' post-retirement health insurance.

## **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. Beginning with a request from the Board of \$1.0 million in funding for FY10, the contribution has increased substantially each year to \$5.9 million in FY14. Global financial markets have recovered somewhat since 2008 and there was positive performance on pension assets in 2013. Nevertheless, a large unfunded pension liability still exists, necessitating a \$6,996,626 contribution for FY15 and higher contributions in future years to amortize the still-remaining 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 \$5,943,377.

The Town's contribution to the WCRS is expected to grow until 2030, although the annual increases will be significantly less than the \$1 million increase planned for FY15. Projected increases for FY16 and the following few years are in the \$300,000 - \$350,000 range. The contribution is expected to increase steadily from \$6.9 million in FY15 to \$12.4 million in 2030, at which time the unfunded liability will be reduced to zero. At that time, the Town will resume paying only normal annual costs, reducing the contribution 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% and that the unfunded liability will be paid off by 2030 (10 years earlier than the law requires)<sup>48</sup>. Last year, the investment return assumption was 7.75%; the Retirement Board adjusted that assumption downward in light of past experience and future economic and noneconomic expectations, including expected investment returns in broader financial markets. The more-conservative assumption supports the objective of the Retirement Board, which is to ensure that WCRS has sufficient funds for the Town to meet its future obligations to current and retired employees. Last year, the Retirement Board reviewed the cost of living adjustment (COLA) and proposed an increase in the base on which the annual COLA is calculated, from \$12,000 to \$15,000, approved under Article 6 at the 2013 ATM.

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<sup>48</sup> There are several reasons why the Town is not opting to stretch the funding cycle to 2040: interest on the existing unfunded liability plus normal costs (more than \$6 million) nearly equal the Town's FY15 appropriation (\$7 million) and therefore the appropriation barely reduces the unfunded liability; the Society of Actuaries has released a new mortality table and longevity improvement scale and the mortality assumptions currently in place may need to be adjusted for both pension and OPEB, increasing the Town's aggregate liabilities by 5-8% or more; eight municipal retirement systems have contracted their amortization schedules from 2040 to 2030 in the past two years, indicating that extension might not be financially prudent; and lowering the annual appropriation now would only serve to increase the unfunded liability in future years.

### **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 Town Bylaws require 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 Bylaws 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 (expired) 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.

For FY15, outside-the-levy debt service will make up 6.7% of total taxes, down from 7.3% in FY14 and 8.6% in FY13. Much of this borrowing has been associated with school projects, specifically the new High School project, which is starting to decrease.

<b>Trends in Wellesley Capital Costs (\$000s)</b>						
	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>
Cash Capital	2,787	2,757	3,008	3,526	3,872	4,283
<i>as % of Inside Levy Taxes plus Current Revenue*</i>	2.5%	2.3%	2.4%	2.8%	3.2%	3.4%
Inside Levy Debt Service	3,639	3,591	3,392	3,109	3,179	3,728
<i>as % of Inside Levy Taxes plus Current Revenue</i>	3.2%	3.0%	2.7%	2.4%	2.6%	3.0%
<i>Cash Capital + Inside Debt as % of Inside Levy Taxes plus Current Revenue</i>	6.2%	5.9%	5.7%	5.7%	5.8%	6.4%
Outside Levy Debt Service	7,200	9,688	10,816	11,059	9,563	9,143
<i>as % of Total Taxes plus Current Revenue</i>	6.4%	8.2%	8.8%	8.6%	7.3%	6.7%
Total Debt Service	10,839	13,279	14,461	14,168	12,742	12,871
<i>as % of Total Taxes plus Current Revenue</i>	9.7%	11.2%	11.7%	11.1%	10.6%	10.3%
Total Capital Costs	13,626	16,036	17,216	17,694	16,614	17,154
<i>as % of Total Taxes plus Current Revenue</i>	12.2%	13.5%	13.9%	13.8%	12.6%	12.6%
Inside Levy Taxes plus Current Revenue	103,815	107,978	111,670	115,771	120,635	124,917
Total Taxes plus Current Revenue	112,119	118,732	123,529	128,008	131,805	135,860
<i>Inside Levy as % Total Taxes</i>	93%	91%	90%	90%	90%	91%

\*Current revenue equals state aid plus local revenue

## DEPARTMENT CASH CAPITAL

	FY13 Actual	FY14 Appropriation	FY15 Request	FY14-15 Change
Public Works Capital	\$1,322,500	\$1,524,000	\$1,611,000	5.7%
School Capital	962,554	803,134	791,030	-1.5%
Facilities Capital - Schools	611,250	811,200	929,400	14.6%
Facilities Capital - Town	282,333	330,000	570,600	72.9%
Selectmen Capital	231,936	206,457	262,238	27.0%
Library Capital	40,500	43,000	46,000	7.0%
Town Clerk Capital	0	79,550	7,000	-91.2%
NRC Capital	75,000	75,000	65,500	-12.7%
Morses Pond Capital	0	0	0	0.0%
<b>TOTAL Dept. Cash Capital</b>	<b><u>\$3,526,073</u></b>	<b><u>\$3,872,341</u></b>	<b><u>\$4,282,768</u></b>	<b>10.6%</b>

Departmental Cash Capital is appropriated to boards, committees and officials for the purchase of equipment, furnishings, minor construction projects or other capital assets that are neither part of departmental operating budgets nor financed with bonds paid from debt service, but 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 Budget Program* is provided on page 174 and includes descriptions of each request.

### Facilities Maintenance Department Cash Capital

The 2012 ATM authorized and funded the formation of the 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 (but not the DPW or MLP). The goal of this organizational and management structure was to encourage appropriate investment in and maintenance of a central Town asset – the 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 FMD Cash Capital</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 School Facilities Committee (SFC) was formed in June 2013 to continue this work and made recommendations to the 2013 STM which lead to the appropriation of \$2,432,000 to renovate Fiske and Schofield, plan the potential renovation, reconstruction, addition and/or consolidation of Hunnewell, Hardy, and Upham; and evaluate the HVAC systems in the Middle School.

In addition to the FMD Cash Capital request, the FY15 Five Year Capital Budget Program includes a request for construction funds for a number of Town and School capital projects (see Article 16 on page 122). The construction funds will be financed through short-term borrowing under the levy and appropriated to the PBC.

**DEBT SERVICE**

This budget provides funds to pay the FY15 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>FY14 Tax-Impact</b>	<b>FY15 Request</b>
Debt Service on Existing Debt	\$3,090,678	\$2,923,614
Projected New Debt Service	88,789	804,482
<b>Total Inside Levy Debt Service</b>	<b><u>\$3,179,467</u></b>	<b><u>\$3,728,096</u></b>
<b>Outside the Levy</b>	<b>FY14 Tax-Impact</b>	<b>FY15 Request</b>
Debt Service on Existing Debt	\$9,368,534	\$9,142,965
Projected New Debt Service	192,987	0
<b>TOTAL Outside Levy Debt Service</b>	<b><u>\$9,561,521</u></b>	<b><u>\$9,142,965</u></b>

New inside-the-levy debt at this Town Meeting is associated with motions under Article 15 (\$970,205 from General Fund borrowing for Fuller Brook Park); Article 16 for the above-mentioned construction funds for Town and School projects; and Article 23 (\$500,000 for a new pumping fire engine).

## RECEIPTS RESERVED FOR APPROPRIATIONS

### TRAFFIC AND PARKING

	FY13 Actual	FY14 Appropriation	FY15 Request	FY14-15 Change
Traffic & Parking Operations	\$624,867	\$843,846	\$849,069	0.6%

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 also funds traffic and engineering services; meter maintenance; snow removal; sanding services for the Town's parking lots; and parking lot repair and maintenance. One Parking Clerk, five Parking Attendants and one Meter/Sign Repair person are included in the budget in addition to one part-time Administrator. The salary of the Town's Deputy Director is evenly divided between the Executive Director's Department and Traffic and Parking. The Police Department has hired a new officer specifically to enforce traffic regulations; this employee's salary will be split evenly between Traffic and Parking Operations and the Police Detail fund. This new position therefore has no net tax-impact to the Town.

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

The FY15 budget request for operations, cash capital and debt service inside the levy limit is an increase of 5.0% over the FY14 appropriation. On the Personal Services side, there remains significant uncertainty as five of the major collective bargaining units are still deliberating. Advisory is hopeful the results of collective bargaining for FY15 will be accommodated in the proposed budget or prove even more favorable to the Town. A 3% cost of living increase is provided for the Town's non-union, non-managerial staff, and a Merit Pay Plan (average 2.5%) is proposed to support performance-based increases for managerial personnel. The outlook for FY16 and beyond, however, is not favorable. Budget deficits continue to mount as health insurance, personal services, pension, and other costs increase.

All funding obligations have been met in the FY15 budget, including a continuing commitment to fund both the pension and OPEB liabilities. The BOS will need to decide how it wishes to address the OPEB contribution when the current debt exclusion expires in 2017, *i.e.*, whether it should be included under the levy (with an additional tax impact to residents) or funded by a new debt exclusion (with no new tax impact, as it is currently modeled). Advisory suggests the question of how to continue to fund OPEB contributions beyond FY17 be carefully considered, given the number and extent of competing financial needs. 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%, FY14 at 3.1% and FY15 at 5.2%) 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, exceed the increase in revenue. We have been extremely fortunate and able to avoid an override in recent years only because of favorable one-time funding sources (such as larger-than average turn-

back and unanticipated increases in circuit-breaker funding in FY13). We have not succeeded at reducing costs or creating other sources of revenue. New growth has been limited to roughly \$1.5 million per year. At the current rate of year-over-year increase, the structural deficit will remain – and continue to grow – and will necessitate an increase in taxes through more frequent overrides.

The contribution needed to fund the pension liability has risen dramatically in FY15, with an increase of almost \$1 million over the FY14 amount. Advisory supports this level of increase as we continue to re-fund the pension liability through 2030, noting that beginning in FY16 the increases will be reduced from the \$1 million level to approximately \$300,000 - \$350,000 annually.

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

Despite the comprehensive information provided by the SMMA database and the work of the SFMP Task Force and SFC, there remains 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. The estimated cost of work required is estimated to be \$87 million in the Five Year Capital Budget Program (for more details see the Report of the School Facilities Committee on pages 46-49 of the *7:30 2013 Special Town Meeting Advisory Report* and the Report of the School Facilities Master Plan Task Force on pages 189-192 of the *2013 Annual Town Meeting Advisory Report*). In addition, other Town facilities will require investments in maintenance, renovation, and construction over the next several years.

### **Use of Free Cash**

The use of reserves over the past several years, as well as proposed level for FY15, has been significant. Advisory has expressed considerable concern about the use of this level of Free Cash to fund ongoing operations. As described above, substantial use of reserves has been made possible by factors that will not necessarily be present in the years ahead. Advisory continues to have a positive assessment of the Town's general financial health, including the current adequacy of reserves, the significant progress the Town has 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 for FY15 does not change this assessment. Therefore, the majority of Advisory supports an override of Proposition 2½ of \$3.345 million to balance the FY15 budget, which would yield a reserve level of 9.0% at the end of FY14. Advisory is aware of the forecasted budget deficits for FY16-18 and cautions that rigorous planning will be required to meet rising costs without depleting reserves below the BOS' recommended level.

### **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. Short- and long-term planning continue to be a challenge. The budget process continues almost year-round and several iterations are needed to determine appropriate levels of cost-cutting and refinements to projections to yield the budget that is brought before Town Meeting. The Executive Director and Finance Director have endeavored to set budget guidelines appropriately so that projections align as closely as possible with actual costs and spending, yet it is difficult to predict accurately more than a year ahead the factors that will affect actual costs.

Advisory has noted variability in the rigor of analysis applied to certain departmental budget planning. A few boards have expressed disappointment that their careful planning to remain within budget guidelines seems futile when other departments' budgets are submitted somewhat or even substantially over guideline. Some on Advisory have questioned specific

aspects of the budget guidelines themselves, noting that boards are less likely to attempt to adhere to unrealistic goals which fail to take into account current contracts and mandated spending. Many believe there is a significant variability in the degree to which boards and departments scrutinize their spending and align costs to outcomes. Metrics do not exist in all departments that would provide objective standards by which to measure effectiveness or efficiency of service delivery. The current method of setting budget guidelines only to have several departments submit budgets with great variance from the guidelines, and the greatly decentralized municipal government system, mitigate somewhat against the likelihood of fashioning a holistic budget with shared and focused Town priorities in view.

Advisory conducted discussions on the budget and override over the course of many hours and from many different vantage points. We considered many factors when discussing the override, including:

- the fact that there had not been an override since FY07;
- that Proposition 2 ½ is, in a very real way, an arbitrary number<sup>49</sup> and just because a Town's projected expenses do not fit neatly within that arbitrary figure does not necessarily mean that the expenses are not appropriate or necessary;
- that continued reliance on large levels of reserves to balance the budget would not be a sustainable model over the coming years;
- that we recognize the new School Superintendent was hired precisely to move the School Department forward and has a mandate to develop a new strategic plan;
- that he, in fact, is working toward that very goal;
- that we believe there is duplication within the Town structure in several different areas, including IT, Human Resources, Payroll and Purchasing;
- that we are not convinced that every single line item has been evaluated as closely as possible or that all extraneous expenses have been removed from every budget;
- that even had every department conducted a rigorous analysis, an override of some level might still have been necessary.

There are also concerns that there has not been a thorough-enough review of all costs; that in every budget there remain areas that can be trimmed; that we are not being fiscally responsible by approving as many projects and expenses as we do; that our municipal form of government lacks an inherent authority that can exert more pressure and control over the allocation of the Town's resources; and that the tax rates are rising more than they should and could threaten the ability of some of the Town's residents to continue to live in Wellesley.

However, a majority of Advisory believes that the \$3.345 million override is appropriate, given that we have embarked on a new School Department strategic plan, that there are certain Town projects which must go forward to preserve and protect our facilities and other assets; that there are certain non-discretionary costs (like pension, OPEB, health insurance, and school mandates) that are the Town's responsibility and a distinct priority; and that the Proposition 2 ½ limitations are not necessarily determinative of the appropriate level of spending for a municipality.

**Advisory recommends favorable action, 10 to 2.**

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<sup>49</sup> According to the US Inflation calculator, inflation rates have exceeded 2.5% in 26 of the last 32 years.

**ARTICLE 8, MOTION 3**

This Motion authorizes the Town to transfer the sum of \$2,250,000 from Free Cash to Available Funds in order to balance the FY15 tax-impact budget and limit the amount sought in an override of Proposition 2 1/2. In 2013, the Massachusetts Department of Revenue requested this specific action when the use of Free Cash is proposed as part of the budget approval process. Town Meeting action on this Motion is contingent upon passage of Motion 2.

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

FY14	\$2,866,108
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, 12 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)**

Through this Motion, the Municipal Light Plant (MLP) requests the appropriation of revenues from ratepayers and other sources and cash on hand as of June 30, 2014, for payment of the MLP operating and capital expenditures in FY15.

### **Overview**

The MLP has been established and is governed by Massachusetts General Law Chapter 164 and operates as an independent, Town-owned electric utility. The MLP provides electricity to approximately 8,875 residential customers and 1,175 commercial customers. All operations are funded from the sale of electricity to customers during the current year and retained earnings from prior years. The MLP also generates non-operating income from various related services including:

- Providing operations and maintenance to MassDevelopment-Devens<sup>50</sup>;
- Providing fiber connectivity for a distributed antenna system for T-Mobile;
- Providing fiber connectivity for high speed internet for Lighttower<sup>51</sup>; and
- Providing streetlight maintenance for the Town of Acton.

The MLP's principal expenses are the purchase of energy, capacity and transmission. These three expenses comprise 82% of the MLP's operating budget. The MLP also owns and is responsible for the maintenance and improvement of the electric distribution system in Town as well as sub-transmission lines into Newton and Needham.

### **Revenues**

At the time the FY15 Operating Budget was prepared, the MLP estimated \$31.0 million in revenues would be required to cover all expenses, including the \$1.0 million payment to the Town. It is likely, however, that additional revenues may be required to fund major increases in wholesale power costs resulting from higher natural gas prices during the winter months. To date, the MLP has been able to absorb these higher costs and maintain the 5% rate reduction that went into effect in October 2012 by drawing down its cash reserves. Wellesley residents and businesses continue to enjoy electric rates that are well below those charged in surrounding communities. At the end of calendar year 2013, residents in Newton, Needham and Natick using 750 kilowatt-hours per month were paying 34% more than those living in Wellesley.

The MLP continues to explore opportunities to increase non-operating revenues, one example being a partnership arrangement with American Tower Corporation (ATC) to install and operate a distributed antenna system (DAS); see the "Outlook" section on page 101 for more details. The Municipal Light Board (MLB) also utilizes non-operating profits to reduce electric rates and fund energy conservation and renewable energy initiatives.

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<sup>50</sup> The MLP maintains the electric infrastructure and supply lines to the MassDevelopment real estate projects in Devens, a 4,400 acre former military base which was converted into a planned community in the late 1990s. The Devens contract generates the largest percentage of the non-operating MLP revenue.

<sup>51</sup> Lighttower is a business-class internet access service located in Boxborough, MA.

## Operating Expenses

The FY15 Operating Expense budget of \$29.7 million is 1% higher than in FY14, an increase of \$280,000. The table below compares the MLP's historical and projected expenditures for FY11 to FY15:

Operating Expenses	FY11 Actual	FY12 Actual	FY13 Actual	FY14 Appropriated	FY15 Proposed
Administrative & General	\$572,300	\$635,000	\$590,400	\$665,800	\$660,000
Purchased Power	21,180,800	19,649,600	21,025,100	19,681,200	19,800,200
Transmission	3,552,200	3,354,000	4,102,800	4,368,700	4,512,600
Distribution	984,100	1,024,700	1,005,100	1,028,700	1,041,700
Customer Service	489,800	513,000	520,200	620,400	610,000
Depreciation	2,541,900	2,690,100	2,801,800	3,027,000	3,047,000
<b>Total Operating Expenses</b>	<b><u>\$29,321,100</u></b>	<b><u>\$27,866,400</u></b>	<b><u>\$30,045,400</u></b>	<b><u>\$29,391,800</u></b>	<b><u>\$29,671,500</u></b>

In addition to generating revenues required to meet the operating expenses outlined above, the MLP revenues are also used to fund the \$1 million annual payment to the Town's General Fund (see Article 8, Motion 1 on page 33). It is also worth noting that the FY15 Capital Work Plan is funded almost entirely from the non-cash Depreciation operating expense category.

The MLP's biggest expense is the purchase of electricity on the wholesale market, principally from ISO-New England, a regional electricity transmission organization servicing New England. In the past, the MLP systematically reduced its risk by locking in energy prices using a layered and staggered portfolio approach. Using this strategy, the MLP purchased blocks of energy over a rolling five-year period, typically hedging 80% of its projected energy requirements for the current year and reducing the hedged energy percentage proportionately down to a target of 20% by the fifth year. In response to the increased volatility of wholesale electricity prices during the summer and winter months, the MLP revised its *Power Supply Policy*, increasing the MLP's hedged position to 85% for FY15, FY16, and FY17.

The FY15 budget continues to reflect the negative financial impact that ISO-New England policies have on all New England electric utilities. In FY07, the MLP's transmission costs were \$1.3 million. During FY13 (the most recent year actual data was available), the MLP's transmission costs were \$4.1 million, an increase of 315%. ISO-New England and the Federal Energy Regulatory Commission have a policy that guarantees investor-owned transmission assets a risk-free 12% rate of return, passed on as transmission costs to the local electric utilities. The MLP has attempted to reduce costs by unifying other public power systems and opposing these various projects and policies.

The MLP continues to successfully manage its "Delivery Expense" within the Administrative & General operating expense category, as well as the Customer Service and Distribution expense categories which comprise the total budget for Delivery Costs. The FY15 "Delivery Expenses" – the controllable labor costs – are \$3,200 below the amount appropriated within the FY14 budget. As an enterprise fund, Other Post-Employment Benefits (OPEB), pension and medical insurance are fully funded by the MLP. Based on the most recent valuation, the MLP expects to have fully funded its OPEB liability by FY21. The combined cost to deliver electricity is funded at approximately the same level in FY15 as in FY14 despite an increase in employee benefit costs (OPEB, pension and health care costs have more than doubled since FY07), primarily as a result of the MLP's Early Retirement Plan and the increased reliability of the distribution system.

## Capital Expenditures

The MLP has completed its backlog of capital projects and the FY14 and FY15 budgets reflect the routine replacement of distribution infrastructure nearing the end of its useful life:

Capital Budget	FY14	FY15
System Improvements	\$1,854,167	\$1,200,400
Upgrade Transformers	0	317,300
Overhead	123,750	237,600
Underground	123,750	127,500
Customer Related Work	375,000	307,500
Provide 400/600 AMP Service	224,800	258,400
Replace Vehicles	275,000	160,000
Maintain General Plant	45,000	40,000
Improve Technology/Other Projects	30,000	244,500
Street Lights	64,600	188,700
<b>Total Capital Budget</b>	<b><u>\$3,116,067</u></b>	<b><u>\$3,081,900</u></b>

The MLP's FY15 capital budget is \$34,167 (1.1%) below the FY14 budget and \$1.3 million less than what was proposed for FY15 last year, primarily because the Cedar Street Substation replacement was deferred to FY19. The MLB continues to place the highest priority on providing reliable electric service to Wellesley residents and businesses. Although reliability is difficult to measure, it is clear based on reported power outages during tropical storms Sandy and Irene (as well as the February 2013 blizzards), that Wellesley incurs far fewer power interruptions and service is restored much faster when outages do occur when compared with the electric utilities of our neighboring towns.

## Outlook

The MLP is well positioned to provide reliable electric service into the future with a well-maintained infrastructure, net plant assets of \$58.0 million and no debt. Equally important, the MLB has been proactive in adopting an energy procurement policy that reduces market risks and price volatility by hedging a greater percentage of its wholesale electricity requirements. There are, however, increased operating costs on the horizon, all of which are beyond the MLP's control. As detailed earlier in this report, transmission costs have more than tripled since FY07 and ISO-New England's policies will ensure this upward trend continues. In FY17, ISO-New England's Forward Capacity Market (FCM) charge to all New England electricity users will more than double; the FY15 operating budget includes a \$3.3 million FCM charge. If Footprint Power converts the Salem Harbor Plant to natural gas and the "rest of the pool" FCM charge increases to \$7.00/per kilowatt-month, Wellesley's annual capacity costs will exceed \$7.0 million. Transmission and FCM charges are regulated by ISO-New England and all New England electric utilities will be required to pass these costs onto their customers.

The MLP continues to look for ways to reduce its costs. Since 1996, its workforce has been reduced from 46 employees to 31. Despite this workforce reduction, the MLP has expanded revenues by undertaking non-operating projects such as MassDevelopment-Devens, dark fiber leases<sup>52</sup> and pole-mounted antennas for improved cellular communications. Since 2007, the

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<sup>52</sup> A dark fiber is an unused optical fiber, typically installed as extra capacity when developing fiber networks to provide for future expansion and/or network redundancy. Electric utilities have routinely added additional fibers which they then make available for lease to other carriers.

MLP has installed and maintained a proprietary DAS network for T-Mobile. The DAS network provides wireless service to residents and businesses without the need to install large cell towers. Given the many areas within Wellesley that have little or no cell coverage, the MLP has partnered with ATC to install a neutral-host DAS network. The success of DAS is dependent upon the willingness of carriers to upgrade their service within Town and preliminary feedback from ATC indicates there is much interest from two major carriers. As with all non-operating profits, net income from DAS will be used to offset future increases in electric rates and/or fund energy conservation initiatives for MLP customers.

Based on the most recent *Five-Year Financial Forecast*, the MLP does not expect to incur costs for any major capital projects until FY18. The overall good condition of the distribution infrastructure along with a significantly-hedged power supply portfolio should ensure Wellesley's electric rates remain among the lowest in New England for the foreseeable future.

Advisory believes that the MLP's operating and capital budgets are appropriate and that the MLP has taken a prudent and proactive approach to managing its costs. The MLP has continued to gain economic efficiencies while facing an uncertain power market in the upcoming years. Advisory is also pleased that the MLP continues to look for non-operating revenue opportunities, including the new partnership with American Tower Corporation to bring a Distributed Antenna System to Wellesley next year, which should have the added benefit of improving the Town's cell phone service.

**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)**

Through this Motion, the Board of Public Works (BPW) requests the appropriation of the Water Enterprise Fund's (Water Fund) FY15 receipts and cash on hand as of June 30, 2014, for payment of the Water Division operating and capital expenditures in FY15, provided that the total amount of expenditures in FY15 shall not exceed \$8,131,428.

<b>Water Enterprise Fund</b>	<b>FY14</b>	<b>FY15</b>	<b>\$ Change</b>	<b>% Change</b>
<b>Sources of Funds</b>				
Water Fund Receipts				
Water Use Charges	\$5,525,590	\$5,435,741	(\$89,849)	-1.6%
Non-Operating Income	220,000	220,000	-	0.0%
Non-Operating Contribution to Capital	40,000	40,000	-	0.0%
Loan Proceeds	350,000	350,000	-	0.0%
Total Receipts	\$6,135,590	\$6,045,741	(\$89,849)	-1.5%
Depreciation	950,000	950,000	-	0.0%
Retained Earnings	945,258	1,135,687	190,429	20.1%
<b>Total Sources of Funds</b>	<b><u>\$8,030,848</u></b>	<b><u>\$8,131,428</u></b>	<b><u>\$100,580</u></b>	<b>1.3%</b>
<b>Uses of Funds</b>				
Salaries	\$1,691,225	\$1,714,386	\$23,161	1.4%
Expenses				
MWRA <sup>53</sup> Water	1,440,000	1,420,000	(20,000)	-1.4%
Health Insurance/Retirement/Risk Management	500,764	554,304	53,540	10.7%
All Other Operating Expenses	1,237,552	1,237,552	-	0.0%
Subtotal - Expenses	\$3,178,316	\$3,211,856	\$33,540	1.1%
OPEB (Other post-employment benefits)	107,290	110,307	3,017	2.8%
Depreciation	950,000	950,000	-	0.0%
Interest Expense	147,838	118,775	(29,063)	-19.7%
Total Personal Services and Expenses	\$6,074,669	\$6,105,324	\$30,655	0.5%
Non-Operating Expenses	220,000	240,000	20,000	9.1%
Capital Outlay	912,000	925,000	13,000	1.4%
Non-Operating Capital Expenditures	40,000	40,000	-	0.0%
Debt	444,585	479,585	35,000	7.9%
Emergency Reserve	339,594	341,519	1,925	0.6%
<b>Total Uses of Funds</b>	<b><u>\$8,030,848</u></b>	<b><u>\$8,131,428</u></b>	<b><u>\$100,580</u></b>	<b>1.3%</b>

<sup>53</sup> Massachusetts Water Resource Authority

## **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 variations, 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 are projected to be \$1.55 million at the end of FY15. Interest earned on Water Fund deposits goes to the Town's General Fund.

## **Sources of Funds**

Total receipts in FY15 from rate payers are projected to be \$5.436 million. This revenue is based on an estimated annual usage of 1.089 million cubic feet (CCF) of water.<sup>54</sup> The BPW has not yet set water rates for FY15; the projected revenue assumes a 0% increase effective July 1, 2014. (Note that the FY14 Water Use Charges had anticipated a 2% rate increase that was not needed, hence the apparent reduction in revenues from FY14 to FY15.)

## **Uses of Funds**

Total Personal Services and Expenses show projected operating expenses of \$6,105,324 in FY15, which is an increase of \$30,655 or 0.5% compared to the FY14 budget. Personal service costs are projected to be \$1,714,386, an increase of \$23,161, or 1.4%, while the net increase for expenses is projected to be \$33,540, or 1.1%. MWRA charges are \$20,000 lower due to decreased water use. Interest expense charges are projected to decrease by \$29,063 from FY14 estimates because the debt from the Water Treatment Plant construction completed in 1999 has been retired.

## **FY15 Capital Budget**

The BPW projects capital outlays of \$925,000 in FY15 which include \$550,000 for water supply improvements; \$250,000 for distribution system improvements; \$60,000 for hydrants; \$30,000 for meter maintenance and meter improvements; \$5,000 for equipment maintenance and replacement; \$15,000 for building maintenance; and \$15,000 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 anticipated increases in MWRA rates. The Water Division is taking a number of steps to improve local well yields to maintain the current levels of MWRA water use. Advisory believes the operating and capital budgets proposed in this Article are appropriate.

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

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<sup>54</sup> One cubic foot equals 7.48 gallons so 1.089 million CCF equals 815 million gallons.

**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)**

Through this Motion, the Board of Public Works (BPW) requests the appropriation of the Sewer Enterprise Fund's (Sewer Fund) FY15 receipts and cash on hand as of June 30, 2014, for payment of the Sewer Division operating and capital expenditures in FY15, provided that the total amount of expenditures in FY15 shall not exceed \$9,103,193.

<b>Sewer Enterprise Fund</b>	<b>FY14</b>	<b>FY15</b>	<b>\$ Change</b>	<b>% Change</b>
<b>Sources of Funds</b>				
Sewer Fund Receipts				
Sewer Charges	\$7,420,156	\$7,693,212	\$273,056	3.7%
Non-Operating Income	50,000	50,000	-	0.0%
Grant/Loan Proceeds	320,000	328,711	8,711	2.7%
Total Receipts	<u>\$7,790,156</u>	<u>\$8,071,923</u>	<u>\$281,767</u>	<u>3.6%</u>
Depreciation	404,600	404,600	-	0.0%
Retained Earnings	544,919	626,670	81,751	15.0%
<b>Total Sources of Funds</b>	<b><u>\$8,739,675</u></b>	<b><u>9,103,193</u></b>	<b><u>\$363,518</u></b>	<b><u>4.2%</u></b>
<b>Uses of Funds</b>				
Salaries	\$760,888	\$776,353	\$15,465	2.0%
Expenses				
MWRA Sewer	5,300,000	5,500,000	200,000	3.8%
Health Insurance/Retirement/Risk Management	241,185	259,416	18,231	7.6%
All Other Operating Expenses	299,323	299,323	-	0.0%
Subtotal - Expenses	<u>\$5,840,508</u>	<u>\$6,058,739</u>	<u>\$218,231</u>	<u>3.7%</u>
OPEB (Other post-employment benefits)	45,982	47,275	1,293	2.8%
Depreciation	404,600	404,600	-	0.0%
Interest Expense	93,838	89,525	(4,313)	-4.6%
Total Personal Services and Expenses	<u>\$7,145,816</u>	<u>\$7,376,492</u>	<u>\$230,676</u>	<u>3.2%</u>
Non-Operating Expenses	50,000	50,000	-	0.0%
Capital Outlay	705,000	820,000	115,000	16.3%
Debt	353,402	353,402	-	0.0%
Emergency Reserve	485,457	503,299	17,842	3.7%
<b>Total Uses of Funds</b>	<b><u>\$8,739,675</u></b>	<b><u>\$9,103,193</u></b>	<b><u>\$363,518</u></b>	<b><u>4.2%</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.

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

## **Sources of Funds**

Total receipts in FY15 are projected to be \$8,071,923. This includes an assumed rate increase of 5% as of July 1, 2014, which will be approved by the BPW in May or June.

## **Uses of Funds**

The total of Personal Services and Expenses shows that operating expenses are projected to be \$7,376,492 in FY15, which is an increase of \$230,676 or 3.2% compared to FY14. This increase is driven primarily by an increase in MWRA charges of approximately \$200,000, or approximately 3.8%. MWRA charges constitute approximately 75% of overall operating expenses. The projected MWRA charges are based on information the BPW has received from the MWRA Advisory Board and are subject to change.

Non-MWRA operating costs increased \$30,676 or 2.7% from FY14, because of an increase in personal services and the cost of benefits and insurance, offset by a decrease in interest expenses related to borrowing for the Water & Sewer garage and office construction.

## **Capital Budget**

Capital outlays for FY15 are projected to be \$820,000, an increase of \$115,000 or 16.3% from FY14. The FY15 capital program includes \$500,000 for rehabilitation of sewer mains; \$300,000 for ejector station improvements; \$10,000 for building maintenance and equipment replacement; and \$10,000 for GIS system mapping and modeling.

## **Outlook**

The BPW expects that MWRA charges will continue to increase in future years, as the MWRA faces increasing expenditures for the rehabilitation of the Deer Island Treatment Plant and other MWRA infrastructure. These increased charges will result in periodic sewer rate increases.

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

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

**ARTICLE 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 seeks Town Meeting approval for the annual authorization or reauthorization of the Town revolving funds established by Section 53E½ of Chapter 44 of the Massachusetts General Laws. These revolving funds are sourced solely from departmental receipts received in connection with the programs supported by the funds. Expenditures may be made from these revolving funds without further appropriation; they have no tax impact on the Town budget. Any earnings on these revolving funds are returned to the General Fund. A list of current Town revolving funds and the year each fund was originally authorized by ATM is given below:

Revolving Fund	Expended by	ATM	FY12	FY13	FY14	FY15
Street Opening Maintenance	DPW	2006	200,000	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	25,000
Tree Bank	DPW	2011	75,000	75,000	75,000	75,000
COA Bus Fund	COA	2006	104,000	110,000	110,000	0
COA Social & Cultural Programs	COA	2006	45,000	45,000	70,000	70,000
Building Dept. Document Fees	Building Dept.	2006	50,000	50,000	50,000	50,000
Teen Center Program	Rec. Dept.	2006	35,000	35,000	40,000	40,000
Recreation Summertime	Rec. Dept.	2006	35,000	35,000	20,000	30,000
Recreation Scholarship	Rec. Dept.	2006	35,000	35,000	15,000	15,000
Library Room Rental	Library	2009	20,000	20,000	20,000	25,000
Branch Library Maintenance	Library/BOS*	2009	75,000	8,000	8,000	8,000
Brookside Gardens	NRC	2006	5,000	5,000	5,000	5,000

*\*NOTE: This fund was expended under the direction of the Library Trustees in FY11, FY13-FY15 and by the Board of Selectmen in FY12*

The authorized expenditure limit for each Revolving Fund has remained the same in FY15 as it was in FY14 with three exceptions:

1. The Council on Aging (COA) Bus Fund has been eliminated because the COA has significantly restructured their transportation program. The COA will be terminating their contract with M&L Transit Systems (paid for by the COA Bus Fund) on June 30, 2014, in favor of a partnership with the MetroWest Regional Transit Authority (MWRTA). In this new model, COA has hired two part-time drivers, expanded the part-time Transportation Coordinator position, and will now be responsible for vehicle costs and maintenance, but these added expenses are more than offset by the elimination of the M&L bus contract. All the salaries and expenses of the COA are now included directly in their operating budget.
2. The Recreation Department's Summertime expenditure limit has been increased by \$10,000 to \$30,000 because the department is trying to raise additional money for more special events. This new limit is still below the amount originally authorized by ATM in 2006.

3. The Library's Room Rental expenditure limit has been increased by \$5,000 to \$25,000 to more realistically reflect past year's receipts and uses; the Library Department pays for a custodian and a program hostess from this account.

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 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 \$30,000;

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 \$25,000;

Branch Library Maintenance, said funds to be expended under the direction of the Library Department, annual expenditures not to exceed \$8,000; and

Brookside Community 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 and no single board or department may spend more than 1% of that levy amount. Advisory continues to support the management of these programs through revolving funds, as approved in 2006 and subsequent Town Meetings.

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

**ARTICLE 14.** To act on the report of the Community Preservation Committee on the fiscal year 2015 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 to make the appropriations from the Community Preservation Fund recommended by the Community Preservation Committee (CPC) as described in the *Report of the Community Preservation Committee* ("Report") on page 195. Please refer to the Report for a more complete understanding of the Community Preservation Act (CPA) and the proposals CPC recommends for approval.

Based on estimated FY15 revenues of \$1,360,836, the CPC requests the following:

- Motion 1. Appropriations of \$65,000 for administrative purposes and \$435,000 to designated reserves;
- Motion 2. An appropriation of \$33,000 to meet CPA funding requirements for FY14; and
- Motion 3. An appropriation of \$16,140 to the Wellesley Recreation Department for the installation of an Americans with Disabilities (ADA)-compliant dock extension at Morses Pond.

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 CPA Financial Plan for FY15 includes a \$4.5 million appropriation for Fuller Brook Park which will be presented in Article 15, which will be funded by taking \$475,000 from the Open Space Reserve, \$344,000 from the Historic Reserve, and \$3,681,000 from undesignated funds (see page 111). The CPC notes that the 2012 change in how CPA funds may be spent, specifically allowing the rehabilitation and restoration of open spaces not originally acquired with CPA funds, makes the Fuller Brook Park project an even more appropriate use of CPA funds.

Assuming the appropriations recommended in the Motions in this Article and for the Fuller Brook Park in Article 15 are approved by Town Meeting, the net available fund balance as of June 30, 2014, is projected to be approximately \$331,210.

Because of the lengthy appeal process currently underway which has stalled the Town's purchase of 900 Worcester Street, the CPC has moved the \$900,000 in funds it had allocated for this project in FY15. If the appeal is resolved in the near future, the CPC would use FY15 revenue (including the State match) or borrow if necessary to fulfill their commitment to the project, which remains unchanged.

## **ARTICLE 14, MOTION 1: Administrative Expenses and Appropriations to Reserve**

**1. Administrative Expenses.** The CPA permits the appropriation of up to 5% of estimated annual revenues in the Community Preservation Fund for administrative purposes. The CPC has requested an appropriation of \$65,000 (5% of estimated FY15 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.** In each fiscal year, the CPA requires the Town 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 and Community Housing. Based on the estimated FY15 annual revenues, the CPC has requested that \$145,000 (slightly more than 10% of estimated FY15 revenues) from the Community Preservation Fund be reserved for each of these three purposes, totaling \$435,000.

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

## **ARTICLE 14, MOTION 2: Additional Reserve Amounts**

This Motion calls for additional \$33,000 to be reserved for the three designated funds of Open Space, Historic Resources and Community Housing for FY15, with each fund receiving \$11,000. The Town received a greater state match than expected (51.8% or \$508,375 compared to 30% or \$294,426 in FY14). These appropriations make up for a shortfall in funds reserved for FY14 and approved by the 2013 ATM in Article 19 which were based on the lower expected match. The \$33,000 appropriation is to be taken from available funds and will be applied to the reserves for FY15. These additional match funds have been used to partially defray the new increase in the CPC appropriation level for the Fuller Brook Park Project from \$3.6 million to \$4.5 million.

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

## **ARTICLE 14, MOTION 3: Wellesley Recreation Department Appropriation**

The CPC recommends that \$16,140 be appropriated from balances on hand in the undesignated Community Preservation Fund as of June 30, 2013, for installation of an Americans with Disabilities Act (ADA)-compliant dock extension at Morses Pond at the request of the Recreation Department. An ADA-compliant kayak launch will be attached to the existing fishing dock and will allow for those with physical challenges to enter and exit a kayak safely with little or no assistance from others. It will also make it easier for parents to kayak with their children. The installation of this dock extension, planned to occur before the 2014 summer season begins at Morses Pond, will provide wider access to the recreational opportunities available at the pond. The CPC's appropriation was contingent upon the Recreation Department's successfully fundraising \$4,000 (20% of the cost) to support their request. The CPC encourages the use of CPA funds to increase accessibility for all residents and is pleased to support the ADA-compliant dock extension.

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

**ARTICLE 15.** To see what sum of money the Town will raise and appropriate, or otherwise provide, for engineering, construction, project management, construction inspection, environmental monitoring and/or other services for the Fourth and Final Phase (the construction phase) of the Fuller Brook Park Preservation Project; 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 Act Funds; to determine the number and composition of members of the Committee and its charge in said Final Phase; or take any other action relative thereto.

**(Fuller Brook Park Coordinating Committee)**

### **ARTICLE 15, MOTION 1: Fuller Brook Park Appropriation**

This Motion seeks Town Meeting approval to appropriate \$5,470,205 for the restoration of Fuller Brook Park.

With this appropriation, the Fuller Brook Park Coordinating Committee (FBPCC) will implement Phase 4 of the Fuller Brook Park Preservation Project (the "Project"). The total cost of the Project is \$5,470,205 which is appropriated from two sources: the Community Preservation Committee (CPC) has approved an appropriation of \$4,500,000 from Community Preservation Act (CPA) Funds, and the balance of \$970,205 will be raised by borrowing inside the levy. CPC has long supported this project; its *Five-Year CPA Financial Plan* has carried an appropriation of \$3.6 million since 2010, and it has already provided \$973,000 in design funds for Phases 1-3. Recently, CPC members voted to increase the allocation of CPA funds for Phase 4 from \$3.6 million to \$4.5 million because they believe it is vital to preserve and restore this valuable resource for the Town and for the use of all Wellesley citizens. The sources of CPA funding for this project are:

- \$475,000 from the CPC Open Space Reserve Fund
- \$344,000 from the CPC Historic Resources Reserve Fund
- \$3,681,000 from the CPC undesignated fund

The CPC has sufficient financial resources to continue to implement its plans for other anticipated projects.

Phase 4, the final phase of the Project, will restore and rehabilitate the structural, environmental and aesthetic elements of the 110-year-old Park through improvements to its stream course, vegetation, and path system while protecting and preserving the integrity of the Park's historic landscape. Encompassing 23 acres, Fuller Brook Park ("the Park") is one of Wellesley's most popular and well-used public open spaces; as many as 700 Wellesley residents use the park each day during the summer. As important, it is the Town's largest watershed and an integral component of the Town's storm water infrastructure, draining 32% of the Town's storm water into Fuller Brook and allowing the water to pass through the Park to the Charles River. Like all municipalities in the Charles River Watershed, the Town is required to develop and implement effective stormwater management plans which are reviewed by the Massachusetts Department of Environmental Protection (DEP).

Six construction bids were received from private contractors in February 2014, and the contract was awarded to R. Bates and Sons, who was the lowest responsible bidder, in the amount of \$4,324,647. Project management expenses are expected to total \$626,600 (including grant preparation, consulting services, a \$60,000 benefits allocation to the Group Insurance Fund for

a new project manager employed by the Town<sup>55</sup>, and an \$18,000 allocation to the Unemployment Compensation Fund). Including a contingency of 12%, in the amount of \$518,958, the total amount requested for Phase 4 is \$5,470,205.

The Phase 4 Project Budget is outlined in the following table:

<b>FULLER BROOK PARK - Phase 4 Budget</b>	
Phase 4 Construction	\$4,324,647
Project Management*	626,600
Consultant Services during Phase 4	-
Contingency (12%)	518,958
<b>Total Request</b>	<b><u>\$5,470,205</u></b>

*\*NOTE: The Project Management cost is for a Senior Civil Engineer, with estimated salary, benefits and unemployment insurance totaling \$303,000. The scope of Design Team member Beta Group includes project management services, grant preparation and expenses and for a total cost of \$323,600.*

The FBPCC has actively researched state and federal grant opportunities to supplement CPA and Town funds for the implementation of Phase 4 of the Project. There are several components which would qualify for grants under the state’s Section 319 Nonpoint Source Pollution Elimination Program; namely, the State Street Pond dredging, stream relocation, bio-retention area development, wet meadow development and stream bank stabilization.<sup>56</sup> This competitive grant program would reimburse 60% of eligible project costs. Proposals must be submitted to the DEP by June 2014 and grant funds would be available in January 2015. The cost of developing the grant proposal is approximately \$5,925 and is included in the project management line item. Although receipt of the grant is not guaranteed, the FBPCC considers it a worthwhile investment to pursue supplemental funding. Wellesley has received a Section 319 grant once before and applied the proceeds toward the costs of dredging the Duck Pond at Town Hall.

**Project Management and Implementation**

The Project is expected to take 880 days and to begin in July 2014, with completion scheduled for November 2016. If the Project were to take longer, the extended time period would not affect the Phase 4 construction, which is a fixed price bid. However, the project management costs could increase to continue paying the project manager’s salary as well as any services provided

<sup>55</sup> BOS policy requires a \$20,000 appropriation be made to the Group Insurance Fund for each new benefitted position proposed by a department. This appropriation reminds departments and Town Meeting members of the additional costs beyond the salary of a new hire; in future years, similar contributions are made on the new employee’s behalf to the Group Insurance Fund and the benefits costs do not appear explicitly in the department operating budget. Because the project manager is a temporary employee, hired only for the three year duration of the project, the BOS is requesting \$60,000 to cover full benefits for the entire time of his or her employment. The \$60,000 will be apportioned to the Group Insurance Fund over three fiscal years.

<sup>56</sup> Congress appropriates funds under Section 319 of the Clean Water Act of 1987 to assist states in implementing their approved nonpoint source (NPS) programs. NPS are those normally associated with precipitation and runoff from the land and not from confined conveyances such as pipes or tunnels from which pollutants may be discharged. In other words, projects are directed toward containing or managing runoff from town properties that may contain chemicals from landscaping (e.g., pesticides and herbicides) or other sources. The DEP Bureau of Resource Protection administers the award, intended to provide financial assistance for controlling NPS pollution or for protecting or improving NPS-impaired or threatened water sources.

by Beta Group if needed. Contingency funds could be utilized to pay for these additional expenses as a result of construction taking longer than originally planned. Implementation of the Project will be under the jurisdiction of the Board of Public Works (BPW). The Department of Public Works (DPW) Engineering Division, under the direction of the Town Engineer, Mr. David J. Hickey, Jr., P.E, will provide project management. The Engineering Division will hire a new staff member, a senior civil engineer, with the requisite qualifications to provide day-to-day management of the project. The staff of the DPW Park and Tree Division, including a horticulturalist, landscape planner and arborist, will supplement the expertise of the senior civil engineer.

In addition to the in-house professionals who will participate in the management of the project, professional staff from the Design Team (Beta Group and its sub-consultant, Horsley Witten Group), will be retained to work with the Project management team (Town Engineer David Hickey; DPW Director Mike Pakstis; NRC Director Janet Bowser; and Deputy Director of General Government Services Meghan Jop) as needed. The Design Team is intimately familiar with the design components of the Project, having participated in both the Phase 3 design and permitting. They will review shop drawing submittals; participate in field reviews and help with decision making; and review applicable sections of contractor's monthly progress payment requests and change orders as may be necessary.

Two other options for project management and implementation were considered by the FBPCC before deciding to hire an additional senior civil engineer. One option was to hire a temporary contract employee assisted by the Design Team, and the other option was to engage the Design Team itself to undertake the project management services. The estimated total costs of the three project management options were:

- (1) \$626,600 to hire a qualified senior civil engineer to the DPW staff;
- (2) \$677,975 for the temporary employment of a contract employee (which also includes the same level of assistance from the Design Team as in the first option); and
- (3) \$825,000 for the employment of the Design Team.

The second and third options were more expensive than hiring an additional engineer to manage the Project (even with the additional cost of required benefits and unemployment insurance for a Town employee). The FBPCC also felt that hiring a Town employee rather than a contractor would facilitate interaction with the DPW staff, allowing that individual to take advantage of Town expertise, and would ultimately increase institutional knowledge of the Project. Upon the Project's completion, the DPW will have to justify the continuing need for its senior civil engineering position.

### **Park Maintenance & Management Cost**

During Phase 3, Park Planning Associates, a sub-consultant to Beta Group, developed a long-term Park Maintenance and Management Plan (the "Plan") which has been approved by the Natural Resources Commission (NRC), the FBPCC, and the DPW. The NRC was designated to manage the Park and oversee Park policy and governance, and the DPW Park and Tree Division was designated to maintain the Park. Park maintenance refers to the physical work within the Park to keep the Park in good condition for public use; park management refers to tasks that support its proper maintenance, preservation and use. Management includes such tasks as budgeting, staffing, and personnel oversight, but also public education, site programming, public outreach, and boundary and encroachment protection. Responsibilities for the maintenance and management of the Park under the Plan will remain in place throughout the Project.

The cost estimates for maintaining the Park include landscape maintenance, invasive species control and capital equipment expenditures. The DPW currently spends approximately \$20,000 in park maintenance for mowing and plowing work each year. For five years following completion of the Project, invasive species removal and management work will be performed by a specialized company to keep the unwanted plant material under control. The annual park and landscape maintenance cost during those five years is estimated at \$100,000.<sup>57</sup> Thereafter, the annual maintenance cost will be \$85,000 (for the DPW Zone Supervisor and the regular maintenance).

The chart below details projected Fuller Brook Park expenses for the first five years after construction:

<b>First Year Expenses Post Construction (FY17)</b>		
DPW Zone Supervisor		\$65,000
Maintenance:	Parks and Landscape	20,000
Invasive Species Management:	3 - 5 year contract (\$15,000/year)	15,000
Equipment Needs:	Ford F – 150 Pick-up Truck w/8’ Bed (for use by Park Foreman)	17,000
	Flail Mower for Meadows (to permit more efficient mowing of tall meadow grasses)	9,000
	Kubota Utility Vehicle (light-weight and narrow width to protect paths)	19,000
<b>First Year Total Expenses</b>		<b><u>\$145,000</u></b>
<b>Years 2-5 Expenses Post Construction (FY18-FY21)</b>		
DPW Zone Supervisor (assumes a 1% annual salary increase)		\$262,600
Maintenance:	Parks and Landscape (\$20,000/year)	80,000
Invasive Species Management:	3 - 5 year contract (\$15,000/year)	60,000
<b>Next Four Years Maintenance &amp; Management Costs</b>		<b><u>\$402,600</u></b>

### Background

The Fuller Brook Park is a linear, two-and-a-half mile green space encompassing 23 acres which runs parallel to Washington Street along Caroline Brook and Fuller Brook from Dover Road to Phillips Park at Maugus Avenue. The original 1890s purpose for creating this parkland adjacent to the brook was twofold: first, it prevented the building of homes in the brook’s vital floodplains and wetlands; second, it gave pedestrians a safe passageway through a scenic park away from the traffic on Washington Street, becoming a major component of the Town’s pedestrian infrastructure. The Park still serves both these important functions today.

The Park is under the jurisdiction of the NRC, which has responsibility for overseeing all park policy. The management and maintenance of the Park is provided by the DPW. Because of budget constraints and other Town priorities, no capital expenditures have been made for the maintenance of this park over the past several decades other than seasonal mowing and

<sup>57</sup> The Personal Services cost for the DPW Zone Supervisor who will provide regular maintenance is expected to be \$65,000, which will be in addition to the \$20,000 already provided annually. The estimated cost of the invasive removal service is \$15,000 per year for a total of \$75,000 over five years.

plowing. Many problems have developed in the Park during this time. Its path network is crumbling, its flood control capacity is substantially diminished, and its vegetation is in critical condition. The banks are eroding and compromised by invasive plant species. The preservation of the Park as recommended would remedy this situation and correct the many problems that have worsened over the past decades.

Recognizing the need to address the growing problems in the Park, the NRC commissioned the development of a Preservation Master Plan in 2009 which analyzed the current needs of the Park, articulated guiding principles, outlined recommended restorations and improvements to preserve the Park from further deterioration, and developed a plan to make the extraordinary repairs that would restore the Park to its intended condition. At the 2013 STM, the FBPCC requested and received a supplemental appropriation of \$35,000 from CPA Funds to cover unanticipated but necessary engineering costs which arose during the Phase 3 Design Phase of the Project (see pages 14-17 of the *2013 Special Town Meeting Report* for further information).

A history of Fuller Brook Park Project appropriations to date appears below:

Phase	Funding	Amount	Scope
1	NRC	\$50,000	Halvorson Design Partnership 2009 Preservation Master Plan
2	CPA	250,000	Pressley Associates (hydrological, ecological studies) for conceptual (10%) design plan. Funds approved by ATM 2010.
2.1	CPA	23,000	Construction of a demonstration path & development of Phase 3 Request for Proposal.
3	CPA	665,000	Beta Group (final design, additional studies, permitting, and construction documents) for complete (100%) design plan. Funds approved by STM 2011.
3.1	CPA	35,000	Beta Group (supplemental appropriation to include dredging design & permitting for inclusion of State Street Pond)
<b>Total</b>		<b><u>\$1,023,000</u></b>	

During Phase 3, the Park was listed on the *National Register of Historic Places*, a testament to its value as a Town resource. The need to preserve, rehabilitate and restore the Fuller Brook Park has been identified in the following Town plans, reports and studies:

- A Complete Tour of Fuller Brook Park in Wellesley:  
<http://www.youtube.com/watch?v=2MRR9UgVGqo>
- Fuller Brook Park Preservation Project Phase 2: Preliminary Design and Development of Preferred Alternatives, Natural Resources Commission, FBPCC, January 2011,  
[http://www.wellesleyma.gov/Pages/WellesleyMA\\_Fullerbrook/executivesummary.pdf](http://www.wellesleyma.gov/Pages/WellesleyMA_Fullerbrook/executivesummary.pdf)
- Fuller Brook Park Preservation Master Plan, Natural Resources Commission, November 2009, [http://www.wellesleyma.gov/Pages/WellesleyMA\\_Fullerbrook/masterplan.pdf](http://www.wellesleyma.gov/Pages/WellesleyMA_Fullerbrook/masterplan.pdf)
- Fuller Brook Park Nomination Application for Placement on the National Register of Historic Places, Natural Resources Commission, 2008
- Town of Wellesley Stormwater Master Plan Update, Department of Public Works, 2004

- Town of Wellesley Comprehensive Master Plan, Planning Board, 2007
- Town of Wellesley Open Space & Recreation Master Plan, Natural Resources Commission, 1999, 2010
- Community Preservation Plan, Community Preservation Committee, June 2003; Updated Plan, September, 2008
- Town of Wellesley Annual Town Reports, Natural Resources Commission, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012.
- Town of Wellesley Pedestrian and Walkway Plan, Planning Board, 2009

### **Advisory Considerations**

Advisory unanimously supports the appropriation of \$5,470,205 for the completion of Phase 4 restoration of Fuller Brook Park, recognizing that the project is much more than a park beautification project but is actually long deferred maintenance on open space, analogous to the renewed commitment the Town has made to maintain its buildings. Advisory agrees that Fuller Brook Park is an integral part of the Town's storm water management infrastructure and that the Park currently is inadequately serving those needs. In addition, the Park is a critical part of the Town's pedestrian network and an important recreational asset for Wellesley. Advisory appreciates the strong support for this project from the CPC committee, which has funded previous design work as well as 83% of the project's total construction cost.

The Fuller Brook Park rehabilitation is an unusual project, the largest public works capital project ever proposed for the Town, and takes Wellesley into uncharted territory. However, Advisory is confident that the FBPCC has fully identified the critical problem areas of this project and addressed the remediation and repair of all segments within the Park. Design and planning commenced in 2010, progress was continuously reported, and public hearings were held to solicit public comment at each phase of the planning process. The maintenance and management plan for the Park post construction was fully discussed and the expenses deemed reasonable. Advisory also appreciates the support for this project by a dedicated cadre of volunteers, the Friends of Fuller Brook Park, who have volunteered their time and energy to remove trash, invasive plants and other debris in the Park on many occasions. Some members of Advisory expressed concern about the amount of money already spent on design of this project and the total price tag of the Phase 4 construction. However, all members consider this a very important investment in our historic park for present and future generations.

The members of the FBPCC are strongly commended for their collaboration, many hours of work and dedication to seeing this project to completion. The cross representation from Town boards, Town staff and citizens on this committee is an excellent model for future projects. Like the WHS School Building Committee, the FBPCC collaboration demonstrates how an ambitious project can be successfully implemented.

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

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

## **ARTICLE 15, MOTION 2: Appointment of Fuller Brook Park Committee**

The Fuller Brook Park Coordinating Committee seeks Town Meeting approval to create a Fuller Brook Park Committee (FPBC) to help oversee the Phase 4 Project implementation and construction of Fuller Brook Park.

Since 2010, the FBPCC has overseen this project from the initial Phase 1 through Phase 4 construction funding request. Its members include representatives from the NRC, BOS, School Committee, BPW, Wellesley Historical Commission (WHC), Trails Committee, and interested Town residents. With the conception and design work completed, this Motion will establish a scaled-down FBPC to continue in an advisory capacity going forward. This smaller committee of five members will be comprised of representatives from the BPW, WHC, NRC and Friends of Fuller Brook Park. The fifth member will be appointed by the Moderator.

The responsibilities of the FPBC for Phase 4 Project implementation will include:

- Maintaining the integrity, intent and goals of the FBPCC as set out in prior phases.
- Reviewing, for informational purposes, financial information on monthly/periodic basis as provided by Project Manager.
- Reviewing progress reports from Project Manager and Project Management Team
- Assuming a “PR” role, giving notice to abutters and neighbors of work plans, schedules, etc.
- Writing informational articles and sending updates to FBP list serve.
- Approving the text of any informational signage
- Working with Friends of Fuller Brook Park to build membership and interest.
- Publicizing memorial benches.
- Preparing and presenting any reports (including an annual report), communications or warrant articles to future Town Meetings

In addition, the current Project Management Team (PMT) of Mike Pakstis, Dave Hickey, Meghan Jop and Janet Bowser will continue during Phase 4. The PMT will interface with the Project Manager on a regular basis to ensure, from a staff perspective, that the goals of the FPB are being implemented by the Project Manager. The PMT will surface ideas to the FBP Committee for their consideration.

Advisory recognizes that many residents may be inconvenienced by this major construction project and would like to see FBPC report annually to ATM on the progress of the Phase 4 construction. Advisory also recommends that regular updates be given to residents, possibly communicated electronically through the Town and/or Police notification systems, so that users of the Park will be fully aware of its current state and be able to plan accordingly.

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

**ARTICLE 16.** To see what sum of money the Town will raise and appropriate, or otherwise provide, for architectural, engineering, and/or other services, for construction, reconstruction, remodeling, rehabilitation, additions and/or modernization to several Schools and other Town buildings, including Middle School, Sprague School, Hunnewell School, district-wide security, Warren Building, Police Station, and Fire Station #2; 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 Town Meeting authorization to appropriate funds to the Permanent Building Committee (PBC) for the total cost (including construction, soft costs and contingency) of the projects listed below, and to fund this appropriation through short-term borrowing inside the levy. Based on the information in the Five Year Capital Budget Plan on page 174 (line item "Facilities – School and Other"), this appropriation is expected to be approximately \$4.37 million but this number has not been finalized. The exact appropriation will be presented at Town Meeting.

The creation of the Facilities Maintenance Department (FMD) by the 2012 ATM facilitated review of all Town buildings and the prioritization of the work that will be needed to repair and maintain them. During the summer of 2012, FMD reviewed already-identified building concerns and maintenance needs; conducted interviews with building managers and custodians; and reviewed feasibility studies that had been performed on the buildings.

Also in 2012, Symmes, Maini and McKee Associates (SMMA) conducted an exhaustive study of all school buildings and created a comprehensive listing and prioritization by FMD of necessary school building work. The database created by SMMA provides floor and site plans of all ten school buildings – the seven elementary schools, Middle School, High School and Preschool at Wellesley Schools (PAWS). Every room was inventoried for maintenance requirements and work was classified by type and urgency. In October 2012, the School Committee appointed a School Facilities Master Plan (SFMP) Task Force to review the SMMA database and propose short- and long-term plans for the school buildings over the following ten years. The SFMP Task Force report can be found in the *Advisory Report to the 2013 ATM* on pages 189-192.

An appropriation of \$585,030 for design development of ten projects was requested and approved through Article 17 of the 2013 ATM (see pages 100-103 and 269-280 of the *2013 ATM Advisory Report*). Designs are now complete for nine of these projects, not including the Schools' District-wide Security system, and descriptions of each of them are given below. This Motion requests funding for the work which will begin in June 2014, most of which will be completed by September 2014 (the HVAC systems will be operational before the onset of the cold weather).

#### **Police Station - HVAC Renovation**

In November 2012, a feasibility study was conducted to assess the condition of the heating and ventilation systems at the Police Station. The existing system was installed during the original building construction in 1995. As would be expected, some of the individual components have reached their normally-anticipated end of life and require replacement. In addition, some of the components are reaching their median life expectancy as a result of the 24/7/365 use of the facility. The proposed work will include the following:

- Replace existing gas-fired hot water boilers with new high-efficiency gas-fired condensing-type hot water boilers, and the gas-fired domestic water heater (DWH)

with an indirect DWH. As part of this project, the existing hot water circulating pumps, air scoop, expansion tanks and other accessories will be replaced with new parts. Although these boilers may have several years of serviceable life remaining, the BOS is choosing to replace them now to have an entirely new system in place.

- Replace the existing outdoor air-cooled condensing unit;
- Install a new carbon monoxide (CO) monitoring system for the secure controlled entry areas;
- Replace the existing control system whose software is no longer supported by the manufacturer;
- Replace the Variable Air Volume (VAV) boxes (located inside the ductwork, they control the air flow to a particular zone by opening and closing dampers);
- Install new control points for increased management of airflow and temperatures.

### **Fire Department Headquarters - HVAC Renovation**

The Fire Department Headquarters is 27 years old, as are its HVAC systems. With the passage of time, changes to the system and reconfiguration of some spaces, the heating and cooling systems are beyond their useful life and need to be replaced. The components of the project include the following:

- Replace the air handling unit (AHU) in the basement;
- Replace the outdoor air-cooled condensing unit;
- Replace gas-fired hot water boilers;
- Replace hot water circulating pumps and related elements;
- Replace all hot water unit heaters and cabinet unit heaters;
- Replace the exhaust system including ductwork, louvers and grilles;
- Add a new split-system AHU to serve EMT room;
- Add a roof top unit (RTU) to serve the dormitory, including ductwork and dampers;
- Replace VAV boxes;
- Add infrared heaters and outside air intake to the apparatus room;
- Add outside air intake for the maintenance bay;
- Install new CO-monitoring system for both the apparatus room and maintenance bay.

### **Fire Department Headquarters – Flooring replacement**

As noted above, the Fire Department Headquarters was built in 1987. Typically, Fire Departments wash down their trucks in the apparatus bays, and an epoxy floor coating was added in 1998 in those areas to make the concrete floor less slippery when wet, and to protect the concrete slab from road salts during the winter months. The epoxy flooring has since been repaired several times. The maintenance bay was not originally used for wash-downs, thereby making a floor coating an unnecessary expense at that time. The existing floor treatment is now failing in the apparatus bay and there is significant cracking in the exposed areas (5600 square feet). The maintenance bay in the rear of the structure (2100 square feet) is a concrete slab which currently has no flooring treatment. Frequent use and runoff of liquids also represents a safety hazard in both areas.

Flooring material is needed that can withstand the weight and wear-and-tear of fire apparatus. The existing floor will be prepared, new epoxy flooring will be installed and heavy-duty mats will be put in as protection from the tire chains used in the winter. The epoxy system provides better durability than the urethane systems typically used in parking garages. In addition, a rear door and frame at the maintenance bay will be replaced.

The contractor estimates the flooring work will take two weeks, but the Fire Department has been encouraged to make arrangements for a longer period of time. The building will be occupied during construction, and equipment will be relocated when necessary. The work will displace the EMTs' sleeping quarters, the mechanics' work space, and the apparatus and support equipment necessary for full operation of the station house. The phasing and movement of personnel and equipment will be determined in consultation with the Fire Department. It is estimated that the HVAC project will take 5 ½ months.

#### **Wellesley Middle School – Donizetti Plaza entrance area**

The Middle School structure was originally constructed in 1940 with additions in the 1970s. The plaza area was part of the original construction and has not been part of any renovation project. It is approximately 2100 square feet bounded by brick and limestone masonry walls and brick masonry garden walls. There are currently active leaks in two general areas where the waterproofing system is deteriorating; ongoing water infiltration has damaged the concrete, ductwork and finishes above a set of double doors separating the hallway and cafeteria located below the plaza.

Exterior masonry walls will be repaired; the entry plaza will be replaced with new water-proofing membrane and new colored concrete; and new intake chases for the HVAC system and new railings will be installed. Wrought iron lighting stands will be relocated with new lamps, the brick garden wall on the left side of the new entry plaza will be rebuilt and the garden area at the band room entrance on the right side of the plaza will be redesigned. The work is expected to be performed during the summer of 2014.

#### **Warren Building Repairs**

In 2004, the Warren building underwent a significant renovation and addition to its interior, building envelope and grounds. Since that time, the vinyl composite floor tiling (also known as VCT) in the corridor areas has shown signs of deterioration. Tiles are cupping at the corners and cracking, and gaps are appearing between adjacent tiles resulting from uneven subflooring and water penetration from normal maintenance activities softening the water-based adhesive. New resilient flooring will be installed to address these issues and the maintenance protocol will be investigated.

There are multiple issues of sagging and misaligned doors requiring removal and reinstallation. In some cases, issues with fasteners to the door framing have caused problems because the connection between the door frame and the wall studs is tenuous. In other cases, the damage is from normal wear and tear. Interior doors will be repaired and new exterior doors will be installed. Damaged steel guard rails and concrete curbs will be repaired; the rear canopy and exterior rails will be painted; flashing will be replaced at the masonry chimneys; the pre-cast concrete curved portion of the portico will be repaired; and protection board will be installed over the portico's copper roof. Repairs to the HVAC and plumbing system were also contemplated in the request for appropriation in Article 17 at the 2013 ATM; FMD has moved the HVAC work out to FY16 and at the time of this writing, plumbing repairs are not included in this project proposal.

### **Hunnewell School – Roof Repairs**

This school structure was originally constructed in 1935, with additions in 1956 and 1995. In 2012, a feasibility study was done to assess leak and drainage issues associated with the roofing systems as well as elements such as dormers, gutters, and roof drain structures. Existing gutters do not drain properly and are dented from repair ladders and leaf cleaning; leaf shields will be added. The copper-lined wood gutter will be repaired and downspouts will be replaced, and the EPDM<sup>58</sup> roof, the wood façade, cupola and TPO<sup>59</sup> roof will all be repaired.

### **Sprague School – Slate roof replacement**

In December 2011, a roof condition survey was performed on the slate roof section of the Sprague facility. There is approximately 11,500 square feet of slate roofing material dating back to 1924. Thirteen years ago, during the construction of the new facility and rehabilitation of the existing structure, minor repair work was performed on the eaves and valleys of the slate roofing system. At that time, no work was done to replace the existing system as it demonstrated some remaining lifespan; now, it is beyond its serviceable life. The slate roof is failing systematically as evidenced by the disintegration of fasteners, resulting in individual shingles detaching from the roof and sliding off; delamination and discoloring of shingles; and worn flashing. The roofing material will be removed; damaged decking and other material will be replaced; abandoned exhaust fans will be removed; a new ice and water shield (with felt underlayment) will be installed; and new slate shingling will be installed, which has an anticipated 100-year life expectancy. An alternate option of asphalt shingle was included in the bidding specifications. This allows PBC the option to choose the asphalt shingle if the slate proves too costly.

### **Sprague School – Oak Street Plaza repairs**

The Oak Street entry of Sprague School is the original front entrance of the building but is currently used solely as an emergency exit. The brick landing under the covered entrance will be rebuilt; the concrete at the granite steps, concrete curbs, metal sheathing and flashing at the louvers of the cupola will all be repaired. All nails will be replaced with stainless steel screws. Flashing around the brick chimney will be redone.

### **Wellesley Middle School – Auditorium seating replacement**

The auditorium seating is 50 years old and beyond its useful life. Many seats are damaged and non-functioning. The planned scope of work will replace 830 seats, add concealed LED aisle lights, and install a new metal handrail. The accessible seating areas for disabled students and visitors have also been redesigned. The concrete floor slab will be repaired and repainted, and carpeting will be removed and replaced.

As this Report went to press, there were no estimates available for these projects, and Advisory anticipates that PBC will present the construction costs by the time of Town Meeting. Before making a final recommendation on this Motion, Advisory will review final construction estimates (or, ideally, bids-in-hand) for each of the projects in this Motion.

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

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

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<sup>58</sup> EPDM (ethylene propylene diene) is a high-performance synthetic rubber compound which is resistant to heat, ozone and weather and used to waterproof roofs.

<sup>59</sup> TPO (thermoplastic polyolefin) is another commercial roofing product which is heat-reflective, energy efficient and does not degrade when exposed to UV radiation.

**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 construction, reconstruction, remodeling, rehabilitation, additions and/or modernization for replacing windows in the Middle School and possibly other improvements; 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.

**(School Committee)**

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

**ARTICLE 18.** To see what sum of money the Town will raise and appropriate, or otherwise provide, in addition to the amount appropriated under Motion 1 of Article 2 of the Warrant for the June 13, 2012 Special Town Meeting, to complete the acquisition of real property located at 900-910 Worcester Street; to determine whether such sum shall be raised by taxation, through borrowing and/or by transfer from available funds including Community Preservation Funds; to further amend the Purchase and Sale Agreement approved by previous town meeting vote in connection therewith; or take any other action relative thereto.

**(Board of Selectmen)**

This Motion seeks Town Meeting approval to extend for an additional year the April 2, 2012, Purchase and Sale (P&S) agreement to acquire the real property at 900-910 Worcester Street (the "Property"), the site of the former Saint James the Great Church and rectory, from the Roman Catholic Archbishop of Boston (the "Archdiocese"). In effect, the Town and the Archdiocese seek approval to sign an amendment to the original P&S, extending by one year the time by which the Archdiocese has to satisfy Canon Law Conditions (see below), required before the closing on the Property can take place. The Board of Selectmen (BOS) also requests an appropriation of \$47,000 from Free Cash to fund the accruing taxes on the Property for one additional year and to cover potential legal costs.

In June 2012, 94% of Town Meeting voted to authorize a total of \$4,160,000 to acquire 900 Worcester Street, with \$3,800,000 used to purchase the Property<sup>60</sup> and the balance of \$360,000 to be used for due diligence on the Property, abatement, demolition of the existing structures; site work; real estate taxes; and all related studies and incidental costs. A total of \$2,600,000 (62.5%) came from Community Preservation Act (CPA) funds and the remainder (\$1,560,000 or 37.5% of the total cost) was funded by general obligation borrowing. The split between CPA and tax impact funds was determined by the fraction of open space recreational use proposed for the Property, as land purchased with CPA funds is bound by a permanent deed restriction that limits its use to the CPA purposes for which it was acquired.<sup>61</sup> Many more details on this transaction are provided in the *Advisory Report to the June 2012 Special Town Meeting*.

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<sup>60</sup> The Property is an eight-acre parcel of land south of Route 9 and east of Dale Road in Wellesley at the western gateway to the Town. Existing structures include a 17,600 square foot church and 4,200 square foot rectory. The Property contains wetlands in the south/southwestern section comprising approximately 23% of the land and there is a steep grade change to the south. The Property lies within the Water Supply Protection District and approximately one third of the Property on the west side is within the Flood Plain District. It is located in a Single Residence District.

<sup>61</sup> Section 1 of the Massachusetts Community Preservation Enabling Statute, MGL Chapter 44B, is interpreted to mean that CPA funds may only be used for outdoor, land-based recreational uses and facilities and that CPA funds may not be used to acquire land for any recreational structure such as a gymnasium, ice rink or pool or to build these structures. The Town proposed to use the CPA-acquired

In addition to authorizing the purchase price for the Property, the Town agreed to fund the accruing property taxes until closing at a rate of approximately \$6,692 per quarter or \$26,768 per year, essentially providing an option to purchase. The Town also agreed to dismiss all pending tax appeals by the Archdiocese for FY10, FY11, and FY12 at closing, with the Town absorbing any tax losses.

The P&S also requires that all obligations of the Archdiocese be satisfied by the Canon Law Condition before closing, which means that the Archdiocese will have obtained final favorable determinations on all appeals of Canon Law and challenges to the desacralization and sale of the Property, *i.e.*, the Archdiocese will be within its rights and not subject to further appeal in its decision to sell the Property to the Town. A request for reconsideration, the final appeal available to the parishioners under Canon Law, is currently pending and the Town and Archdiocese have been unable to proceed with the Property transaction during the past two years.

The P&S allows either party to terminate the P&S agreement if the Canon Law Condition Notice is not provided within two years. Because the two-year window ends this April, the BOS has opted to renew the P&S agreement for another year. Although the P&S does not lapse or expire following its second anniversary, meaning that both parties have the option of honoring the terms of the P&S, the Town feels it is prudent to explicitly extend the P&S agreement for an additional year, thereby “locking in” the deal. The Town and Archdiocese have therefore written a Third Amendment to the April 2, 2012 Purchase and Sale Agreement which extends the Archdiocese’s obligation to provide Canon Law Condition Notice from two to three years but otherwise does not change the terms of the original P&S. If Town Meeting opted not to take favorable action on this Motion, the Town would lose control over the Property, property tax obligations would return to the Archdiocese, and the Archdiocese would be free to market it again.

Of the \$47,000 appropriation, \$27,000 will cover the property taxes for one year based on a recent assessment of the Property, and the balance will cover legal costs associated with negotiations with the Archdiocese regarding the extension of the P&S Agreement and due diligence on the site. Advisory suggested that perhaps there could be a contribution from CPA funds toward the tax liability or legal fees on the same basis as the 62.5% – 37.5% division between CPA and tax-impact funds in the original agreement.

During the past two years, the 900 Worcester Street Committee has created a development approach and a preferred site layout (included in the *Advisory Report to the 2013 Annual Town Meeting*). To date, the Committee has spent less than \$10,000 of the \$25,000 budgeted for consultant fees. The Town has been able to survey the site, using sonar technology to investigate the ground under the parking lot, and conduct some high-level due diligence on the buildings. However, a more comprehensive analysis is still to be done and estimates of the cost of site mitigation are unknown at this time. It is likely that a supplemental appropriation will be requested by a future Town Meeting to cover increases in demolition and remediation costs. After completion of the due diligence and any required abatement, the 900 Worcester Street Committee will return to Town Meeting to request an appropriation for a master site plan.

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portion of the Property for playing fields, noting that nearly 50% of the Property was unsuitable for development because of wetlands and floodplain restrictions.

There was concern expressed by some Advisory members that purchasing 900 Worcester Street has not yet been resolved and the Canon Law appeal appears to be so open-ended. However, the majority of Advisory members believe that the current appropriation is a relatively small investment to preserve the opportunity to purchase 900 Worcester Street, a project that has overwhelming Town Meeting support and will be a significant resource for the Town.

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

**ARTICLE 19.** To see if the Town will vote to acquire by purchase, eminent domain, or otherwise, the real property commonly known and referred to as 494 Washington Street, for the purpose of expanding the usable space of adjacent Town-owned property located at 496 Washington Street; to raise and appropriate, or otherwise provide, a sum of money for said purpose and to determine whether such sum shall be raised by taxation, borrowing and/or by transfer from available funds; said property being further identified as follows: 494 Washington Street: Parcel No. 17 on Assessor's Map No. 111, now or formerly owned by Charles C. Crevo et al, see deed recorded in Norfolk Registry of Deeds Book 19857, Page 418; or take any other action relative thereto.

**(Board of Selectmen)**

**Advisory expects no motion under this Article, which will instead be taken up as Article 2 of the April 8, 2014 Special Town Meeting.**

**ARTICLE 20.** To see what sum of money the Town will raise and appropriate, or otherwise provide, to the Board of Public Works, for the cost for engineering services, for preparation of plans and specifications, for construction, reconstruction, remodeling, rehabilitation and/or modernization of the Hunnewell Field Maintenance/Restroom Facility; to determine whether such sum shall be raised by taxation, through borrowing and/or by transfer from available funds; or take any other action relative thereto.

**(Board of Public Works)**

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

**ARTICLE 21.** To see what sum of money the Town will raise and appropriate, or otherwise provide, to the Board of Public Works, for the cost for engineering services, for preparation of plans and specifications, for construction, reconstruction, remodeling, rehabilitation and/or modernization of the roof of the Department of Public Works Park/Highway Garage; 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)**

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

**ARTICLE 22.** 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 second chimney, (reconstruction of the first having been authorized by vote under Motion 1 of Article 20 of the Warrant for the 2013 Annual Town Meeting) 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 Library Trustees / Board of Selectmen)**

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

**ARTICLE 23.** To see what sum of money the Town will raise and appropriate, or otherwise provide, for the purchase of fire apparatus and related equipment; to determine whether such sum shall be raised by taxation, through borrowing and/or by transfer from available funds; or take any other action relative thereto.

**(Board of Selectmen)**

This Motion requests Town Meeting authorization to borrow \$500,000 inside the Proposition 2½ levy for the purchase of a new pumping fire engine to replace Fire Engine 2. This expenditure has been included in the Capital Plan for many years and it first appeared in the Five Year Capital Budget Program in 2010 with a placeholder value of \$600,000. A more accurate cost estimate of the fire engine is anticipated after this report goes to press, as the vehicle design process is expected to be finished in March, but the cost is not expected to exceed \$500,000.

### **Overview**

The Fire Department has a targeted replacement cycle of 15 years for pumping engines and 20 years for towers/ladder trucks, based on recommendations of the national fire standard-setting organization, the National Fire Protection Association (NFPA). A pumper engine is expected to provide 15 years front-line service and five additional years as a reserve apparatus.

The Fire Department's pumping engines are the most heavily used vehicles in the fleet. The Town's *Annual Report* for FY13 indicates that the Department responded to over 3,881 calls for service with 1,931 of those calls being for medical assistance. As part of the Town's medical assistance protocol, the Department responds with either Engine 1 or Engine 2, along with Wellesley's contracted ambulance service. Depending on the location of the call, an engine is

dispatched either from Station 1 in Wellesley Square or Station 2/Headquarters in Wellesley Hills. Chief DeLorie has indicated that either Engine 1 or 2 responds for the vast majority of the other service calls (those calls making up the difference between the 1,931 medical calls and the grand total of 3,881 service calls). This makes Engines 1 and 2 the most frequently-used apparatus in the Fire Department. Some Advisory members have wondered why pumping engines are necessary for all emergency calls, and the Chief has explained that the team responding to one emergency has to be fully prepared to be called to a new emergency where a pumping engine might be required.

The new pumping engine would replace the 1998 pumping engine which suffered a mechanical failure in 2013 that affected its electronics, intermittently reducing power to the engine and affecting the operation of the pump during three separate fires. The 1998 truck also experienced severe corrosion of its undercarriage. At the time, a decision was made by the Department not to invest significant funds on a vehicle which was nearing the end of its useful front-line service life. In early calendar year 2013, the Department, which needed immediate vehicle replacements, was able to make an emergency purchase of two reserve engines, one from Needham and the other from Cambridge, each for under \$10,000. Both reserve engines will be retained by the Department as they have no trade-in value but can be used when necessary as the front-line apparatus is undergoing preventive or unexpected maintenance.

### **New Engine Purchase Process and Cost**

The Fire Department uses a Chapter 30B procurement-compliant collective purchasing program developed by the Metropolitan Area Planning Council (MAPC) and the Fire Chief's Association of Massachusetts (FCAM). The MAPC works with fire engine manufacturers in a very transparent manner to maximize the purchasing power of over one hundred communities, leading to lower pricing and faster acquisition times (shortened by 8-12 months) than conventional one-off purchasing. Fire engines are, by nature, quasi custom-built with accessories, controls, and features specified by the purchasing municipalities. Sizes and types of firehouses, and types of fire vehicles already in inventory in a municipality are a few of the considerations when procuring a vehicle of this nature. Instead of spending valuable administrative time developing individual specifications, fire chiefs select from among standard engine models and add needed options to the base price. MAPC facilitates this process by engaging manufacturers so that all members of the MAPC can work on an equitable basis with those manufacturers who choose to participate in the program.

At the time this *Advisory Report* went to press, Chief DeLorie anticipated that cost of the new engine would not exceed \$500,000. He expects that the Town will purchase a 750-gallon pumper manufactured by E-One, a Florida-based manufacturer with a local service center in Foxboro, MA, which can provide ready access to spare parts and service. E-One was also the manufacturer of the Tower Ladder authorized by Article 17 of the 2012 ATM. Chief DeLorie notes that E-One has an excellent service record and reliable products, and that officials from Wellesley, Needham, Natick, and Weston have provided him with positive feedback on the trucks they procured from E-One. Another reason to choose an E-One vehicle is the fact that the Department's recently-hired mechanic came from the local E-One dealership, so he is familiar with their equipment. Selection of an E-One engine will also begin to standardize the maintenance of the Town's fleet, which will now have a second E-One vehicle.

The pumper is likely to have a heavy-duty suspension to better extend the life of the vehicle. When queried regarding what the Town has learned about fire vehicle procurement in recent years, Chief DeLorie said that a heavy duty chassis should always be specified because of the extreme weight of the vehicle and the frequency of its use. He noted that pumpers that transport 750 gallons of water carry in excess of 6000 pounds of water weight alone, not including the

basic weight of the vehicle and its on-board equipment. The 1998 engine had a medium-duty suspension, possibly accounting for its failure to complete its initial expected service.

The Chief also notes that there is no used market for fire trucks, because standards for safety equipment evolve on fire trucks just as they do on private vehicles (air bags, emergency braking systems on the passenger side, rollover protection and new emissions systems are a few examples). All departments in our region buy new fire apparatus to maintain NFPA standards. Advisory wondered if there were federal grants available to defray some or all of the costs of purchasing new fire apparatus, but these grants are generally only for financially-depressed communities.

The current fire apparatus of the Wellesley Fire Department is summarized below:

<b>Vehicle</b>	<b>Type</b>	<b>Replacement Date</b>
Engine 1	2009 Seagrave Pumper	FY25
Engine 2	Using Reserve Apparatus	FY15
Engine 3	2005 Seagrave-Quint	FY21
Tower Ladder	2012 E-One Cyclone	FY32
Reserve Engine	1989 Federal Hurricane (originally from Needham)	
Reserve Engine	1991 Pierce Pumper (originally from Cambridge)	

#### **Advisory Considerations**

Advisory agrees that the failed 1998 pumping engine, which was temporarily supplanted by two older reserve engines, should itself be replaced, given the recommended 15-year replacement cycle for pumping engines in order to maintain NFPA standards and to ensure that vehicle safety systems are up-to-date for the Town's firefighters. Choosing an engine manufactured by a reputable company that has a proven track record with Wellesley and its surrounding towns appears to be a prudent decision. Advisory is also pleased that the Town participates in the FCAM Apparatus Purchasing Program in an effort to reduce the cost of the Fire Department's vehicles.

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

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

**ARTICLE 24.** To see if the Town will vote to grant, accept and/or abandon one or more easements, including but not limited to utility and drainage easements, at one or more locations in the Town; or take any other action relative thereto.

**(Board of Public Works)**

This 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 get utility services to their property. Before any easement is presented to Town Meeting, it is reviewed and approved by Town Counsel and the Town's Engineering Department, and is then executed and recorded at the Registry of Deeds. The approval of Town Meeting is the final step required for action on an easement.

The following easements are ready to be presented at Town Meeting:

- 44 Valley Road – Abandon and relocate Drain Easement
- 8 Rockland Street, also known as 420 Linden Street – Sidewalk Easement

None of the easements described herein involve any expense to the Town.

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

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

**ARTICLE 25.** 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)**

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

**ARTICLE 26.** To see if the Town will vote pursuant to G.L. c. 40, §15A to authorize the transfer of jurisdiction of the now vacant MLP/DPW building at 2 Municipal Way, which the MLP/DPW have deemed no longer useful for their purposes, to the Board of Selectmen for the purpose of razing the same, and appropriate a sum of money therefor and/or accept the MLP's offer to pay for the same; to maintain the Selectmen's jurisdiction over the land (& building) to be held as a general town asset and/or determine a proper reuse of the building, and the town board under whose jurisdiction the future use of the building is decided; to vote a transfer of jurisdiction if necessary as shall be determined; to appropriate a sum of money for maintaining the building pending its demolition and/or a determination of future use or reuse; or take any other action relative thereto.

**(Municipal Light Board/Board of Selectmen)**

The administration building jointly occupied by the Municipal Light Plant (MLP) and Department of Public Works (DPW) at 2 Municipal Way (the "Building") became vacant in July 2013. This Motion seeks approval to:

- Allow the MLP to conduct hazardous material abatement and demolish the Building using funds that the MLP has offered for such purpose; and
- Upon certification that the Building has been successfully razed and the site cleared, transfer jurisdiction of the site to the BOS.

Because the MLP has offered to fund the remediation and demolition, there will be no tax impact to the Town.

In 2004, the MLP and DPW contracted with Earth Tech, Inc. to complete an evaluation of the costs and benefits to renovate various Town buildings, including the former MLP/DPW administration building. In March 2004, Earth Tech issued a comprehensive report detailing the deficiencies within the basement and first floor, as well as the second floor addition, which were constructed in 1948 and 1956, respectively. Earth Tech concluded that the building had outlived its usefulness as office space without major renovations. At that time, renovation costs were estimated to total \$4.2 million. Some of the deficiencies noted in the Earth Tech report were:

- Building window and glass systems on the second floor dated from the 1956 renovation and were energy-inefficient single pane systems.
- Toilet facilities, with the exception of the recent upgrades to the facility on the first floor, were original and in need of major upgrades.
- The second floor did not meet the code requirements under the Americans with Disabilities Act (ADA).
- Ventilation was found to be insufficient and not in accordance with the building code and the indoor air quality standards imposed by the American Society of Heating, Refrigerating and Air Conditioning Engineers (ASHRAE).
- The second floor consisted of metal curtain wall construction which needed to be replaced in its entirety.
- Hallways, stairways, and the second floor access did not meet ADA and building code requirements.
- The main circuit breaker, main distribution panel, and several of the building's sub-panels were over 40 years old.

In addition to the deficiencies identified in the Earth Tech report, the MLP staff received notification from Massachusetts building inspectors in 2013 of two major non-compliant

conditions. The lift for disabled citizens at the rear entrance does not meet the requirements of the Massachusetts Architectural Access Board (MAAB) regulations, which would result in daily financial penalties were the building to remain occupied. In addition, the state Boiler Inspector determined that the boiler was beyond its useful life and he would not approve its continued operation.

The Motion requests that Town Meeting authorize the demolition of the former MLP/DPW administration building. The MLP has offered to oversee and fund the demolition of the Building, estimated to cost \$86,130. In addition, the MLP plans to fund and oversee the removal of any hazardous materials in the building. The MLP's offer is conditioned on the demolition occurring prior to June 30, 2015, though the MLP plans to raze the structure as soon as is practicable. The costs to maintain the building prior to demolition are estimated to be \$40 per month for electricity and \$265 annually for insurance. Following the demolition of the Building, the MLP will fill in the site and pave it.

The Motion also requests that Town Meeting approve the transfer of jurisdiction of the site from the MLP to the BOS upon certification by the Building Inspector that the Building has been successfully razed and the site cleared. Massachusetts General Laws Chapter 40 Section 15A stipulates that whenever a board has jurisdiction over property that it no longer needs, that board may transfer the jurisdiction to another board (in this case, the BOS) if two-thirds of Town Meeting Members approve. To comply with this law, the MLP notified all Town boards, committees and departments that the Building was available for reuse; however, no municipal entity expressed an interest. Therefore, the MLP seeks to transfer jurisdiction of the property at 2 Municipal Way to the BOS to be held as a general asset of the Town until such time as another specific municipal purpose is identified.

Advisory supports the demolition of the MLP/DPW Administration Building, agreeing that the costs to rehabilitate the facility are too high, based on the Earth Tech report and recent inspections noting further deterioration. The MLP has followed proper procedure in offering the building for re-use to all Town departments, with no interested parties stepping forward. Advisory is pleased that the MLP will fund the remediation and demolition and there will therefore be no tax impact to the Town. There were concerns voiced that no alternate use had been found for the building, and some wondered whether the building could have been employed for storage or other non-office space use, at potentially less than \$4.2 million in renovation costs. They felt that the annual costs to maintain the building were sufficiently low as to make it worthwhile to hold onto the building for another year or two to see if another use materialized. However, most Advisory members agreed that the building has reached the end of its useful life and that the MLP's offer to abate and demolish the building at no cost to the Town is a compelling reason to support this Motion.

Advisory is aware that a group of citizens considered bringing forward a petition requesting that the demolition be postponed until further studies could be completed, seeking to preserve the building for use as an artist studio and storage facility/workshop for a theater group. The Wellesley Women Artisans and the Wellesley Players performed preliminary research on the cost to bring the building into code compliance and operate it on an ongoing basis. The initial data suggested that these costs would be prohibitive and the citizens decided not to act under the petition. Advisory supports these programs and the preservation of the arts in Wellesley, but agrees that the MLP building did not offer a fiscally prudent or viable venue for such an initiative.

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

**Advisory recommends favorable action, 10 to 2.**

**ARTICLE 27.** To see if the Town will vote to transfer to the Wellesley Housing Development Corporation the sum of \$180,275.00, now held by the Town pursuant to the action of the Planning Board, on July 16, 2012, to call the performance bond deposited by Wellesley Realty Associates, the developer, for 978 Worcester Street, to secure its obligation to provide a fractional unit of assisted (affordable) housing as part of the development; or take any action relative thereto.

**(Board of Selectmen)**

Through this Motion, the Board of Selectman (BOS) seeks approval to transfer \$180,275 from the Town to the Wellesley Housing Development Corporation (WHDC). This money was deposited with the Town by Wellesley Realty Associates (WRA), the developer of the project at 978 Worcester Street, to satisfy the Town's affordable housing requirement related to the development.<sup>62</sup>

In 2008, the Planning Board (PB) approved 978 Worcester Street as a mixed-use project, with 24,000 square feet of commercial space in the front and 36 residential condominiums in the back. Section XVIB of the Wellesley Zoning Bylaws, Inclusionary Zoning, requires the allocation of 0.02 affordable units per each 1,000 square feet of commercial space and 0.20 affordable units for every housing unit in the project (rounded up to a whole number of units). Based on these inclusionary zoning requirements, 978 Worcester Street would have been required to have nine total affordable housing units:

- 24,000/1000 square feet x 0.02 = 48% of a unit, rounded up to one unit
- 36 units x 20% = 7.2 units, rounded up to eight units

On October 1, 2010, an Escrow Agreement and Conditional Order To Pay ("Escrow Agreement") was executed between the PB and WRA in the amount of \$180,275.<sup>63</sup> The amount was deposited into escrow in the event the required affordable units were not built, to act as a payment in lieu of construction. In 2011, WRA completed the front building consisting of 24,000 square feet of commercial space. Because no affordable units were built at that time, WRA was required to deposit the agreed-upon amount of \$180,275 with the Town to satisfy the affordable housing requirement and to receive a Certificate of Occupancy. The original Escrow Agreement was set to expire on July 1, 2011, but was extended to July 1, 2012, by the PB. When the agreement was again scheduled for renewal in July 2012, the PB declined to extend it further because of the Board's awareness of financial difficulties and uncertainties related to the project. The deposited amount of \$180,275 was retained by the Town to satisfy the Town's affordable housing requirement. The Town considers the transfer of \$180,275 to the WHDC to be solely an administrative matter.

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<sup>62</sup> Affordable housing is defined as a unit which could be purchased or rented by a household making up to 80% of the median income of the area. The WHDC's mission is to sponsor and assist in the development of affordable housing opportunities in Wellesley in order to implement the Town's Affordable Housing Policy, found at [http://www.wellesleyma.gov/Pages/WellesleyMA\\_Selectmen/appoint/whdc](http://www.wellesleyma.gov/Pages/WellesleyMA_Selectmen/appoint/whdc).

<sup>63</sup> The amount is calculated per Section XVIB as the difference between the market rate of a unit (\$590,000) and affordable rate (\$214,428) multiplied by the fractional amount of 0.48%.

Advisory agrees with the transfer of funds from BOS to WHDC as the funds are intended as compensation when affordable housing is not built in conjunction with a construction project. If a new developer were to take over the project, one affordable housing unit would already be satisfied. Advisory views this transfer as a book-keeping measure.

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

**ARTICLE 28.** To see if the Town will authorize the Board of Selectmen and the Wellesley Free Library Trustees to enter into a lease pursuant to M.G.L. c. 40, Section 3 with Wellesley Media Corporation for space in one or more Wellesley Free Library buildings, such space to be designated by the Library Trustees; the receipts from said lease to be deposited into the general fund of the Town or otherwise as Town Meeting may direct; to authorize the Board of Selectmen and the Wellesley Free Library Trustees to determine such other terms and conditions in said Lease as they shall determine to be in the Town's interest, and to appropriate a sum of money for these purposes or take any other action relative thereto.

**(Board of Library Trustees)**

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

**ARTICLE 29.** To see if the Town will vote (a) to accept Section 5N of c. 59 of the General Laws, thereby authorizing the Board of Selectmen to establish a program allowing veterans (as defined) to volunteer to provide services in exchange for a reduction in the veteran's property tax obligations, computed by using not more than the current minimum wage, provided the reduction shall not exceed \$1,000 in any given tax year; and further, (b) vote to allow an approved representative to provide such services on behalf of a veteran physically unable to provide them, and further, (c) vote to allow the maximum reduction to be based on 125 volunteer service hours rather than \$1,000 in any given tax year; or take any action relative thereto.

**(Board of Selectmen)**

This Motion is a request sponsored by the Board of Selectmen (BOS) to adopt a provision of Massachusetts General Laws (MGL) Chapter 59, also known as the "Valor Act" to establish a voluntary work-off program in Town that would allow a military service veteran (or his/her approved representative) to provide personal services for the Town in exchange for a reduction in the veteran's property tax obligation for that fiscal year. Personal services would be valued at no more than the current minimum wage and the total allowance would not exceed \$1,000 in any single year. The Motion further requests that the maximum reduction be based on 125 volunteer service hours rather than \$1,000, effectively valuing the work at \$8 per hour.

Section 5N of MGL Chapter 59 authorizes a municipality by vote of its legislative body to create a program that allows veterans to provide volunteer services in exchange for a reduction in real property tax obligations (in addition to any other exemption or abatement to which the veteran may be entitled). It further provides that this volunteer personal service be valued at the current minimum wage of the Commonwealth and that the maximum reduction in real estate tax be \$1000. Participating towns must maintain records for volunteer veteran service and real property tax reductions and provide those records to the taxpayer and Assessor. Towns are also given the power to create local rules and procedures for implementation of the provisions. Finally, Section 5N includes clauses that allow a representative to perform the services on

behalf of a veteran, and to value the reduction based on 125 volunteer service hours rather than \$1000. Importantly, the amount by which a veteran's property tax is reduced in exchange for volunteer services is not considered income, wages, or employment for purposes of taxation, withholding taxes or for workers' compensation. While providing such volunteer service, the veteran is considered a public employee and his or her service is deemed employment for the purposes of unemployment insurance.

The Valor Act was signed into law by Governor Deval Patrick on May 30, 2012. Section 5N is gradually being adopted and implemented by many towns and cities in the Commonwealth, including Natick, Framingham, Newton, Sudbury and Westwood. Wellesley currently has in place several tax-relief programs, including exemptions for elderly and blind residents as well as disabled veterans.<sup>64</sup> There is a "Senior Work-Off" abatement characterized by a reduction in tax obligations based on the provision of volunteer service hours by senior citizens. The senior work-off program has both age and income requirements for participation; in the proposed program under this Motion, there would be neither income nor age restrictions. There are also no immediate plans to place a cap on the number of participants the program will serve.

Eligible residents would apply through the Town Tax Assessor's Office and include veterans or their representatives (such as an immediate family member if they are physically unable to provide the services to the Town), subject to approval of the Assessor. Supporting documentation, including a certificate of eligibility from the Department of Veterans Affairs, will be required in order for veterans to be eligible for the work-off program and they must re-apply for this tax abatement annually. The West Suburban Veterans Affairs Office will verify the status of an applicant for the Town and will assist with the placement of an applicant in an acceptable work-off job in the Town. The Veterans Affairs Office will also keep track of the hours worked and report this information to the Board of Assessors so that property tax bills may be adjusted accordingly.

### **Advisory Considerations**

Advisory supports the proposed Valor Act work-off program, agreeing that veterans should be eligible for a tax relief program analogous to the current senior work-off program. In assessing the financial impact of this program, one consideration is the potential loss of real property tax revenue to the Town, valued at approximately \$1000 per participant. The closest comparison is the senior work-off program, instituted in 2003. Since 2009, the number of residents participating in the senior program has steadily declined each year and in 2013, a total of sixteen Wellesley residents took advantage of it, reducing the Town's total tax revenue by \$8,814. With the exception of the blind exemption, participation by Town residents in all tax-relief programs and exemptions has declined since FY09.

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<sup>64</sup> There is also a Community Preservation Act (CPA) exemption, a senior property tax deferral, and a senior "circuit breaker" tax credit. Details of Wellesley's programs maybe be found at: [http://www.wellesleyMA.gov/Pages/WellesleyMA\\_Assessor/Summary.pdf](http://www.wellesleyMA.gov/Pages/WellesleyMA_Assessor/Summary.pdf)

According to 2013 census figures provided by the West Suburban Veterans Services District office, there are currently 916 veterans residing in the Town. With no age nor income restrictions, the potential number of participants in the veteran work-off program might be greater than in the senior program. However, participation in the program is likely to be limited by the finite number of jobs available for the veterans or their representatives who qualify for the program and it is possible that a jobs wait-list may need to be established. The increased workload for those administering the veteran work-off program is not expected to be significant. Members of Advisory agree that seeking Town Meeting approval to establish this program is in keeping with other tax-benefit related programs that are available for qualified residents.

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

**ARTICLE 30.** To see if the Town will authorize the establishment of a 9 member committee to be appointed by the Moderator to be known as the “2014 Town Government Study Committee”; that the Committee be directed to study the existing structure of town government to confirm it is still best suited to the Town’s current needs; to review and make recommendations on matters such as the number, composition, and role of elected and appointed boards and committees, the role and authority of the Executive Director of General Government Services, the potential consolidation and centralization of departmental functions and responsibilities, the number of Town Meeting Members, the timing of Annual Town Meeting and town elections, and any other topic related to town government that the Committee deems appropriate; that the Committee consider approaches for implementation of changes, including amendments to Town bylaws and/or the establishment of a charter commission; that the Committee hold public hearings; that the Committee make a report to the 2015 Annual Town Meeting; and to see what sum of money the Town will appropriate for such Committee; or take any other action relative thereto.

**(Board of Selectmen)**

Through this Motion, the Board of Selectmen (BOS) requests Town Meeting to:

1. Approve the establishment of a 2014 Town Government Study Committee (TGSC) to examine the existing structure of Wellesley government and determine whether it is best suited to the Town’s current and future needs; and
2. Appropriate \$15,000 from Free Cash to the TGSC for consultants and/or surveys.

If approved, the TGSC will consist of nine members to be appointed by the Moderator and it will make recommendations to the 2015 Annual Town Meeting (ATM). The Committee is charged with reviewing the number, composition and role of elected and appointed Town boards and committees; considering the role and authority of the Town’s Executive Director of General Government Services as well as alternate management models; and studying the potential consolidation and/or centralization of department functions and responsibilities. In addition, the TGSC will evaluate the optimal number of Town Meeting members, scrutinize the number and scope of Town Meetings as well as the timing of ATM and Town elections, and examine any other topic that the Committee deemed relevant. The TGSC will consult with appointed and elected boards and committees, Town officials, and Town residents and will hold public hearings prior to and after preparing their findings and recommendations.

The issue of local government structure has come before Town Meeting on an average of once per decade dating back to 1932 when Representative Town Meeting was established in Wellesley. The principal question under study generally relates to the optimal organization of

Town government, *i.e.*, whether the Town is best served with many decentralized, independently-elected or appointed boards and committees, or by a more centralized structure with a town administrator (such as a Town Manager) in charge of Town-wide operations. Prior TGSCs have generally favored maintaining the level of citizen involvement long considered one of Wellesley's greatest assets; in balancing the sometimes conflicting goals of efficiency, autonomy, checks and balances, effective communication and citizen participation, the TGSCs have generally preferred a more decentralized form of government.

Over the years, the TGSCs have led to the following changes in Wellesley's form of government:

<b>Date</b>	<b>Study Recommendations</b>	<b>Outcome</b>
1932	Representative Town Meeting established: TMM terms of office, election of TMMs, referendum process	Adopted
1953	Creation of the DPW	Adopted
1975	Guidelines for Conduct of Town Meeting established	Adopted
1976-78	Bylaw Recodification	Adopted
1978	Creation of the NRC	Adopted
1983-85	Committee to study centralized maintenance	Failed
1985-86	TGSC Phase I: Function of BPW and BOS combined into expanded BOS; creation of position of Executive Director of General Government Services; consolidation of departments to three new departments: Planning/Preservation, Public Safety, Human Services; number of elected boards and committees reduced; some elected boards and committees to be appointed instead, Nominating Committee and Long Range Planning Committee to be established	Defeated by vote of 89-96
1986	TGSC Phase II: BOS membership increased from 3 to 5; BOS to coordinate budgets for six "small" departments (PB, Rec, NRC, Assessors, BOH, Town Clerk); BOS responsible for long range master plan; creation of position of Executive Director of General Government Services	Executive Director position passed by vote of 95-88; other recommendations adopted but 1991 ATM revoked BOS budget coordination of six "small" departments
1992	MLP spun off from DPW	Passed by vote of 98-97
1993-94	Recommended centralized staff services: NIS, Finance, Purchasing, Personnel, Building maintenance; improved system for citizen inquiry, including monthly department meetings; improved budget process with AC setting guidelines, reviewing budgets but actual budget development shifted to departments and Executive Director	Did not implement centralized purchasing or building maintenance; budget process modification rejected
1995	Merged Executive Director and Director of Financial Service	In 2005, unwound back to two positions; other motions failed
2002-04	Established Town-Wide Financial Plan and more robust Five Year Capital Budget Program; allow two terms on AC	Passed by vote of 82-79-1

If approved by this ATM, the 2014 TGSC will conduct a series of public hearings and will make recommendations to the 2015 ATM, including a favored route for implementing any of the TSGC proposals. These could include amending the Town Bylaws, filing a Home Rule Petition (*i.e.*, petitioning the General Court for special legislation), or following the Charter Commission

process as set out in Massachusetts General Laws Chapter 43B.<sup>65</sup> The TGSC could also ask the 2015 ATM to extend the work of the Committee for an additional year and make further recommendations at the 2016 ATM, as most previous TGSCs have taken two years to fulfill their charge.

### **Advisory Considerations**

Advisory supports the formation of the TGSC as a way to evaluate the Town government structure, agreeing that it is a good idea to validate Town process periodically rather than waiting until serious problems arise; once per decade appears to be a reasonable re-evaluation period. Advisory would hope that if ATM approves this Motion, it also would be willing to consider the recommendations of the TGSC which may come before future Town Meetings. As the list of items in the Committee's charge is substantial, Advisory also urges the TGSC to make periodic updates to the BOS with a particular focus on how the Committee is prioritizing its goals.

As the members of Town government charged with independently evaluating all Town budgets and all Articles coming before Town Meeting, Advisory would agree that there is some duplication of effort in the way Town departments are currently structured, largely resulting from a decentralized Town government. Although the independent units of Town government may successfully communicate with the Executive Director, it appears that board-to-board communication is less effective and that taking steps to improve communication across Town boards and committees could enhance efficiency and reduce costs. Consolidation of some Town functions might be another fruitful area of TGSC research. Some members of Advisory have cautioned that there is a delicate balance to be struck between the efficiencies enhanced by centralization and possible losses in accountability and transparency. Advisory also notes that the most successful recent Town projects have been inclusive, inviting representatives from a wide variety of stakeholder groups to participate. Projects like the new high school, the Fuller Brook Park, and the development of both Sprague fields and 900 Worcester Street are all excellent examples of this collaborative process, and Advisory strongly encourages the TGSC to consider ways to perpetuate this successful model.

Volunteerism is another critical aspect of Wellesley's government, as in addition to the 240 Town Meeting Members, there are 195 volunteer positions within the Town's boards and committees which must be filled annually. Wellesley has been blessed to have a strong, engaged and active volunteer base on which it can draw, but it needs to consider how to energize new residents to take an active role in Town government; education and outreach are critical aspects of civic engagement. Advisory would encourage the TGSC to consider how the volunteer base has changed over time, and return with recommendations on how to broaden that base if necessary.

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<sup>65</sup> Although not previously used by Wellesley, the Charter Commission in an alternate home-rule procedure which is prescribed by state statute and requires approval by 15% of registered voters both to establish the nine-member commission and elect the nine members. Any resulting Charter proposed by the Commission requires approval by a majority of Town residents to be adopted.

Although Advisory imagines that most Town residents would agree with the statement that Wellesley is well run, there are always improvements that can be made to Town process. Some previous TGSCs have proposed incremental changes to Wellesley's government structure and others have proposed more significant changes. Advisory notes that recommendations from these latter TGSCs have often failed to be adopted by Town Meeting, or, if adopted, are later rescinded by future Town Meetings. When the TGSC makes recommendations at the 2015 ATM, Advisory encourages it to be mindful of the history of its predecessors.

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

**ARTICLE 31.** To see if the Town will vote to authorize the Municipal Light Plant to enter into one or more leases of town-owned land under the jurisdiction of the Municipal Light Plant; on such terms and conditions, including dollar amounts, as said Board deems to be in the Town's interest; or take any other action relative thereto.

**(Municipal Light Board)**

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

**ARTICLE 32.** To see if the Town will vote further authority as may be deemed necessary or expedient to further the town's acquisition of the most westerly portion of the Cochituate Aqueduct, and once acquired to deed out to Bike Realty LLC an 11,000 sq. ft. parcel, as authorized by votes under Article 27 and Article 22 of the Warrants for the 2001 and 2013 Annual Town Meetings respectively; to appropriate a sum of money for these purposes; or take any other action relative thereto.

**(Board of Selectmen)**

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

**ARTICLE 33.** To see if the Town will vote to amend the Zoning Map by establishing two (2) new Historic District Overlays to be located at 26 Elmwood Road (Parcel ID 181-75) to be known as the Sylvia Plath House Historic District and 126 Woodlawn Avenue (Parcel ID 72-20) to be known as the Fiske House Historic District; or take any other action relative thereto.

**(Historical Commission and Planning Board)**

This Article contains two Motions which request Town Meeting approval to amend the zoning map to create two single-building local historic districts:

- Motion 1 establishes the Sylvia Plath House Historic District; and
- Motion 2 establishes the Fiske House Historic District

Massachusetts General Laws Chapter 40C provides a mechanism for the Town to preserve the distinctive character of buildings significant to its local history by regulating modifications to exterior architectural features. Pursuant to Chapter 40C, Wellesley enacted the Historic Districts Zoning Bylaw in 1980 and created the Historic District Commission (HDC) to administer the Bylaw. In 1980, Wellesley established the Cottage Street Historic District, which includes 61 properties.

The preservation of individual historic properties was identified as a goal in the Town's Comprehensive Plan for 2007-2017 in response to concerns that significant historic resources were at risk absent further regulation. The Wellesley Historical Commission (WHC) determined that creation of single building local historic districts, of which more than 200 have already been established throughout the Commonwealth, is an appropriate mechanism to help accomplish this goal. Wellesley's first two single building historic districts were established by the 2011 ATM: the Methodist Meeting House Historic District at 377 Weston Road and the Tufts House Historic District at 38 Lowell Road.

The owners of two Wellesley houses recently approached the WHC to request that their historic homes be preserved for future generations to learn from and enjoy. In December 2013, the HDC voted to ask the WHC to form a Single Building Historic District Study Committee (SBHDSC), and to present members' names to the Board of Selectmen (BOS) for appointment. On December 20, 2013, the BOS appointed Helen Robertson and David Wright, Board members of the WHC; Joel Slocum, Joshua Dorin and Maureen Cary, WHC Advisory Members; and Catherine Johnson, Planning Board representative, to the SBHDSC. The SBHDSC, working closely with the Town's Planning Department, issued a Preliminary Report<sup>66</sup> concluding that both properties are worthy of preservation and recommended the creation of the two single building local historic districts discussed below. Following review of the Preliminary Report by the Planning Board and the Massachusetts Historical Commission, the SBHDSC issued the Final Report<sup>67</sup> which incorporates recommendations of both entities and comes to the same conclusions as the Preliminary Report. The Article's two Motions will establish the single building historic districts and amend the zoning map by applying the Historic District Overlay Zoning District to the two properties, subject to the Zoning Bylaw Section XIVD.

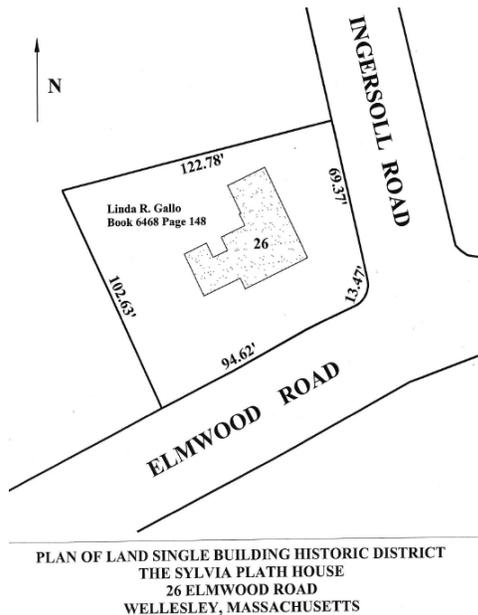
The recommendations of the SBHDSC were endorsed by the WHC, the HDC and the Massachusetts Historical Commission. The HDC, charged with reviewing and issuing Certificates of Appropriateness, non-applicability or hardship with respect to permits for demolition, construction or alterations that affect exterior architectural features of structures located in Historic Districts, has indicated that it currently has sufficient resources to administer the Historic District Zoning Bylaw regulations as they will apply to these two new districts.

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<sup>66</sup> This report can be viewed at: [http://www.wellesleyma.gov/Pages/WellesleyMA\\_Planning/projects/2014SBHD/PRELIMINARYREPORT.pdf](http://www.wellesleyma.gov/Pages/WellesleyMA_Planning/projects/2014SBHD/PRELIMINARYREPORT.pdf)

<sup>67</sup> This report can be viewed at: [http://www.wellesleyma.gov/Pages/WellesleyMA\\_Planning/projects/2014SBHD/FinalReport.pdf](http://www.wellesleyma.gov/Pages/WellesleyMA_Planning/projects/2014SBHD/FinalReport.pdf)

## Article 33, Motion 1: Sylvia Plath House Historic District



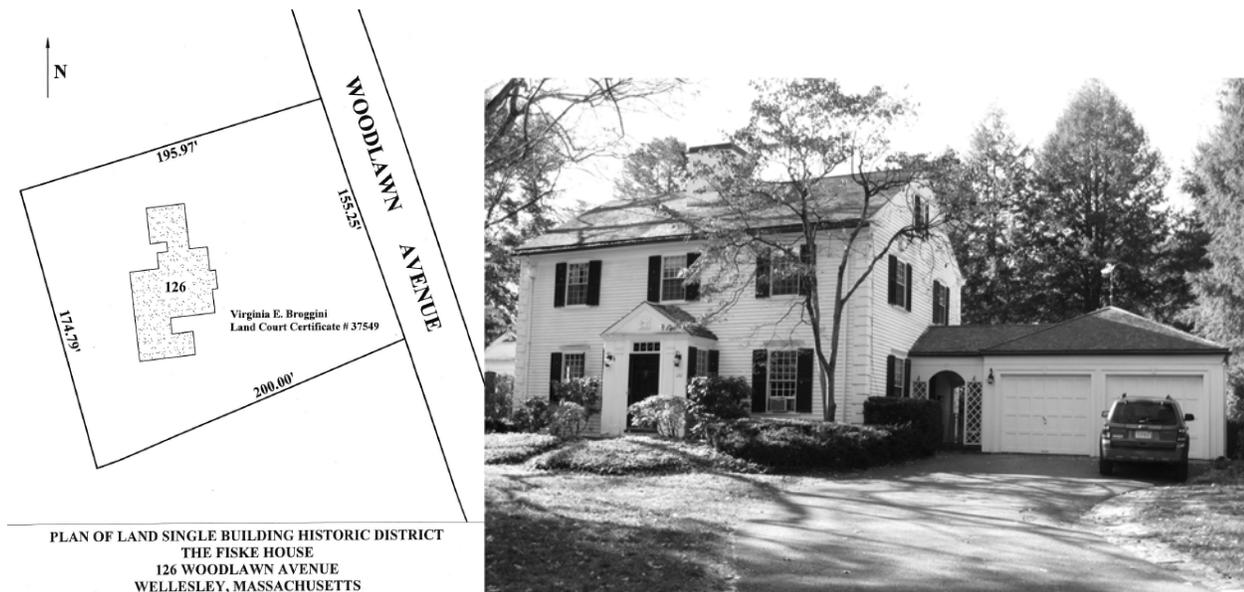
The Sylvia Plath House, located at 26 Elmwood Road, is a mid-20th century Colonial Revival located on a 10,000 square foot lot. The property was carved out of 40 acres on the east side of what is now Weston Road, and had been owned by William H. Cavanaugh in the late 19th century. Pulitzer Prize-winning author Sylvia Plath spent her childhood here, and both the house and town of Wellesley appear in her writings, specifically *The Bell Jar*, an autobiographical account of her early professional career. Last year marked the 50th anniversary of Plath's death.

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

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

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

## Article 33, Motion 2: Fiske House Historic District



The Fiske House at 126 Woodlawn Avenue is also an example of the Colonial Revival style, which was very popular in the Wellesley Farms area of town. It evolved from a simple farmhouse into an elegant residence as it changed to meet the needs of the three families who owned it over the years. Most significantly, it was the home of Joseph E. Fiske, who was largely responsible for Wellesley's succession from Needham in 1881 to become a separate town. Fiske was also one of the Town's early leaders, and was highly instrumental in transforming the rural village into the thriving suburb of today.

Advisory agrees the establishment of the Fiske House Historic District, like the Sylvia Plath House Historic District, is an appropriate mechanism to preserve this historic property. The Fiske House has been extensively reviewed by the SBHDSC, HDC, Massachusetts Historical Commission and the Planning Board and deemed worthy of preservation, and the property owners are in full agreement and understand and accept the additional zoning restrictions imposed on them and future owners of the property. There are potential costs to the Town associated with enforcing and administering the Historic Districts Zoning Bylaw provisions for this additional property. Advisory believes, however, that the incremental costs that may result from these zoning map amendments is justified by the benefit to the Town of preserving historic assets.

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

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

**ARTICLE 34.** To see if the Town will vote to amend the Zoning Bylaw to define and/or regulate the location, use, acquisition, commercial and home cultivation, processing, transfer, transport, sale, distribution, dispensing, of medical marijuana and to define and regulate Registered Marijuana Dispensaries in the Town as authorized under 105 CMR 725: Implementation of an act for the Humanitarian Medical Use of Marijuana; or 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 and Planning Board)**

This Motion asks for Town Meeting approval to amend the Zoning Bylaw to allow Registered Marijuana Dispensaries (RMDs) to be located in commercial, administrative and professional districts in the Town, subject to issuance of a special permit by the Board of Selectmen (BOS). The Motion also excludes RMDs from non-profit activities permitted in Single Residence Districts and certain other zoning districts in the Town. The Zoning Bylaw amendments were approved by the Planning Board on March 10, 2014, and the full language is provided in Appendix D of this report on page 228.

### **Background**

In November 2012, Massachusetts voters passed Ballot Question 3, which legalized the use of marijuana for medicinal purposes within the Commonwealth. In Wellesley, over 60% of voters cast ballots in favor of Question 3. The resulting law, Chapter 369 of the Acts of 2012, authorized up to 35 non-profit RMDs in the state. Under the provisions of the law, one RMD must be located in each of the state's 14 counties, but no more than five may be located in any one county. These numbers may change after 2013, because the Massachusetts Department of Public Health (DPH), which will regulate RMDs, has the power to increase the number if it determines more are needed to meet patient demand.

To purchase marijuana at an RMD, a patient must have a registration card from the DPH, which requires a written certification from a physician that the patient has a debilitating medical condition, and that benefits of the medical use of marijuana would likely outweigh the health risks for the patient. The law specifies cancer, glaucoma, AIDS, hepatitis C, amyotrophic lateral sclerosis (ALS), Crohn's disease, Parkinson's disease, and multiple sclerosis, as well as other conditions 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.

Some Massachusetts towns have attempted to ban RMDs outright, on the basis that the dispensaries pose a threat to public health and safety. The Commonwealth's Attorney General (AG) has opposed outright bans, however, stating that the legislative purpose of the statute would not be served if towns were able to ban RMDs. The AG also determined, however, that a municipality was not prohibited from adopting zoning bylaws to regulate medical marijuana treatment centers. The bylaws could not conflict with the statute and could not be arbitrary or unreasonable, or have no substantial relation to public health, safety, morals or general welfare.

Even if Wellesley were able to ban dispensaries, individuals with a medical marijuana registration card would have the right to cultivate marijuana for their own use. The DPH has the ability to issue "cultivation registrations" to patients (or their caregivers) who do not live within a reasonable distance of an RMD.<sup>68</sup> Wellesley's public safety and public health officials consider the home cultivation option a significantly larger issue for public health and safety than an appropriately-located and regulated RMD. The Town could also opt to take no action, in

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<sup>68</sup> "Reasonable distance" is not defined in the statute.

essence allowing an RMD in Wellesley as long as the facility did not conflict with any of the existing Town Bylaws or Zoning Bylaws and was in compliance with the regulations issued by the DPH.

On January 31, 2014, the DPH issued 20 provisional licenses for RMDs: two to be located in Norfolk County (Brookline & Quincy), and other dispensaries to be located in Boston (two RMDs), Milford, Newton, and Worcester. Twelve applications were initially filed in Norfolk County.

### **Actions Taken To Date**

Consistent with the AG's statement that a town may regulate RMDs through zoning bylaws, the 2013 ATM approved an amendment to the Town's Zoning Bylaw by adding section XVIG, which declared a one-year moratorium on RMDs until June 30, 2014. The AG has disallowed moratorium extensions for the same reasons that an outright ban on RMDs are not permitted. Because the moratorium ends this June, the 2014 ATM must vote on further Zoning Bylaw amendments which, along with the extensive state-wide regulations that have been issued by the DPH, will determine where and under what conditions RMDs may be located in Wellesley.

This Motion details numerous amendments to the Town's Zoning Bylaw and is the result of extensive study and discussion by the Town Medical Marijuana Working Group, which was established after 2013 ATM to formulate recommendations about how Wellesley could best regulate RMDs. Participants in the Working Group's monthly sessions have included the following Town officials:

- Terry Cunningham, Chief of Police
- Hans Larsen, Executive Director
- Meghan Jop, Deputy Director
- Don McCauley, Selectman
- Lenny Izzo, Director of Public Health
- Carol Hannenberg, Board of Health
- Al Robinson, Town Counsel
- Jim Goodhue, Town Counsel
- Sara Preston, Planning Board
- Ethan Parsons, Assistant Planning Director
- Jamie Chisum, Assistant Principal, High School
- Michael Zehner, Planning Director

Policy considerations and preliminary regulation concepts were presented to the BOS, Planning Board (PB), Board of Health (BOH), and at Inter-Board meetings. A draft of the Motion has been on the Town's web site since mid-January. On February 24, 2014, the PB held a public hearing on the proposed Zoning Bylaw changes to regulate RMDs.

### **Summary of the Motion**

The Motion contains the following key provisions:

- *Defines locations where RMDs may be located.*  
RMDs would be allowed in the following commercial zoning districts: Business; Business A, Industrial; Industrial A; Lower Falls Village Commercial; Wellesley Square Commercial; Administrative and Professional; and Limited Business. Dispensaries would be prohibited in all other districts. As a general matter, these districts are located along

Washington Street, Linden Street west of Kingsbury Street, and at the eastern and western ends of Route 9 in Wellesley.

Consistent with the State regulations, RMDs may not be located within 500 feet of public or private elementary schools, middle schools, or high schools; child care facilities, including family daycare homes, daycare centers, and/or nursery schools; or other establishments that cater to or provide services primarily intended for minors. These exclusions will substantially reduce but not eliminate possible locations for RMDs within the commercial districts. The 500 foot exclusionary zone is measured from the school or childcare facility property boundary closest to the RMD.

Setbacks are not required from parks, churches, cemeteries, or government buildings.

- *Excludes RMDs from non-profit uses allowed in Single Residence Districts.*  
Under the existing Zoning Bylaw, any non-profit purpose is an allowed use in the Town's Single Residence Districts, and any allowed use in the Single Residence District is also an allowed use in most other zoning districts in the Town. Non-profit use is not defined in the Zoning Bylaw, and since RMDs are required by state law and regulations to be not-for-profit-entities, there is concern that the existing Zoning Bylaw would allow RMDs in Single Residence Districts and, by extension, other districts in the Town. The Motion specifies that RMDs are **not** engaged in non-profit purposes under the Zoning Bylaw. The Motion does not otherwise define or amend the term "non-profit purpose."
- *Establishes that location of RMDs is subject to issuance of a Special Permit and designates the Board of Selectmen as the Special Permit Granting Authority (SPGA) for RMDs.*  
Under the Zoning Bylaw, many uses are permitted in the Town, or permitted in certain zoning districts, only upon issuance of a Special Permit in accordance with Section XXV of the Zoning Bylaw. The Motion adds a new section to Section XXV establishing that RMDs are subject to issuance of a Special Permit. A Special Permit is issued by the Special Permit Granting Authority (SPGA). For most special permits, the Zoning Board of Appeals is the SPGA. For certain other cases, the Planning Board is SPGA. This Motion designates the BOS as the SPGA for RMDs which is appropriate since public safety issues are the primary issues to be addressed in granting a Special Permit for an RMD, and issues of public safety fall within the purview of the BOS.

In order to issue a permit, the BOS will make the following findings: that the RMD meets a demonstrated local and regional need based on proximity to other RMDs; that it meets all applicable requirements of the Town and Zoning Bylaws and agencies of the Commonwealth; that it is designed to minimize visual and economic impacts to abutters; that it provides a secure waiting area and pick-up and drop-off for patients; that it provides adequate security and storage; and that it adequately addresses the issues of vehicle and pedestrian traffic, parking, and queuing. In a number of these areas, the SPGA will rely on the recommendations of the PB, BOH and Police Department.

Special Permits issued by the BOS will be valid for one year and must be renewed annually. A permit will lapse if there is a change in ownership.

- *Imposes certain operational restrictions.*  
No drive-thru windows are allowed at RMDs, nor may they be located in mixed-use buildings with residential units (for example, an RMD on the ground floor and a residence on the second floor). RMDs cannot be open for business between 8 p.m. and

8 a.m., subject to further limitations by the SPGA and they may not admit anyone under the age of 18 unless accompanied by a guardian. No marijuana may be used on the premises and no employee or other associated individual can have a felony conviction. Finally, RMDs may not have temporary or promotional signs.

- *Sets certain operational requirements.*  
RMDs must be located in appropriately-ventilated, enclosed buildings and the exterior grounds and parking areas must be well-lit during business hours. RMDs must have security alarms and surveillance approved by police. In addition, RMD signage must be approved by the SPGA. A RMD must be situated such that it faces a public way, so that entry and exit from the building is readily visible and dumpsters must be locked and enclosed by a screening enclosure so they are not accessible to the public. RMDs must also provide the police department with contact information for the RMD's management.

Of note, none of the regulations described above is intended to supersede state laws or regulations. Rather, the regulations in this Motion will take precedence over state laws and regulations when they are more stringent. When a matter is not addressed in these regulations, the RMD will have to comply with DPH regulations as described in 105 CMR 725.000.

### **Other Provisions and Regulations**

The DPH may issue a "Hardship Cultivation Registration" to a patient if he or she can demonstrate financial hardship; is physically incapable of using public transportation; lives outside of a reasonable distance of an RMD; or if other RMDs are too far away to make deliveries. Although Wellesley might prefer to require a special permit issued by the SPGA for home cultivation, the AG has determined that it is not lawful to require a special permit. The BOS is continuing to explore what actions within the Town's authority may be appropriate in connection with home cultivation but is not proposing any such action at this Town Meeting.

RMDs have the right to make deliveries of Medical Marijuana to patients under the Commonwealth's regulations. The DPH regulations have significant record-keeping requirements, and the DPH also requires randomized deliveries. The RMD is obligated to notify local authorities of various incidents, including theft or diversion of marijuana, alteration of records, alarm failures or breaches of security. As with home cultivation, the Town is continuing to explore what actions within the Town's authority may be appropriate in connection with home delivery, but is not proposing any such action at this Town Meeting.

Advisory views the proposed changes to the Zoning Bylaws as an appropriate means to regulate the location of RMDs within Wellesley. Working together, the BOS, the Medical Marijuana Working Group, and the Planning Board have effectively balanced the public health and safety needs of the Town with the desire expressed by the majority of state and Town voters for the availability of medical marijuana to registered patients.

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

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

**ARTICLE 35.** To see if the Town will vote to amend the Town Bylaws ARTICLE 19. BOARD OF SELECTMEN to authorize the Board of Selectmen to act as the Special Permit Granting Authority, as authorized under MGL. C. 40A, to hear and decide special permit applications relative to Registered Marijuana Dispensaries and/or medical marijuana; or to make any similar changes to the Town Bylaw which would have the same or substantially the same purpose; or take any other action relative thereto.

**(Board of Selectmen)**

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

**ARTICLE 36.** To see if the Town will vote to amend Town Bylaws Article 49. POLICE REGULATIONS to regulate the location, use, acquisition, commercial and home cultivation, processing, transfer, transport, sale, distribution, dispensing, and licensing of medical marijuana and Registered Marijuana Dispensaries in the Town as authorized under 105 CMR 725: Implementation of an act for the Humanitarian Medical Use of Marijuana; or take any other action relative thereto.

**(Board of Selectmen)**

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

**ARTICLE 37.** To see if the Town will vote to adopt a town-wide Sustainable Energy Plan as proposed pursuant to ARTICLE 12. SUSTAINABLE ENERGY COMMITTEE, Section 12.3 General Duties.; or to take any other action relative thereto.

**(Sustainable Energy Committee)**

This Motion requests Town Meeting to adopt a goal proposed by the Sustainable Energy Committee (SEC) to reduce the Town's annual greenhouse gas emissions to 25% below 2007 levels by 2020. This includes emissions from households, municipal activity, colleges, and businesses in Town.<sup>69</sup> See the Sustainable Energy Committee Report on page 212 which contains the Sustainable Energy Plan (SEP) for details about the Committee's activities this year.

In 2009, Town Meeting established a goal to reduce the Town's greenhouse gas emissions to 10% below 2007 levels by 2013. Through 2013, the SEC estimates that the Town achieved a reduction of 9.7%. While households, businesses, the colleges and municipal government all exceeded the 10% goal, the minimal reduction in emissions from the transportation sector pulled the total below 10%. The SEC is proposing a new target to reduce emissions 25% below 2007 levels by 2020. The goal of a 25% reduction matches the goal adopted by the Commonwealth of Massachusetts. Wellesley is a leader in adopting a Town-wide goal; Brookline (25% by 2020) and Newton (20% by 2020) are the only peer communities with formal goals.

To reach the 2020 goal, the Town will need to increase its average annual rate of greenhouse gas emission reduction from 1.7% for the period 2007-2013 to 2.6% for the period 2013-2020. The SEC Report discusses actions which have already taken to support the attainment of this

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<sup>69</sup> Energy sources tracked by the SEC include electricity, natural gas, fuel oil, gasoline and diesel.

goal, including significant improvements in vehicle fuel efficiency and emission standards; the growing impact of the stretch building code adopted by ATM in 2011; continued conversion from fuel oil to natural gas for home heating; increasingly attractive and affordable options for efficient lighting, TVs, cable boxes, computer and appliances; substantial investment in energy-efficient Town buildings; a growing array of options in the 2014 *More Power to Choose* campaign, including a group solar purchase opportunity; and the creation of a Green Collaborative in 2013 to build a coalition among Town committees and community groups with an interest in sustainability.

Greenhouse gas emissions are calculated from a variety of inputs, some actual and some estimated. They are based on actual municipal and data from the Town's colleges, actual electric and natural gas use by households and businesses, and estimates for heating oil consumption, fuel efficiency in the transportation sector and the conversion factors that translate energy use into greenhouse gas emissions. The methodology is consistent from year to year and follows a nationally-accepted protocol.

The SEC and Advisory note that the 25% reduction is a goal and not a mandate. The SEC does not have the authority or funding to bring about many of the proposed measures on its own, but would instead act as a champion and coordinator in working with other parts of Town government and the Wellesley community. In the end, achievement of the goal depends on the voluntary actions of individual households and institutions in Wellesley.

## Background

The following chart gives an overview of the Town's involvement in sustainable practice:

Date	Actions and Recommendations	ATM Action
2007	Advisory Committee recommends that BOS incorporate sustainability and 'green' practices into Town policies.	Formation of Ad Hoc Green Committee
2008 ATM	Ad Hoc Committee recommends formation of Green Ribbon Study Committee (GRSC) with initial focus on energy policies and practice. Charge includes developing Sustainable Energy Plan; MLP as active partner.	Adopted; GRSC formed
2009 ATM	GRSC recommendations: reduce Town-wide greenhouse gas emissions by 10% from 2007 (baseline) to 2013; allow GRSC to continue for another year to finalize Sustainable Energy Plan (SEP) After Town Meeting, Board of Selectmen adopt a goal to reduce municipal emissions by 20% from 2007 to 2013.	Adopted
2010 ATM	Completion of SEP and creation of Sustainable Energy Committee (SEC)	Adopted
2011 ATM	SEC recommends adoption of Stretch Energy Code.	Adopted
2012	SEC promotes MLP's Wellesley Renewable Energy Program in Power to Choose* campaign; collaboration with Transportation Working Group leads to Wellesley's membership in MWRTA.	
2013	EPA recognizes Wellesley as first Green Power Community in Massachusetts; SEC promotes home energy assessments through Power to Save campaign; Energy Manager hired at FMD, fixed route MWRTA bus service planned for Wellesley.	

NOTES: \*Voluntary program whereby residents, colleges and businesses can purchase some or all of their electricity from renewable sources \*\*Encourages homeowners to conduct energy audits to improve the thermal efficiency of their homes

## **Advisory Considerations**

Advisory has consistently supported the Town's goals of sustainability; in fact, it was the 2007 Advisory Committee which encouraged the Board of Selectmen to incorporate sustainability and 'green' practices in Town policies. The SEC report lists many reasons for the need to reduce our energy consumption and recognizes that there are times when it takes local initiatives to encourage adoption of sustainability goals. Consistent with Town's early leadership on recycling and Wellesley's 2012 designation by the Environmental Protection Agency as the first Green Power Community in Massachusetts, Advisory encourages the Town to continue to reduce its carbon footprint, reduce its dependence on non-renewable sources of energy, and increase energy conservation and efficiency. These actions are not only socially responsible but they save the Town money, either directly or through cost avoidance.

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

**ARTICLE 38.** To see if the Town will vote to allow the reuse of the former Municipal Light Plant building located at 2 Municipal Way for the purpose of a nonprofit community art center that nurtures art and artists in the community; to provide opportunity to artists through lease of affordable studio spaces and the ability to coordinate art-based endeavors for the community at large; or take any other action relative thereto.

**(Citizen Petition)**

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

**ARTICLE 39.** 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 40.** 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 41.** 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, 2013; 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 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 43.** 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 44.** 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, 11 to 0.**

## APRIL 8, 2014 SPECIAL TOWN MEETING

**ARTICLE 1.** To choose a Moderator to preside over said meeting and to receive reports of town officers, boards and committees, 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 see if the Town will vote to acquire by purchase, eminent domain, or otherwise, the real property commonly known and referred to as 494 Washington Street, for the purpose of expanding the usable space of adjacent Town-owned property located at 496 Washington Street; to raise and appropriate, or otherwise provide, a sum of money for said purpose and to determine whether such sum shall be raised by taxation, borrowing and/or by transfer from available funds; said property being further identified as follows: 494 Washington Street: Parcel No. 17 on Assessor's Map No. 111, now or formerly owned by Charles C. Crevo et al, see deed recorded in Norfolk Registry of Deeds Book 19857, Page 418; or take any other action relative thereto.

**(Board of Selectmen)**

The Motion under this Article seeks Town Meeting approval to purchase the property located at 494 Washington Street (the "Property") for \$1,365,000. This purchase will expand the amount of useable space at the adjacent Town-owned property located at 496 Washington Street, the former American Legion (AL) site and the proposed location of the Tolles-Parsons Center (TPC). If approved, the Board of Selectmen (BOS) will borrow the appropriation under the levy limit and then roll this amount into the debt exclusion currently planned for the TPC in late 2014. The AL site is 29,435 square feet and by purchasing the 12,489 square-foot Property, the Town would increase the TPC site by 42% to 41,924 square feet (nearly an acre). The map below shows the location of the Property. The BOS and Council on Aging (COA) have provided an update to Annual Town Meeting (ATM) which details this potential acquisition, found on pages 192-194; it also summarizes previous appropriations approved by ATM for the TPC.

One of the principal challenges of the AL site has always been the lack of sufficient on-site parking for the TPC. In fact, traffic and parking issues were major factors underlying the 2010 attempt to purchase the Property (see below). Town ownership of the Property would allow for the construction of 34 additional parking spaces on the Property, which when added to the current 34 spaces proposed for the AL site, would eliminate the need to expand the police station parking lot across the street. Additionally, demand for on-street parking on Washington Street by TPC visitors would be expected to be greatly reduced, significantly lessening the need for special accommodations between St. Paul's Church or School and the TPC, particularly on early-release days at the School and on days when there are large funerals at the Church or major events at the TPC.



## Background

The process of building a stand-alone senior center began with a gift from the estate of Mary Esther “Billie” Tolles<sup>70</sup> in 2005 and the Tolles-Parsons Center has come before Town Meeting on numerous occasions dating back to 2008. Town Meeting has been very supportive of the TPC, with 70% of Town Meeting Members (TMMs) voting in favor of appropriating design funds for the Center in each of three Town Meetings: 2009 ATM, 2013 ATM, and 2013 STM. Most recently, the 2013 STM approved a supplemental appropriation of \$308,855 to allow the BOS and Permanent Building Committee (PBC) to address issues raised by the Planning Board (PB) and modify the Special Permit application for the TPC as a Project of Significant Impact (PSI), which had failed to gain PB approval on November 4, 2013. These funds were to be spent to address PB concerns

so that BOS and PBC could return to the PB with “specific and material” changes in a timely manner and not be forced to wait two years to reapply for PSI approval.<sup>71</sup> To date, approximately \$11,000 of this appropriation has been spent on interim professional services.

If Town Meeting approves the purchase of the Property, the BOS will make the case that the acquisition qualifies as a “specific and material change” to the original PSI application, enabling re-examination of a new or modified PSI to include the off-site municipal impacts of both sites. Of the four stated PB objections to the original PSI, two were specific to traffic and parking (parking on Atwood Street; parking and pedestrian safety issues on Washington Street) and one addressed the proposed signalization and number of crosswalks on the segment of Washington Street in front of the TPC.<sup>72</sup> The acquisition of the Property would double the number of parking spaces immediately adjacent to the TPC, obviate the need for additional parking across the street, and reduce the demand for on-street parking. The BOS discussed the Property acquisition with the PB on February 24, 2014, but to date, the PB has made no determination about whether the Property acquisition would qualify as a “specific and material” change to the original PSI.

<sup>70</sup> A comprehensive look at the history of the TPC project may be found in the *Report of the BOS and COA: Status of the TPC* (pages 193-202 of the 2013 Advisory Report). There are also two reports which explain in detail the rationale for a stand-alone senior center: the *Report of the Senior Study Committee for the 2009 ATM* (pages 80-81 of the 2009 Advisory Report), and the *Report of the Tolles-Parsons Review Committee* (pages 203-210 of the 2013 Advisory Report).

<sup>71</sup> Details may be found in the *2013 STM Report* on pages 6-12 and in Appendix B of the same report on pages 15-43.

<sup>72</sup> The fourth PBC concern was stormwater drainage on the site and whether a sustainable alternative to stormceptors might be possible.

The BOS has sought Town Meeting approval to purchase the Property once before. A motion was brought at the April 2010 STM to acquire the Property for \$1.27 million, a premium of 59% over the then-appraised value of \$800,000. In that proposal, it would have been the Town's obligation to raze the two-family house on the land. The original motion failed by a vote of 114-102, with 53% of TMMs voting to approve the purchase, which was less than the 2/3 majority required to acquire real property. A second motion was proposed lowering the purchase price to \$1.1 million and contingent on acceptance of this new price by the sellers. The second motion also failed by a vote of 130-79, with 62.2% of TMMs approving the purchase, still below the necessary 2/3 majority. A third motion was brought to reduce the purchase price to \$1.0 million, again contingent upon agreement by the sellers by May 13, 2010. This third motion passed by 141-63, achieving a 69.1% majority. A referendum petition<sup>73</sup> objecting to the third motion was filed on April 23, 2010, and the BOS set a date for a referendum on the Property purchase. On May 10, 2010, the sellers of the Property gave notice that they would not accept the \$1 million offer and further negotiations were unsuccessful; the referendum was canceled.<sup>74</sup>

### **Acquisition of the Property**

With the failure of the TPC PSI submission last fall, the BOS re-opened negotiations with the seller of the Property in an attempt to address PB concerns and improve the TPC project. The BOS and the sellers arrived at a Purchase & Sale (P&S) agreement which was signed on March 12, 2014. The P&S makes the following provisions:

- The purchase price of the Property is \$1,365,000 with \$1,290,000 to be paid upon closing and \$75,000 to be paid upon completion of the sellers' obligation to demolish the structures on the site and the delivery to the Town of the Building Inspector's certification that the site is clear. The \$75,000 shall be held by the Town in escrow.
- The closing date will be June 2, 2014, or the tenth day following final STM action, whichever is earlier.
- The sellers must file for a demolition permit for the structures on the Property within ten months of the closing.<sup>75</sup> The Sellers must demolish the buildings within four weeks of issuance of the permit and provide the town with the Building Inspector's certificate.
- The sellers may occupy the building for up to nine months following the closing and have the right to lease it to others and collect any rental income during that time. At the end of nine months, all occupants, including renters, shall have vacated.
- The sellers will continue to pay utilities and property insurance but not real estate taxes, which will be the responsibility of the Town.
- The sellers have the right to market the property prior to the closing but shall not have the right to sell the property pending the Town's right to purchase as set forth in the P&S.
- If STM fails to approve this Motion by a 2/3 majority, the P&S agreement is null and void.

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<sup>73</sup> Certain votes at TM, including votes authorizing the expenditure of \$100,000 or more for the acquisition of real property, do not go into effect until seven days after the Town Meeting is dissolved. During that time, a referendum petition may be filed, asking that the vote in question be submitted to all registered voters to approve the action taken by Town Meeting. Five percent of the Town's registered voters must sign the petition and specific filing requirements apply. The Town Registrar of Voters reviews the petition and determine whether it meets the requirements. By state law, the question must be phrased in the affirmative, requiring the voters to vote "no" to overturn the TM vote. For the referendum to fail, 20% of the registered voters **and** a majority of those who vote must vote 'no'.

<sup>74</sup> More information can be found in the *2010 Advisory Report* on pages 1-4 and in the Town Clerk's Record at:

<http://www.wellesleyma.gov/pages/FOV1-0001FDBB/2010/STM04122010/stm04122010record.pdf>.

<sup>75</sup> The sellers are responsible for any environmental costs during demolition, including asbestos abatement if relevant.

- If the Motion passes STM but a Referendum request is filed, the Town and/or the sellers have the right (but not the obligation) to terminate the P&S within ten days of certification of the Referendum Petition.

The Property has an assessed value of \$981,000. It was recently appraised by Colliers International in December 2013 and valued at \$1,050,000.<sup>76</sup> The purchase price of \$1,365,000 therefore includes a 30% premium over the appraised value, which is almost exactly the average of the premiums which the Town paid to acquire the three Seaver Street properties in November 2007 (between 25 and 34%). The Seaver Street property acquisitions improved the Wellesley High School construction project by increasing the site's total area by 7% and the usable area by 17%. Similarly, acquisition of this Property would increase the usable area of the TPC, another priority Town project, by 42%. The original 2010 purchase price of the Property which was not supported at the 2010 STM (\$1.27 million) included a 59% premium over its August 2009 appraised value of \$800,000, substantially higher than any of the three Seaver Street premiums. Additionally, the terms of this P&S require the seller to demolish the existing two-family home on the property which would have been the Town's obligation under the 2010 P&S agreement. The non-escrowed portion of the sale price, \$1,290,000, is close to the 2010 proposed purchase price of \$1,270,000 though the property has increased in value by about 30% over the past four years.

If the purchase of the Property is approved by STM, the original PSI Application for the TPC must be amended or an entirely new PSI submission will need to be filed with the PB that includes both the 494 and 496 Washington Street sites. Of the \$308,855 appropriation most recently approved at the 2013 STM, the BOS and PBC estimate that most of the funds will be necessary to design the parking on the site as well as submit an amended or new PSI Application covering the offsite impact on municipal services of both sites. Additionally, it is unclear at this time whether an updated Traffic and Parking Study will need to be done to address the impact of the project on Atwood Street and Wellesley Avenue. Finally, there may be consensus that the St. Paul's crosswalk signalization should be updated to include a HAWK signal. Permitting for the TPC is on hold until the purchase of the Property is resolved at this STM.

### **Advisory Considerations**

Advisory supports the purchase of the property at 494 Washington Street. The purchase would increase the useable site for the Tolles-Parson Center by 42%, and allow for twice as much parking immediately adjacent to the TPC. While the BOS and PBC do not plan to increase the footprint of the TPC, the additional property would allow them flexibility to place the building more advantageously. Advisory feels that this purchase would obviate many of the concerns regarding traffic, parking, and pedestrian safety expressed by the Planning Board and some citizens. There would be no need to construct additional parking across the street at the Police Station, thereby reducing the number of seniors needing to cross Washington Street to visit the TPC. The increase in the total number of parking spaces would reduce the demand for on-street parking on Washington Street, lessening potential competition for parking spaces with St. Paul's Church and School, and would alleviate the traffic and parking issues which could arise during large funerals, a concern of some Parish members. Non-optimal traffic patterns as a result of having two separate parking lots would also be greatly improved.

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<sup>76</sup> Appraised values differ from assessed values in that they are more accurate reflections of current market conditions. An assessment is the value placed on a property by the Assessor's Office for the purpose of determining that property's taxes. These assessed values generally lag the market somewhat.

The Property is located in the heart of Wellesley near other municipal buildings and this purchase is a rare opportunity for the Town to acquire land on Washington Street. Purchase of 494 Washington Street gives the Town control over the redevelopment of the parcel, which might otherwise be developed as multi-unit housing and be unavailable in the future.

The \$1,365,000 purchase price of the property is about 7.5% higher than the \$1.27 million price proposed four years ago at the 2010 ATM. Over the same four year period, however, the assessed value of the property has risen 28.9% and the appraised value by 31.3%. The premium to purchase the property has therefore dropped almost in half, from 59% to 30%, and is much more consistent with the Seaver Street premiums which ranged from 25 to 34% in 2007. Advisory considers purchase of 494 Washington Street as very similar to the purchase of the three Seaver Street properties because in both cases, acquisition of adjacent lands was/would be able to substantially improve important Town projects. Additionally, the Town will not have to incur the costs of demolishing the home which currently exists at 494 Washington Street, which was a Town obligation in the 2010 P&S Agreement.

Advisory would hope that the purchase of this Property would be considered a “specific and material” change to the original PSI application for the TPC and that either an amended PSI or an entirely new PSI could be reviewed before two more years have elapsed. The TPC has been a Town priority for almost a decade, as is evidenced by the favorable TM votes over the years on TPC appropriations.<sup>77</sup> Advisory encourages the Town boards and committees to work together to see this project to fruition and bring it to a Special Town Meeting and a Town vote as soon as practicable.

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

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

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<sup>77</sup> In 2009, ATM appropriated \$600,000 for TPC design by a vote of 157-58-3. In 2013, ATM appropriated \$165,300 for further design refinement by a vote of 147-42-3. The fall 2013 STM appropriated an additional \$308,855 by a vote of 130-52-3 to update the application for the TPC Special Permit which was denied by the Planning Board on in October 2013.

**ARTICLE 3.** To see if the Town will vote to amend the Town Bylaws ARTICLE 19. BOARD OF SELECTMEN, Section 19.19. Licensing Board., by adding a provision thereto that in granting licenses for the sale of wines and malt beverages not to be drunk on the premises as authorized by c. 14 of the Acts of 2014, the Selectmen shall limit such licenses to not more than 3 food stores and not more than 3 specialty food stores, said terms to be defined by the Selectmen: any proposed changes to the bylaw to be on file in the offices of the Board of Selectmen and Town Clerk; or take any other action relative thereto.

**(Board of Selectmen)**

Through this Motion, Town Meeting is being asked to amend the Town Bylaws ARTICLE 19. BOARD OF SELECTMEN, Section 19.19. Licensing Board. by adding a new sentence to read as follows:

“In granting of licenses for the sale of wines and malt beverages not to be drunk on the premises as authorized by c. 14 of the Acts of 2014 and as approved by the voters, the Selectmen shall limit such licenses to food stores and specialty food stores, said terms to be defined by the Selectmen in regulations adopted by the Selectmen after a public hearing.”

In December 2013, Special Town Meeting (STM) approved a Motion (see Article 9 in the *Advisory Report to the December 7:30 Special Town Meeting* on pages 33-35) that was the first step in a process whereby the Town would decide whether to license a limited number of food stores and specialty food stores to sell wine and malt beverages for off-premises consumption. The measure did not allow free-standing package stores to open in Wellesley.

The second step in the process was for the BOS to petition the Massachusetts Legislature (the “General Court”) to pass special legislation authorizing the BOS, as the Town’s licensing authority, to issue the licenses, with three licenses allocated to food stores and three to specialty food stores. On January 27, 2014, the General Court passed an Act authorizing the Town’s licensing authority to grant six licenses, but the Act did not specify that the licenses could be issued only to food stores and specialty food stores. The reasons for this omission were not given. The legislation left open the possibility that the BOS, as the Town’s licensing authority, could issue licenses to other types of stores, including free-standing package stores (though these stores would still be limited to selling wine and malt beverages).

As anticipated, the special legislation also directed that the Act should be submitted for acceptance to the Town’s voters. On March 4, 2014, 87% of voters approved the ballot question, completing the process of empowering the BOS to issue the licenses.

On March 10, the BOS held a public hearing on the proposed regulations for the sale of malt beverages and wine. The regulations define food stores and specialty food stores and specifically limit the issuance of licenses to such stores, and include the requirements pertaining to the issuance of the licenses and the operating requirements of the stores. Prior to and at the hearing, the BOS received public comments regarding the proposed regulations. After discussion, the regulations were approved and signed by the BOS, effective March 11, 2014.

Although the approved regulations do not allow the sale of wines and malt beverages in other types of establishments, including one which sells only wines and/or malt beverages, the special legislation and the Town’s March 4 vote do not include this limitation, so it is possible that a future BOS could adopt amended regulations allowing the issuance of licenses to package stores for the sale of wines and malt beverages not to be drunk on the premises. The BOS is

proposing this bylaw amendment to ensure that any changes to allow licensing beyond food stores and specialty food stores will have to be approved by Town Meeting.

If ATM approves the proposed bylaw amendment, it will be submitted to the Attorney General for approval and certification.

Advisory views approval of this Motion as the restoration of a limitation that was fundamental to STM's approval of the issuance of licenses for the sale of malt beverages and wine for off-premises consumption in Wellesley. The Town submitted the special legislation with the restriction in classes of potential licensees quite intentionally. The restored language will better represent the intention of the BOS, the voters, and the residents who submitted comments on the proposal. In addition, the amended bylaw will ensure that future Boards of Selectmen cannot issue licenses for the sale of wines and malt beverages not to be drunk on the premises to businesses other than food stores and specialty food stores without approval of Town Meeting.

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



## **TOWN-WIDE FINANCIAL PLAN FOR 2014 ANNUAL TOWN MEETING Submitted by the Board of Selectmen**

March 12, 2014

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 (FY14), the proposed budget for FY15, and projected financial information for the years FY16-18.

### **Overview**

The Town of Wellesley is at an inflection point with regard to our financial planning and budgeting processes. Following seven years (FY08 – FY14) without a Proposition 2½ override, cost growth resulting from wage increases and demand for new investments has created the need for additional revenue in the form of an override. Accordingly, the FY15 budget to be presented at the upcoming 2014 Annual Town Meeting assumes favorable action by Town Meeting and the voters on a \$3,345,000 override.

During the past year, the School Committee completed work on a new strategic plan for the Wellesley Public Schools, which identified several areas requiring additional investment. These investments combined with the ongoing budget pressure associated with union wage increases and employee benefit costs outweigh the Town's ability to balance the budget without additional revenue in the form of an override. The structure and amount of the override is a topic of ongoing discussion. An override of \$3,345,000 is sufficient to balance the budget for FY15, but based on current projections would not be sufficient to balance the budget in the following year.

Growth in the School budget and employee benefit costs has the greatest impact on the Town's financial projections. The School budget is nearly twice the size of all of the other departmental budgets combined, and it is projected to continue to grow at nearly twice the annual rate. Employee benefit costs now exceed \$25 million annually. Health insurance, the largest component, is projected to continue growing at a rate well in excess of inflation. The recurring growth in these uses of funds is projected to continue to outpace the growth in the Town's revenues from property taxes, state aid and other sources, resulting in a recurring, structural deficit. During the period from FY01 – FY07, the Town addressed similar deficits by approving six overrides. As we reflect on the need for an override to balance the FY15 budget, and the possibility of further overrides in subsequent years, we remain mindful of the debt exclusions planned for the next few years to fund the cost of various school renovation projects and the Tolles-Parsons Center. Town Meeting and the voters need to evaluate each appropriation request in light of these financial pressures.

## Key Financial Planning Issues

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

- Growth in personnel costs
- Increasing employee benefit costs
- Facilities maintenance needs
- Other capital projects

A short discussion of each of these items follows.

### 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 their increases are the subject of collective bargaining. At the time of this writing, the following contracts remain unsettled for the next fiscal year:

- Teachers (open since July 1, 2013)
- DPW Production
- Firefighters
- School Custodians
- Library Association (open since July 1, 2011)

Provisions for the anticipated cost of the contract settlements have been included in the FY15 budget. Better projections of the Town’s overall personnel costs for FY16 and later years will not be available until the open union contracts are settled. Such projections will take account of general cost of living increases, as well as 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 some of the key variables for a sample of the Town’s union contracts:

	<b>Superior</b>			<b>DPW</b>	
	<u>Patrolmen</u>	<u>Officers</u>	<u>Firefighters</u>	<u>Production</u>	<u>Teachers</u>
Budgeted positions	32	9	53	80	478
Steps	4	1	4	6	16
Average step value	5.6%	N/A	5.6%	5.3%	4.2%
% of employees on steps	22%	N/A	21%	6%	57%
FY15 Contract increase	2%	2-2.5%	TBD	TBD	TBD
FY15 Budget increase	2.2%	2.2%	2.1%	3.2%	6.3%

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%.

The cost of step increases is partially 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 comparison to other departments' budgets.

### **Increasing employee benefit costs**

Employee benefit costs total \$25.8 million in FY15 (21% 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 - \$16.2 million
- Pension plan contribution - \$5.9 million
- Other Postemployment Benefits (OPEB) - \$3 million

The health insurance budget for FY15 reflects premium rate increases ranging from 1.6% - 17.8% for active employees and 3.0% for retirees. All employees and retirees previously enrolled in the "Legacy" plans have been transitioned to the less costly "Rate Saver" plans, and all retirees who are eligible for Medicare Part A have been transitioned to Medicare supplement plans. The Town is continuing to monitor the potential savings to be gained by transitioning active employees and retirees to either the new "Benchmark" plans offered by the West Suburban Health Group (the Town's joint purchase group for health insurance) or to the Group Insurance Commission (the entity that provides health insurance benefits for State employees and certain municipalities). We expect this issue to receive considerable focus over the coming months.

In response to resident input that we should hold individual departments more accountable for the employee benefits implications of staffing additions, the Board has implemented a new requirement for any board seeking funding for additional full time staff to also seek funding for a \$20,000 increase to the Town's Group Insurance budget (\$7,500 for a Teaching Assistant). This is intended to cover the average cost of health insurance and other employee benefits for a full time employee. This procedure was first implemented at the December 2013 Special Town Meeting. The FY15 School budget request shown later in this report includes a \$370,000 provision for such costs, which corresponds to 32 new full time positions.

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 2013 totaled \$3.1 million. These contributions are in addition to the Town's contribution, which is expected to be \$5.9 million in FY15. During the years FY97-FY09 when the pension liability was fully funded, the Town made no contributions to the pension plan.

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. This obligation is the basis for the Town's OPEB liability.

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>1/1/13</i>	<i>7/1/12</i>
<b>Accrued liability</b>	\$ 186,235,650	\$ 127,911,942
<b>Actuarial value of assets</b>	125,714,763	21,315,461
<b>Unfunded liability</b>	<u>\$ 60,520,887</u>	<u>\$ 106,596,481</u>
<b>MV of assets at 12/31/13</b>	\$ 141,265,918	\$ 32,926,530

The actuarial funding schedule for the pension plan, which is intended to fully fund the plan by 2030, calls for a \$1.0 million increase in pension funding in FY15 (inclusive of enterprise funds) and more modest increases thereafter. The latest actuarial valuation of the pension plan performed as of January 1, 2013, reflected an investment return assumption of 7.0%, which is more conservative than the 7.75% assumption used in the previous valuation. The actual investment return during 2013 exceeded the amount assumed in the valuation, but this does not warrant a change in the funding schedule. The next valuation will be performed as of January 1, 2015.

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. The most recent actuarial valuation of the OPEB liability performed as of July 1, 2012, reflected an investment return assumption of 7.5%. This assumption will likely be reduced for purposes of the next valuation, which will be performed as of July 1, 2014. Lowering this assumption will increase the unfunded liability, but we do not believe it will impact the current funding schedule.

The \$1.8 million annual OPEB Funding Exclusion is scheduled to expire June 30, 2017. The Board has had preliminary discussions regarding whether to seek voter approval of an extension of this funding approach, or alternatively, to replace it with additional funding inside the levy beginning in FY16. No decision has been made on this matter.

Unlike many other communities, Wellesley is fully funding the ARC (Annual Required Contribution), as defined in the Government Accounting Standards Board pronouncements related to OPEB. As a result, the Town is allowed to discount the unfunded OPEB liability using an assumed market rate of return, whereas communities that are not funding the ARC are required to use a risk-free rate of return. Looking forward, as bond rating agencies and other analysts pay greater attention to how communities are dealing with their OPEB obligations, the Town's proactive funding approach will continue to be viewed favorably.

### **Facilities maintenance needs**

At the 2013 Annual Town Meeting, funds were appropriated to design a series of facilities maintenance 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
- Fire Station #2 – Resurfacing of apparatus floor and HVAC renovations
- Police Station – HVAC renovations
- Warren Building – Flooring replacement and other miscellaneous repairs

At the time of this writing, the Permanent Building Committee is awaiting bids for the construction phase of these projects. The total cost of this work is estimated to be in the range of \$4-5 million, and this cost will be funded with inside the levy borrowing.

At the December 2013 Special Town Meeting, the School Facilities Committee presented a ten year plan for the renovation of the Town's elementary schools and WMS. In addition, funds were appropriated for the following projects:

- \$2.4 million for design work related to renovations to the Fiske and Schofield elementary schools
- \$90,000 for further scenario analysis related to the renovation and/or replacement of the Hardy, Hunnewell and Upham elementary schools
- \$75,000 for further study of the mechanical systems at WMS

It is expected that further appropriations for the construction cost of the Fiske and Schofield renovation projects will be requested at a fall 2014 Special Town Meeting. The latest estimate of the cost of this work is \$19 million, which will be the subject of a debt exclusion vote.

### **Other capital projects**

A brief update with respect to the Town's most significant other capital projects is as follows:

- High School  
The Permanent Building Committee intends to restore the exterior basketball courts that served as parking areas during the construction of the new High School this spring. Completion of this work is required before the Town will be able to finalize the Massachusetts School Building Authority (MSBA) reimbursement. Spending to-date on the project totals \$105.8 million and reimbursements from the MSBA total \$35.1 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 peaked in FY14, and will decline each year thereafter. The budgeted FY15 debt service cost related to the High School project is \$5.4 million.

- Middle School (\$3.7 million) – The Town has filed a Statement of Interest with the MSBA under the Accelerated Repair Program to replace most of the windows in the building. The exact scope, timing and cost of this project are subject to further discussion with the MSBA. While we have included a placeholder for this project in the FY15 debt capital plan, no Town Meeting action is contemplated until the fall of 2014, at the earliest.
- Tolles-Parsons Center (\$6.9 million) – This week the Board signed a Purchase & Sale Agreement to acquire the property at 494 Washington Street for \$1,365,000, and an appropriation for this amount will be sought at the Special Town Meeting scheduled for April 8, 2014. The Board believes the combination of this site and the Town's existing property at 496 Washington Street (the former American Legion property) results in a better project and may help address the traffic and parking issues cited by the Planning Board in its recent denial of a PSI special permit application for this project. Funds to continue the planning with respect to the construction of a new Senior Center (the Tolles-Parsons Center) at 496 Washington Street were appropriated at the December 2013 Special Town Meeting. It is currently envisioned that an appropriation for construction costs will be requested at a Special Town Meeting in the fall of 2014 or at a subsequent date. This appropriation will be the subject of a debt exclusion vote.
- Fuller Brook Park (\$5.4 million) – Bids for the construction phase of this project have been received and an appropriation for this work will be requested at Town Meeting. \$4.5 million is to be funded with CPA funds, and the balance (\$970,205) is to be funded with inside the levy borrowing.
- 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. 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 Budget Program does not include any estimate of additional costs to be incurred on this project.

The original appropriation for this project included funds to cover the cost of property taxes for two years. In light of the ongoing canon law appeal, the Board will seek an appropriation of \$47,000 at Town Meeting to fund property taxes for an additional year (\$27,000) and additional legal fees (\$20,000).

### **FY15 Budget**

At the 2013 Annual Town Meeting, we projected deficits of \$4.2 million and \$4.6 million in FY15 and FY16, respectively, and suggested an override of \$3.5 million in FY15 to offset these deficits. The FY15 School budget request is approximately \$1.4 million higher than in our prior year projections. This has been offset by the use of \$2.25 million of Free Cash, which was not included in the projection.

The proposed FY15 budget is summarized in the following table (more complete versions of the FY15 Sources & Uses are presented in Exhibits A & B):

	<b>FY14</b>	<b>FY15</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	\$ 101,404,728	\$ 105,477,347	\$ 4,072,619	4.0%
State Aid	9,022,255	8,996,255	(26,000)	-0.3%
Local Revenue	10,208,477	10,443,703	235,226	2.3%
Free Cash	2,866,108	2,250,000	(616,108)	-21.5%
Other Sources	3,954,445	1,619,819	(2,334,626)	-59.0%
Exclusions & Exemptions	11,169,533	10,942,965	(226,568)	-2.0%
<b>Total Sources</b>	<b>\$ 138,625,546</b>	<b>\$ 139,730,089</b>	<b>\$ 1,104,543</b>	<b>0.8%</b>
<b>Uses of Funds</b>				
School	\$ 60,139,338	\$ 63,894,619	\$ 3,755,281	6.2%
Facilities Maintenance	6,432,097	6,624,780	192,683	3.0%
Other Town Departments	26,074,611	26,696,771	622,160	2.4%
Employee Benefits	22,174,678	23,667,021	1,492,343	6.7%
Cash Capital	3,872,341	4,282,768	410,427	10.6%
Debt Service (inside Levy)	3,179,465	3,728,096	548,631	17.3%
Other Uses	5,390,495	3,238,070	(2,152,426)	-39.9%
Exclusions & Exemptions	11,362,521	10,942,965	(419,556)	-3.7%
<b>Total Uses</b>	<b>\$ 138,625,546</b>	<b>\$ 143,075,090</b>	<b>\$ 4,449,544</b>	<b>3.2%</b>
<b>Surplus/(Deficit)</b>				
	\$ 0	\$ (3,345,000)		

**Sources of Funds:** The 4% increase in Taxes reflects the allowed growth in the levy limit (2.5%) and \$1.5 million of new levy growth. The small decrease in State Aid is attributable to the expiration of the Interlibrary Loan contract between the Wellesley Free Library and the Commonwealth, partially offset by increased Chapter 70 and other aid. The 2.3% increase in Local Revenue reflects modest increases in excise taxes and permit fees. The large decrease in Other Sources is due to decreases in the utilization of CPA (Community Preservation Act) funds and Free Cash for capital projects. The decrease in Exclusions & Exemptions reflects the continuing pay down of the Town's excluded debt.

**Uses of Funds:** The 6.2% increase in the School budget reflects the cost of contractual step and lane increases; provision for a cost of living increase; and, funding for full-day kindergarten, introduction of a house system at the High School, and various other strategic investments. Of the total FY15 School budget shown above, \$370,000 will be appropriated to the Group Insurance budget. This represents the estimated employee benefits cost related to the added personnel. The 3.0% increase in Facilities Maintenance includes provisions for wage increases and a 12% increase in natural gas prices, half of which is assumed to be offset by conservation measures. The 2.4% increase in Other Town Departments includes the cost of wage increases and higher fuel costs. The 6.7% increase in Employee Benefits is primarily due to the \$1 million increase in pension funding (excluding enterprise funds) and increases in health insurance premium rates. Facilities maintenance accounts for \$359,000 (88%) 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 as a result of additional borrowing for Facilities Maintenance and Public Works projects. The decline in Other Uses reflects the decreased utilization of CPA funds and Free Cash for capital projects.

The Board is continuing to assess the final amount and structure of the proposed override. As currently proposed, it is envisioned that the following budget reductions would be made in the event of a failed override:

<u>Department</u>	<u>FY15 Budget Reduction</u>
Schools	\$ 2,830,000
Selectmen	222,000
Public Works	100,000
PBC	92,000
Library	82,000
Recreation	12,000
NRC	7,000
	<u>\$ 3,345,000</u>

The above reductions were largely based on the variances from the FY15 budget guidelines, which provided for a 1.75% increase in personal services, and level funding of expenses.

The Town is also anticipating requests to fund the following additional amounts from Free Cash, subject to appropriation at Town Meeting:

- \$500,000 supplemental FY13 appropriation for Snow & Ice Removal costs (Article 7)
- \$47,000 for additional property taxes and legal fees related to the pending acquisition of 900 Worcester Street (see above)

### **Debt Capital**

The Town's Five-Year Capital Budget Program is presented in Exhibit D. The following debt capital projects will be considered at the 2014 Annual Town Meeting:

- Fuller Brook Park - \$970,205 (Article 15)
- Construction costs for various facilities maintenance projects - The PBC is continuing to analyze the scope and cost of this work (Article 16)
- Acquisition of 494 Washington Street - \$1,365,000 (Article 2, April 8 Special Town Meeting)
- Fire Engine - \$500,000 (Article 23)

The debt service cost for these projects will not significantly impact the Town budget until FY16.

### **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, 2013, 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 \$10.95 million as of July 1, 2013.

The following chart summarizes the changes in Free Cash for the years FY09-13:

<b>Free Cash</b>	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>
<b>Beginning of year</b>	\$ 10,692,354	\$ 9,145,674	\$ 9,471,751	\$ 8,439,070	\$ 10,499,623
<b>Uses</b>	(4,007,626)	(982,734)	(3,715,184)	(3,112,757)	(3,630,881)
<b>Net Free Cash generated</b>	2,460,946	1,308,811	2,682,503	5,173,310	4,082,040
<b>End of year</b>	\$ 9,145,674	\$ 9,471,751	\$ 8,439,070	\$ 10,499,623	\$ 10,950,782

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 FY14 is an important factor in our evaluation of the proposed use of these reserves to balance the FY14 and FY15 budgets.

The following chart summarizes an initial projection of the Town’s reserve balances at June 30, 2014 and 2015:

	<b>FY14</b>	<b>FY15</b>
<b>Reserves @ Beginning of Year</b>		
Free Cash	\$ 10,950,782	\$ 8,160,768
Stabilization Fund	3,094,076	3,094,076
Total	14,044,858	11,254,844
<b>Revenue</b>	123,796,817	130,734,055
<b>Reserves as % of Revenue</b>	11.3%	8.6%
<b>Projected Sources (Uses) of Free Cash</b>		
Appropriated at December 2013 STM	(890,014)	-
900 Worcester	-	(47,000)
Used to balance next year's budget	(2,250,000)	(1,150,000)
Snow and Ice supplemental appropriation	(500,000)	(600,000)
Cost of union contract settlements	(150,000)	
Free Cash generated	1,000,000	1,000,000
Net Increase (Decrease)	(2,790,014)	(797,000)
<b>Projected Reserves @ End of Year</b>	\$ 11,254,844	\$ 10,457,844
<b>Reserves @ End of Year as % of Revenue</b>	9.09%	8.00%



- Further growth in revenues, such as:
  - New and/or increased permit fees
  - Incremental payments in lieu of taxes (PILOT's)

Absent a reduction in the pace of spending growth or some other financial change, another override will be required for FY16. The Board discussed the possibility of a larger override (e.g., \$5 million) in FY15 to avoid the need for a further override next year, but concluded that would be inappropriate at this time.

The following table illustrates the potential impact of a \$3,345,000 override in FY15 and the planned debt exclusions on the median tax bill (i.e., the tax bill for a home valued at \$896,000):

<b>Median Tax Bill</b>		
	<b><u>FY15</u></b>	<b><u>FY16</u></b>
Prior year	\$ 10,340	\$ 10,891
Levy growth	259	272
Override	307	-
Exclusions	(15)	305
Other	-	-
	<b>\$ 10,891</b>	<b>\$ 11,468</b>
<i>% Increase</i>	<i>5.3%</i>	<i>5.3%</i>

Further details regarding the projections for FY16-18 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  
 Barbara D. Searle, Vice Chair  
 Ellen F. Gibbs, Secretary  
 Donald S. McCauley  
 David Murphy

**Exhibits:**

- A - FY15 Summary Sources & Uses of Funds
- B - FY15 Detail Sources & Uses of Funds
- C - Projected Sources & Uses of Funds

## EXHIBIT A – FY15 SUMMARY SOURCES & USES OF FUNDS

	FY2014 <u>Tax Rate</u>	FY2015 <u>Request</u>	% <u>Change</u>
<b>*** SOURCES OF FUNDS ***</b>			
Tax & Other Current Revenues			
Within Levy Limits			
Real Estate & Per. Prop. Tax	101,404,728	105,477,346	4.02%
From the Commonwealth	9,022,255	8,996,255	-0.29%
Local Revenue	10,208,477	10,443,703	2.30%
<b>Sub-Total (Tax &amp; Cur. Rev.)</b>	<b>120,635,460</b>	<b>124,917,305</b>	<b>3.55%</b>
Outside Levy Limits			
Real Estate & Pers.Prop.Tax	9,369,533	9,142,965	-2.42%
OPEB	1,800,000	1,800,000	0.00%
Available Funds			
Parking Meter Receipts	855,846	903,819	5.61%
Appropriated/Reserved CPA Surcharge	1,767,355	549,140	-68.93%
Free Cash- balance budget	2,866,108	2,250,000	-21.50%
Free Cash- Park Hwy HVAC/ STM items	1,204,787	-	100.00%
Free Cash Fall STM/2015 Free Cash 900 Worcester		47,000	100.00%
Unencumbered/Transfers from other funds	126,457	127,000	100.00%
<b>Sub-Total (Available Funds)</b>	<b>6,820,553</b>	<b>3,876,959</b>	<b>-43.16%</b>
<b>TOTAL SOURCES OF FUNDS</b>	<b>138,625,546</b>	<b>139,737,229</b>	<b>0.80%</b>
	FY2014 <u>Request</u>	FY2015 <u>Request</u>	% <u>Change</u>
<b>*** USE OF FUNDS ***</b>			
Personal Services (Non-School)			
Expenses (Non-School)	6,650,718	6,661,639	0.16%
Subtotal (Non-School)	26,074,611	26,696,771	2.39%
Personal Services (Facilities Maintenance)			
Expenses (Facilities Maintenance)	2,894,188	2,937,778	1.51%
Subtotal (Facilities Maintenance)	6,432,097	6,624,780	3.00%
Personal Services (School)			
Additional Benefits cost for new positions	52,764,096	55,688,507	5.54%
Expenses (School)	7,375,242	7,836,112	6.25%
Subtotal (School)	60,139,338	63,894,619	6.24%
<b>Sub-Total (Pers. Svcs. &amp; Exp)</b>	<b>92,646,046</b>	<b>97,216,170</b>	<b>4.93%</b>
Capital & Debt:			
Within Levy Limits			
Capital/Extraord./Special Items	3,872,341	4,282,768	10.60%
Debt Service	3,179,465	3,728,096	17.26%
<b>Sub-Total (Within Levy Limits)</b>	<b>7,051,806</b>	<b>8,010,864</b>	<b>13.60%</b>
Outside Levy Limits			
Debt Service	9,562,521	9,142,965	-4.39%
<b>SUB-TOTAL (CAPITAL &amp; DEBT)</b>	<b>16,614,327</b>	<b>17,153,829</b>	<b>3.25%</b>
Employee Benefits:			
Health Insurance & other	15,966,473	16,523,644	3.49%
Pension Contribution	5,008,205	5,943,377	18.67%
OPEB Liability Fund	3,000,000	3,000,000	0.00%
<b>Sub-Total (Shared Costs)</b>	<b>23,974,678</b>	<b>25,467,021</b>	<b>6.22%</b>
<b>SUB-TOTAL (OPERATIONS)</b>	<b>133,235,051</b>	<b>139,837,020</b>	<b>4.96%</b>
Special Items:			
Traffic & Parking Management	843,846	849,069	0.62%
Appropriated/Reserved CPA Surcharge	1,767,355	549,140	-68.93%
Provision for Contract Settlements		47,000	
900 Worcester		47,000	
State & County Assessments	1,170,420	1,200,000	2.53%
Property Tax Abatements	593,594	600,000	1.08%
Free Cash- Park Hwy/Tolles/Contracts	1,015,280	-	100.00%
<b>Sub-Total (Special Items)</b>	<b>5,390,495</b>	<b>3,245,209</b>	<b>-39.80%</b>
<b>TOTAL USE OF FUNDS</b>	<b>138,625,546</b>	<b>143,082,229</b>	<b>3.21%</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>138,625,546</b>	<b>139,737,229</b>	<b>0.80%</b>
<b>SURPLUS (DEFICIT)</b>	<b>0</b>	<b>(3,345,000)</b>	

**EXHIBIT B – FY15 DETAIL SOURCES & USES OF FUNDS**

<b>SOURCES OF FUNDS</b>	<b>FY14 SOURCES OF FUNDS</b>	<b>FY15 SOURCES OF FUNDS</b>	<b>CHANGE - FY14 to FY15 \$ Change</b>	<b>% Change</b>
<b>Real Estate &amp; Personal Property Tax</b>				
Within the Levy Limit	101,404,728	105,477,346	4,072,618	4.02%
Outside the Levy Limit - OPEB	1,800,000	0	0	0.00%
Outside the Levy Limit	9,369,533	9,142,965	(226,568)	-2.42%
<b>Subtotal - Real Estate &amp; Personal Property Tax</b>	<b>112,574,261</b>	<b>116,420,311</b>	<b>3,846,050</b>	<b>3.42%</b>
<b>From the Commonwealth</b>				
Chapter 70 Aid	7,526,408	7,770,408	244,000	3.24%
Lottery Aid	1,121,617	1,121,617	0	0.00%
Regional Public Libraries	270,000	0	(270,000)	-100.00%
Other Aid	104,230	104,230	0	0.00%
<b>Subtotal - From the Commonwealth</b>	<b>9,022,255</b>	<b>8,996,255</b>	<b>(26,000)</b>	<b>-0.29%</b>
<b>Local Revenue</b>				
Motor Vehicle Excise	4,300,000	4,399,330	99,330	2.31%
Licenses and Permits	1,745,000	1,783,390	38,390	2.20%
MLP Payment in Lieu of Taxes	1,000,000	1,000,000	0	0.00%
Interest Earnings	200,000	204,400	4,400	2.20%
RDF Revenue	635,000	648,970	13,970	2.20%
Fines & forfeits	495,000	505,890	10,890	2.20%
Recreation	95,000	125,000	30,000	31.58%
Meals Tax	530,000	541,660	11,660	2.20%
Pilot Payments	225,000	229,950	4,950	2.20%
Other Local Revenues	983,477	1,005,113	21,636	2.20%
<b>Subtotal - Local Revenue</b>	<b>10,208,477</b>	<b>10,443,703</b>	<b>235,226</b>	<b>2.30%</b>
<b>Other Sources</b>				
Parking Meter Receipts	855,846	903,819	47,973	
Free Cash to balance budget	2,866,108	2,250,000	(616,108)	
Free Cash - (2013) Park Hwy design,(2104) Tolles Parsons design, Hills Chimney	314,773	0	(314,773)	
Free Cash Fall STIM 2015 Free cash 900 Worcester	890,014	47,000	(843,014)	
Appropriated CPA Surcharge	1,767,355	549,140	(1,218,215)	
Police detail	126,457	127,000	543	
<b>Subtotal - Other Sources</b>	<b>6,820,553</b>	<b>3,876,959</b>	<b>-2,943,594</b>	
<b>TOTAL SOURCES OF FUNDS</b>	<b>138,625,546</b>	<b>139,737,229</b>	<b>1,111,683</b>	<b>0.80%</b>

	FY14 USE OF FUNDS (Tax Rate)			FY15 USE OF FUNDS (Request)			CHANGE - FY14 to FY15			
	Pers Svcs	Expenses	Total Ops	Pers Svcs	Expenses	Total Ops	Variance Pers Svcs	Variance Expenses	Variance Total - \$	Variance Total - %
<b>GENERAL GOVERNMENT</b>										
<b>Board of Selectmen - Administration</b>										
Executive Director's Office	395,233	30,550	425,783	398,708	30,550	429,258	3,475	0	3,475	0.82%
Sustainable Energy	0	15,033	15,033	0	15,033	15,033	0	0	0	0.00%
Central Administrative Services	0	38,500	38,500	0	38,500	38,500	0	0	0	0.00%
Finance Department	369,312	8,000	377,312	380,314	8,000	388,314	11,002	0	11,002	2.92%
Information Technology	475,905	215,563	691,468	468,458	219,009	687,467	(7,447)	3,446	(4,001)	-0.58%
Treasurer & Collector	265,011	123,863	388,874	265,011	123,863	388,874	0	0	0	0.00%
Parking Fines Processing	0	4,000	4,000	0	4,000	4,000	0	0	0	0.00%
Town Report	0	4,000	4,000	0	4,000	4,000	0	0	0	0.00%
<b>Board of Selectmen - Human Services</b>										
Council on Aging	228,183	130,683	358,866	236,455	122,438	358,893	8,272	(8,245)	27	0.01%
Fair Housing Committee	0	200	200	0	200	200	0	0	0	0.00%
West Suburban Veterans District	0	107,261	107,261	0	104,875	104,875	0	(2,386)	(2,386)	-2.22%
Youth Commission	73,309	17,190	90,499	73,309	17,190	90,499	0	0	0	0.00%
<b>Board of Selectmen - Maintenance Services</b>										
Facilities Maintenance	3,537,909	2,894,188	6,432,097	3,619,002	2,937,778	6,556,780	81,093	43,590	124,683	1.94%
<b>Board of Selectmen - Other Services</b>										
Housing Development Corporation	0	6,000	6,000	0	6,000	6,000	0	0	0	0.00%
Historical Commission	0	750	750	0	750	750	0	0	0	0.00%
Historical District Commission	0	250	250	0	250	250	0	0	0	0.00%
Memorial Day	0	2,500	2,500	0	2,500	2,500	0	0	0	0.00%
Celebrations Committee	0	4,700	4,700	0	4,700	4,700	0	0	0	0.00%
Zoning Board of Appeals	49,559	7,115	56,674	49,559	7,115	56,674	0	0	0	0.00%
<b>Board of Selectmen - Shared Services</b>										
Law	0	300,000	300,000	0	250,000	250,000	0	(50,000)	(50,000)	-16.67%
Audit Committee	0	56,250	56,250	0	56,250	56,250	0	0	0	0.00%
Risk Management	0	479,000	479,000	0	504,000	504,000	0	25,000	25,000	5.22%
Street Lighting	0	225,300	225,300	0	227,000	227,000	0	1,700	1,700	0.75%
<b>Subtotal - Board of Selectmen - General Government</b>	<b>5,394,421</b>	<b>4,666,896</b>	<b>10,061,317</b>	<b>5,490,816</b>	<b>4,680,001</b>	<b>10,170,817</b>	<b>96,395</b>	<b>13,105</b>	<b>109,500</b>	<b>1.09%</b>
<b>Other General Government</b>										
Town Clerk/Election & Registration	226,880	48,090	274,970	249,314	49,790	299,104	22,434	1,700	24,134	8.78%
Board of Assessors	255,981	82,770	338,751	258,644	89,700	348,344	2,663	6,930	9,593	2.83%
Planning Board	225,321	42,600	267,921	226,522	42,600	269,122	1,201	0	1,201	0.45%
Advisory Committee	8,782	14,000	22,782	7,205	16,692	23,897	(1,577)	2,692	1,115	4.89%
Reserve Fund	0	175,000	175,000	0	175,000	175,000	0	0	0	0.00%
Permanent Building Committee	27,781	6,450	34,231	121,557	6,450	128,007	93,776	0	93,776	273.95%
Human Resources Board	277,966	18,803	296,769	279,408	18,803	298,211	1,442	0	1,442	0.49%
HR Salary adjustments	36,724	0	36,724	150,000	0	150,000	113,276	0	113,276	308.45%
<b>Subtotal - Other General Government</b>	<b>1,059,435</b>	<b>387,713</b>	<b>1,447,148</b>	<b>1,292,650</b>	<b>399,035</b>	<b>1,691,685</b>	<b>233,215</b>	<b>11,322</b>	<b>244,537</b>	<b>16.90%</b>
<b>GENERAL GOVERNMENT TOTAL</b>	<b>6,453,857</b>	<b>5,054,609</b>	<b>11,508,466</b>	<b>6,783,466</b>	<b>5,079,036</b>	<b>11,862,502</b>	<b>329,609</b>	<b>24,427</b>	<b>354,036</b>	<b>3.08%</b>

USES OF FUNDS	FY14 USE OF FUNDS (Tax Rate)			FY15 USE OF FUNDS (Request)			CHANGE - FY14 to FY15			
	Pers Svcs	Expenses	Total Ops	Pers Svcs	Expenses	Total Ops	Variance Pers Svcs	Variance Expenses	Variance Total - \$	Variance Total - %
<b>PUBLIC SAFETY - BOARD OF SELECTMEN</b>										
Police Department	4,786,437	633,294	5,419,731	4,963,989	636,494	5,600,483	177,552	3,200	180,752	3.34%
Injured on Duty	see Risk Management Dept 945			see Risk Management Dept 945						
Special School Police	99,950	2,926	102,876	101,730	2,955	104,685	1,780	29	1,809	1.76%
Fire Department	4,571,638	262,749	4,834,387	4,593,169	262,749	4,855,918	21,531	0	21,531	0.45%
Building Department	430,220	26,350	456,570	432,860	26,350	459,210	2,640	0	2,640	0.58%
Emergency Medical Services	0	0	0	0	0	0	0	0	0	0.00%
Sealer of Weights & Measures	15,660	2,800	18,460	15,660	2,800	18,460	0	0	0	0.00%
<b>PUBLIC SAFETY TOTAL - BOARD OF SELECTMEN</b>	<b>9,903,905</b>	<b>928,119</b>	<b>10,832,024</b>	<b>10,107,408</b>	<b>931,348</b>	<b>11,038,756</b>	<b>203,503</b>	<b>3,229</b>	<b>206,732</b>	<b>1.91%</b>
<b>DEPARTMENT OF PUBLIC WORKS</b>										
Engineering	491,488	67,639	559,127	491,672	69,489	561,161	184	1,850	2,034	0.36%
Highway	1,020,032	455,762	1,475,794	1,023,366	505,950	1,529,316	3,334	50,188	53,522	3.63%
Fleet Maintenance	133,561	56,462	190,023	133,561	56,462	190,023	0	0	0	0.00%
Park	1,072,505	287,770	1,360,275	1,076,014	295,370	1,371,384	3,509	7,600	11,109	0.82%
Recycling & Disposal	951,295	1,269,693	2,220,988	955,268	1,301,443	2,256,711	3,973	31,750	35,723	1.61%
Management	345,635	39,753	385,388	343,076	48,295	391,371	(2,559)	8,542	5,983	1.55%
Winter Maintenance	0	348,703	348,703	0	348,703	348,703	0	0	0	0.00%
<b>PUBLIC WORKS TOTAL</b>	<b>4,014,516</b>	<b>2,525,782</b>	<b>6,540,298</b>	<b>4,022,957</b>	<b>2,625,712</b>	<b>6,648,669</b>	<b>8,441</b>	<b>99,930</b>	<b>108,371</b>	<b>1.66%</b>
<b>WELLESLEY FREE LIBRARY</b>										
Library Trustees	1,596,671	458,557	2,055,228	1,635,027	484,845	2,119,872	38,356	26,288	64,644	3.15%
Regional Services (Non-Tax Impact)	143,637	106,363	250,000	0	0	0	(143,637)	(106,363)	(250,000)	-100.00%
<b>LIBRARY TOTAL</b>	<b>1,740,308</b>	<b>564,920</b>	<b>2,305,228</b>	<b>1,635,027</b>	<b>484,845</b>	<b>2,119,872</b>	<b>(105,281)</b>	<b>(80,075)</b>	<b>(185,356)</b>	<b>-8.04%</b>
<b>RECREATION</b>										
Recreation Commission	301,531	20,000	321,531	312,824	20,000	332,824	11,293	0	11,293	3.51%
<b>RECREATION TOTAL</b>	<b>301,531</b>	<b>20,000</b>	<b>321,531</b>	<b>312,824</b>	<b>20,000</b>	<b>332,824</b>	<b>11,293</b>	<b>0</b>	<b>11,293</b>	<b>3.51%</b>
<b>HEALTH</b>										
Board of Health	351,440	68,540	419,980	352,946	68,540	421,486	1,506	0	1,506	0.36%
Mental Health Services	0	215,691	215,691	0	215,691	215,691	0	0	0	0.00%
<b>HEALTH TOTAL</b>	<b>351,440</b>	<b>284,231</b>	<b>635,671</b>	<b>352,946</b>	<b>284,231</b>	<b>637,177</b>	<b>1,506</b>	<b>0</b>	<b>1,506</b>	<b>0.24%</b>
<b>NATURAL RESOURCES</b>										
Natural Resources Commission	184,500	18,575	203,075	185,761	18,575	204,336	1,261	0	1,261	0.62%
Morises Pond Project - (NRC, DPW, Rec)	11,745	148,670	160,415	11,745	155,670	167,415	0	7,000	7,000	4.36%
<b>NATURAL RESOURCES TOTAL</b>	<b>196,245</b>	<b>167,245</b>	<b>363,490</b>	<b>197,506</b>	<b>174,245</b>	<b>371,751</b>	<b>1,261</b>	<b>7,000</b>	<b>8,261</b>	<b>2.27%</b>
<b>NON-SCHOOL TOTAL</b>	<b>22,961,802</b>	<b>9,544,906</b>	<b>32,506,708</b>	<b>23,412,134</b>	<b>9,599,417</b>	<b>33,011,551</b>	<b>450,332</b>	<b>54,511</b>	<b>504,843</b>	<b>1.55%</b>

USES OF FUNDS	FY14 USE OF FUNDS (Tax Rate)			FY15 USE OF FUNDS (Request)			CHANGE - FY14 to FY15			
	Pers Svcs	Expenses	Total Ops	Pers Svcs	Expenses	Total Ops	Variance Pers Svcs	Variance Expenses	Variance Total - \$	Variance Total - %
<b>WELLESLEY PUBLIC SCHOOLS</b>										
Instruction	45,734,691	1,858,246	47,592,937	40,790,340	2,274,263	43,064,603	(4,944,351)	416,017	(4,528,334)	-9.51%
Administration	894,780	137,468	1,032,248	922,076	150,528	1,072,604	27,296	13,060	40,356	3.91%
Operations	1,445,603	348,226	1,793,829	750,725	530,047	1,280,772	(694,878)	181,821	(513,057)	-28.60%
Special Tuition/Transportation/Inclusion	4,689,022	5,031,302	9,720,324	13,225,366	4,881,274	18,106,640	8,536,344	(150,028)	8,386,316	86.28%
<b>SCHOOL TOTAL</b>	<b>52,764,096</b>	<b>7,375,242</b>	<b>60,139,338</b>	<b>55,688,507</b>	<b>7,836,112</b>	<b>63,524,619</b>	<b>2,924,411</b>	<b>460,870</b>	<b>3,385,281</b>	<b>5.63%</b>
<b>EMPLOYEE BENEFITS</b>										
Group Insurance	0	15,659,773	15,659,773	0	16,216,944	16,216,944	0	557,171	557,171	3.56%
Group Insurance for 32 new school employees	0	0	0	0	370,000	370,000	0	370,000	370,000	0.00%
OPEB Liability Fund	0	3,000,000	3,000,000	0	3,000,000	3,000,000	0	0	0	0.00%
Retirement Contribution	0	5,008,205	5,008,205	0	5,943,377	5,943,377	0	935,172	935,172	18.67%
Unemployment Compensation	0	200,000	200,000	0	200,000	200,000	0	0	0	0.00%
Compensated Absences	0	90,000	90,000	0	90,000	90,000	0	0	0	0.00%
Non-Contributory Pensions	0	16,700	16,700	0	16,700	16,700	0	0	0	0.00%
<b>EMPLOYEE BENEFITS TOTAL</b>	<b>-</b>	<b>23,974,678</b>	<b>23,974,678</b>	<b>0</b>	<b>25,837,021</b>	<b>25,837,021</b>	<b>0</b>	<b>1,862,343</b>	<b>1,862,343</b>	<b>7.77%</b>
<b>ALL PERSONAL SERVICES &amp; EXPENSES</b>	<b>75,725,898</b>	<b>40,894,826</b>	<b>116,620,724</b>	<b>79,100,641</b>	<b>43,272,550</b>	<b>122,373,191</b>	<b>3,374,743</b>	<b>2,377,724</b>	<b>5,752,467</b>	<b>4.93%</b>

USES OF FUNDS	FY14 USE OF FUNDS (Tax Rate)			FY15 USE OF FUNDS (Request)			CHANGE - FY14 to FY15			
	Pers Srvs	Expenses	Total Ops	Pers Srvs	Expenses	Total Ops	Variance Pers Srvs	Variance Expenses	Variance Total - \$	Variance Total - %
<b>CAPITAL &amp; DEBT</b>										
<i>Departmental Cash Capital</i>										
Public Works Capital	0	1,524,000	1,524,000	0	1,611,000	1,611,000	0	87,000	87,000	5.71%
School Capital	0	803,134	803,134	0	791,030	791,030	0	(12,104)	(12,104)	-1.51%
Facilities Capital - School	0	811,200	811,200	0	929,400	929,400	0	118,200	118,200	14.57%
Facilities Capital - Town	0	330,000	330,000	0	570,600	570,600	0	240,600	240,600	72.91%
Facilities ramp up	0	0	0	0	0	0	0	0	0	0.00%
Selectmen Capital	0	206,457	206,457	0	262,238	262,238	0	55,781	55,781	27.02%
Library Capital	0	43,000	43,000	0	46,000	46,000	0	3,000	3,000	6.98%
Town Clerk	0	79,550	79,550	0	7,000	7,000	0	(72,550)	(72,550)	100.00%
NRC Capital	0	75,000	75,000	0	65,500	65,500	0	(9,500)	(9,500)	-12.67%
Morses Pond Capital	0	0	0	0	0	0	0	0	0	0.00%
<b>Subtotal - Cash Capital</b>	<b>0</b>	<b>3,872,341</b>	<b>3,872,341</b>	<b>0</b>	<b>4,282,768</b>	<b>4,282,768</b>	<b>0</b>	<b>410,427</b>	<b>410,427</b>	<b>10.60%</b>
<b>Debt Service</b>										
Current Inside Levy Debt Service - Issued	0	3,090,676	3,090,676	0	2,923,614	2,923,614	0	(167,062)	(167,062)	-5.41%
New Debt Service - Inside Levy	0	88,789	88,789	0	804,482	804,482	0	715,693	715,693	88.96%
Current Outside Levy Debt Service - Issued	0	9,369,534	9,369,534	0	9,142,965	9,142,965	0	(226,569)	(226,569)	-2.42%
New Debt Service - Outside Levy	0	192,987	192,987	0	0	0	0	(192,987)	(192,987)	
<b>Subtotal - Debt Service</b>	<b>0</b>	<b>12,741,986</b>	<b>12,741,986</b>	<b>0</b>	<b>12,871,061</b>	<b>12,871,061</b>	<b>0</b>	<b>129,075</b>	<b>129,075</b>	<b>1.01%</b>
<b>CAPITAL &amp; DEBT TOTAL</b>	<b>16,614,327</b>	<b>16,614,327</b>	<b>16,614,327</b>	<b>0</b>	<b>17,153,829</b>	<b>17,153,829</b>	<b>0</b>	<b>539,502</b>	<b>539,502</b>	<b>3.25%</b>
<b>SPECIAL ITEMS</b>										
<i>Receipts Reserved for Appropriation</i>										
Traffic & Parking Operations	235,396	608,450	843,846	240,619	608,450	849,069	5,223	0	5,223	0.62%
Community Preservation Appropriated	0	1,767,355	1,767,355	0	549,140	549,140	0	(1,218,215)	(1,218,215)	-68.93%
Provision for Contract Settlements	0	0	0	310,000	0	310,000	310,000	0	310,000	
900 Worcester	0	0	0	0	47,000	47,000	0	47,000	47,000	
Free Cash - (13) Park Hwy Design, (14) Tolls Parsons, Hills Chimney	0	291,425	291,425	0	0	0	0	(291,425)	(291,425)	-100.00%
BOS/SchComfacilities, Tolls Parsons, Stabil Fund	0	723,855	723,855	0	0	0	0	(723,855)	(723,855)	-100.00%
Property Tax Abatements	0	593,594	593,594	0	600,000	600,000	0	6,406	6,406	1.08%
State & County Assessments	0	1,170,420	1,170,420	0	1,200,000	1,200,000	0	29,580	29,580	2.53%
<b>SPECIAL ITEMS TOTAL</b>	<b>235,396</b>	<b>5,155,099</b>	<b>5,390,495</b>	<b>550,619</b>	<b>3,004,590</b>	<b>3,555,209</b>	<b>315,223</b>	<b>(2,150,509)</b>	<b>(1,835,286)</b>	<b>-34.05%</b>
<b>TOTAL USES OF FUNDS</b>	<b>138,625,546</b>	<b>138,625,546</b>	<b>138,625,546</b>	<b>143,082,229</b>	<b>143,082,229</b>	<b>143,082,229</b>	<b>4,456,683</b>	<b>4,456,683</b>	<b>3.21%</b>	
<b>TOTAL SOURCES OF FUNDS</b>	<b>138,625,546</b>	<b>138,625,546</b>	<b>138,625,546</b>	<b>139,737,229</b>	<b>139,737,229</b>	<b>139,737,229</b>	<b>1,111,683</b>	<b>1,111,683</b>	<b>0.80%</b>	
<b>SURPLUS (DEFICIT)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(3,345,000)</b>	<b>(3,345,000)</b>	<b>(3,345,000)</b>				

**EXHIBIT C – PROJECTED SOURCES & USES OF FUNDS**

	<i><u>Preliminary</u></i> <i><u>FY15</u></i>	<i><u>Assumed</u></i> <i><u>Growth</u></i>	<i><u>FY16</u></i>	<i><u>FY17</u></i>	<i><u>FY18</u></i>
<b>Sources</b>					
Property Taxes	\$ 105,477,346		\$ 113,042,905	\$ 117,368,977	\$ 121,803,202
Override	3,345,000		-	-	-
State Aid	8,996,255	2.0%	9,176,180	9,359,704	9,546,898
Local Revenue	10,443,703	2.0%	10,652,577	10,865,629	11,082,941
Free Cash	2,250,000		1,150,000	1,150,000	1,150,000
Other	181,751		12,044	12,300	11,251
	<u>130,694,055</u>		<u>134,033,706</u>	<u>138,756,610</u>	<u>143,594,292</u>
<b>Uses</b>					
Schools	63,524,619	4.5%	66,383,227	69,370,472	72,492,143
School Benefits	370,000		-	-	-
Facilities Maintenance	6,624,780	2.5%	6,790,400	6,960,159	7,134,163
Other Town Depts.	26,696,771	2.5%	27,364,190	28,048,295	28,749,502
	<u>97,216,170</u>		<u>100,537,817</u>	<u>104,378,927</u>	<u>108,375,809</u>
Cash Capital	4,282,768	**	5,371,385	5,689,000	5,984,822
Debt Service (Inside)	3,728,096		4,032,179	3,784,252	4,171,976
Pension	5,943,377		6,150,754	6,365,574	6,587,912
Health Insurance	14,031,250	5.0%	15,147,518	15,904,893	16,700,138
OPEB (Inside)	1,200,000		1,200,000	1,200,000	1,200,000
Other Employee Benefits	2,492,394	2.5%	2,554,704	2,618,571	2,684,036
State & County Assmts.	1,200,000	2.5%	1,230,000	1,260,750	1,292,269
Abatements	600,000	2.5%	615,000	630,375	646,134
Other	-		-	-	-
	<u>130,694,055</u>		<u>136,839,356</u>	<u>141,832,343</u>	<u>147,643,096</u>
<b>Projected Deficit</b>	<u>\$ -</u>		<u>\$ (2,805,650)</u>	<u>\$ (3,075,733)</u>	<u>\$ (4,048,805)</u>

**REPORT OF THE BOARD OF SELECTMEN ON THE  
FIVE YEAR CAPITAL BUDGET PROGRAM**

**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 FY15 (i.e., the year ended June 30, 2015) by funding source:

<b>FY15 Recommended Capital Projects by Funding Source</b>		
<b>Department</b>	<b>Project</b>	<b>Amount</b>
<b>Cash Capital:</b>		
Fire	Air-Pak, Hose Equipment, Bottle Cascade System, Training Equip.	63,250
Info. Technology	Microsoft License Upgrades, Telephone Replacement Upgrade (VoIP)	100,000
Police	Server Replacement, MILO Range System, Switch Replacement	83,988
Library	Computer Replacement, Servers, Furnishings, Switch Replacement	46,000
NRC	Tree Planting, Sidewalk/Paths Repairs, Hunnewell Pavement Main.	65,500
Town Clerk	Voting Booths	7,000
DPW	Street Resurface, Equip. Replacement, Athletic/Playground Improvements	1,611,000
Selectmen	Town Government Study Committee	15,000
Schools	Instructional Equipment, Safety, Technology, Renovations	791,030
Facilities-Town	Roof repairs, carpet/flooring, temperature controls & renovations	570,600
Facilities-School	Roof, flooring, plumbing & heating ventilation	929,400
Total Cash Capital		<b>\$ 4,282,768</b>
<b>Other Funding Sources:</b>		
DPW	DPW Street Resurfacing (Chapter 90 Funds)	542,000
NRC	Fuller Brook (CPC Funds)	4,500,000
	School Facilities Master Plan (Free Cash)	465,000
Total Other Sources		<b>\$ 5,507,000</b>
<b>Debt Capital Inside Levy:</b>		
Fire	Fire Engine	500,000
FMD	School and Other	4,366,925
NRC	Fuller Brook	970,205
Total Borrowed Inside Levy		<b>\$ 5,837,130</b>
<b>Debt Capital Exclusion</b>		
	Tolles Parsons (Senior Center)	6,857,433
	School Facilities Master Plan	
	Fiske/Schofield	19,250,000
	Middle School	3,685,000
Total Borrowed Outside Levy		<b>\$ 29,792,433</b>
Grand Total		<b>\$ 45,419,331</b>

The attached Exhibit D is a Summary and Detail Schedule of prior year Capital authorizations and a five year schedule of Capital requests for FY15– FY19.

### 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 FY15

The Board of Public Works has recommended a FY15 cash capital budget of \$1,611,000. Highlights of the DPW FY15 capital requests are as follows:

- Replacement or refurbishment of ten vehicles including Park & Highway Maintenance vehicles, an Engineering inspection vehicle and other equipment - \$701,000
- Street Improvements - \$542,500
- Athletic Fields/Playground Improvements - \$176,000
- Sidewalk Restoration - \$100,000

#### DPW FY15 – FY19

A major cash capital expense for DPW is the periodic scheduled replacement of 200 pieces of equipment and 130 vehicles. 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. As a percentage of the DPW Capital budget, vehicle replacement makes up 42%, street rehabilitation makes up 30%, and sidewalk and catch basin rehabilitation represent 15% of ongoing costs.

#### FACILITIES MAINTENANCE FY15

Combined cash capital budget request for town and school facilities maintenance is \$1,500,000 for FY15. 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.

#### SCHOOL FY15

The School Committee requests \$791,030 for cash capital in FY15, comprised primarily of technology items (\$627,468) and instructional equipment (\$100,068).

#### SCHOOL FY15– FY19

The School capital request for FY15-19 includes an average of \$812,361 per year for Technology. Technology represents 79% of the School Department's FY15 Capital request and continues to be a majority of the budget in the out years. Additionally, instructional equipment in FY15 represents 12% of the capital request due to a significant investment in science equipment. Instructional equipment then becomes about 1% of the capital budget in the out years with the exception of FY19 where it then becomes 12% for further equipment replacement.

### **Other Funding Sources**

**DPW Street Maintenance and Resurfacing** – The Board of Public Works is requesting \$542,000 in FY15 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 \$542,000 of Chapter 90 monies.

**Fuller Brook Park** – Fuller Brook Park Coordinating Committee 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 \$5.4 million. This funding request is being submitted as follows:

- Implement Fuller Brook Plan in FY15 – \$4.5 million funded by CPC and with remaining balance of \$970,205 to be borrowed inside the levy.

### **Debt Capital inside the Levy FY15-FY19**

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.

Facilities Maintenance Requests (\$4-\$5 million) to be borrowed inside the levy as follows:

- School Committee:  
Construction School Buildings - TBD
- Board of Selectmen:  
Construction funds for Police and Fire HVAC - TBD  
Fire Headquarters Flooring - TBD  
Warren Building – TBD

Fire Department borrowing capital request includes the following:

- Fire Engine Apparatus: \$500,000

Further information on these projects will be presented at Town Meeting.

### **Debt Capital Exclusion(s) FY15 - FY19**

Because of competing operating requests, there is not enough room within the levy (town's taxing authority) to fund all of the necessary ongoing capital needs. 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 (expiring in 2017) 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 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.

**EXHIBIT D - CAPITAL PLAN**

Town of Wellesley <b>FY15- FY19 Capital Improvement Plan</b> <u>Summary Schedule</u>									
	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY15-19 Total
<b>Cash Capital</b>	2,881,134	3,520,073	3,872,342	4,282,768	5,371,385	5,689,000	5,984,822	5,123,676	\$ 26,451,651
<b>Free Cash</b>	-	-	291,425	465,000	-	575,000	75,000	-	\$ 1,115,000
<b>CPC Funding</b>	3,000,000	-	151,125	4,500,000	-	-	-	-	\$ 4,500,000
<b>Chapter 90</b>	1,000,000	1,274,000	907,300	542,000	601,000	720,000	720,000	720,000	\$ 3,303,000
<b>Debt Capital Inside Levy</b>	2,580,000	1,305,000	2,582,030	5,837,130	2,015,000	4,175,000	7,342,000	-	\$ 19,369,130
<b>Debt Capital Exclusion *</b>	3,596,000	-	-	29,792,433	-	28,700,000	6,975,000	13,760,000	\$ 79,227,433
<b>Grand Total</b>	\$ 13,057,134	\$ 6,099,073	\$ 7,804,222	\$ 45,419,331	\$ 7,987,385	\$ 39,859,000	\$ 21,096,822	\$ 19,603,676	\$ 133,966,214
* Further proposals expected from SMMA Study									

**Town of Wellesley**  
**FY15- FY19 Capital Improvement Plan**  
**Detail Summary Schedule**

Department	FY14	FY15	FY16	FY17	FY18	FY19	FY15-19 Total
<b>Cash Capital:</b>							
Fire	50,000	63,250	120,000	130,000	110,000	40,000	463,250
Information Technology	20,000	100,000	208,000	25,000	-	-	333,000
Police	126,457	83,988	90,836	83,387	58,824	93,996	411,031
Council on Aging	10,000	-	-	-	-	-	-
Library	43,000	46,000	46,000	46,000	46,000	46,000	230,000
Morses Pond	-	-	35,000	95,200	124,200	45,200	299,600
Natural Resources Commission	75,000	65,500	85,500	110,500	325,500	85,500	672,500
Town Clerk	79,550	7,000	7,000	6,000	-	-	20,000
Planning Board	-	-	30,000	30,000	-	-	60,000
Department of Public Works (DPW)	1,524,000	1,611,000	2,275,000	2,256,900	2,443,000	2,001,000	10,586,900
Selectmen	-	15,000	-	-	-	-	15,000
Schools	803,135	791,030	849,049	1,156,013	1,002,298	811,980	4,610,370
Facilities Maintenance	1,141,200	1,500,000	1,625,000	1,750,000	1,875,000	2,000,000	8,750,000
<b>Total Cash Capital</b>	<b>3,872,342</b>	<b>4,282,768</b>	<b>5,371,385</b>	<b>5,689,000</b>	<b>5,984,822</b>	<b>5,123,676</b>	<b>26,451,651</b>
<b>Other Funding Sources:</b>							
DPW Street Resurfacing (Chap 90)	907,300	542,000	601,000	720,000	720,000	720,000	3,303,000
Hills Br Library Chimney (CPC Funds /Free Cash)	252,250	-	-	-	-	-	-
Fuller Brook (CPC funds)	-	4,500,000	-	-	-	-	4,500,000
Tolles Parsons ( Free Cash)	165,300	-	-	-	-	-	-
Perrin Park ( CPC)	25,000	-	-	-	-	-	-
School Facilities Master Plan (Free Cash)	-	465,000	-	575,000	75,000	-	1,115,000
<b>Total Other Sources</b>	<b>1,349,850</b>	<b>5,507,000</b>	<b>601,000</b>	<b>1,295,000</b>	<b>795,000</b>	<b>720,000</b>	<b>8,918,000</b>
<b>Debt Capital Inside Levy:</b>							
Fire Apparatus	-	500,000	-	-	625,000	-	1,125,000
DPW- Facility Renovations	1,000,000	-	855,000	1,150,000	1,000,000	-	3,005,000
DPW- Street Rehabilitations	400,000	-	450,000	1,400,000	1,750,000	-	3,300,000
Hunnewell Field Master Plan	-	-	-	175,000	2,742,000	-	2,917,000
Facilities - School and Other	1,182,030	4,366,925	1,010,000	1,450,000	1,225,000	-	8,051,925
Fuller Brook	-	970,205	-	-	-	-	970,205
<b>Total Borrowed Inside Levy</b>	<b>2,582,030</b>	<b>5,837,130</b>	<b>2,015,000</b>	<b>4,175,000</b>	<b>7,342,000</b>	<b>-</b>	<b>19,369,130</b>
<b>Debt Capital Exclusion:</b>							
Tolles Parsons (Senior Center)	-	6,857,433	-	-	-	-	6,857,433
School Facilities Master Plan	-	19,250,000	-	-	-	-	19,250,000
Fiske/Schofield	-	3,685,000	-	-	6,975,000	-	10,660,000
Middle School	-	-	-	28,700,000	-	-	28,700,000
Hardy/Hunnewell/Upham	-	-	-	-	-	13,760,000	13,760,000
<b>Total Capital Exclusion</b>	<b>-</b>	<b>29,792,433</b>	<b>-</b>	<b>28,700,000</b>	<b>6,975,000</b>	<b>13,760,000</b>	<b>79,227,433</b>
<b>Grand Total</b>	<b>\$ 7,804,222</b>	<b>\$ 45,419,331</b>	<b>\$ 7,987,385</b>	<b>\$ 39,859,000</b>	<b>\$ 21,096,822</b>	<b>\$ 19,603,676</b>	<b>\$ 133,966,214</b>

**Town of Wellesley  
FY15 - FY19 Capital Improvement Plan  
Board of Selectmen Department Schedule**

Capital Project	FY14	FY15	FY16	FY17	FY18	FY19	FY15-19 Total
<b>Information Technology</b>							
- Microsoft Office License Upgrades	20,000	20,000	20,000	-	-	-	40,000
- Aerial Photography and Contours	-	-	43,000	-	-	-	43,000
- Server Upgrade	-	-	25,000	25,000	-	-	50,000
- Telephone Replacement Upgrade (VoIP)	-	80,000	120,000	-	-	-	200,000
	<u>20,000</u>	<u>100,000</u>	<u>208,000</u>	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>\$ 333,000</u>
<b>Police</b>							
- Weapon Replacement	49,965	-	-	-	-	-	-
- Uniform Shirt Replacement	20,000	-	-	-	-	-	-
- Cruiser Hands Free System	32,945	-	-	-	-	-	-
- Automated License Plate Reader	23,547	-	22,300	-	22,300	-	44,600
- Server Replacement	-	13,996	-	13,996	-	13,996	41,988
- MILO Interactive Range system	-	58,260	-	-	-	-	58,260
- Network Switch Replacement	-	11,732	-	-	-	-	11,732
- Cruise Video Recording System	-	-	68,536	-	-	-	68,536
- Electronic Control Devices	-	-	-	69,391	-	-	69,391
- Digital Fingerprint Capturing Station	-	-	-	-	36,524	-	36,524
- Security Camera Replacement	-	-	-	-	-	80,000	80,000
	<u>126,457</u>	<u>83,988</u>	<u>90,836</u>	<u>83,387</u>	<u>58,824</u>	<u>93,996</u>	<u>\$ 411,031</u>
<b>Fire</b>							
- Radio System Equipment	25,000	-	-	-	-	-	-
- Scott Air-Pak	25,000	25,000	25,000	-	-	-	50,000
- Command vehicle(s)	-	-	45,000	-	45,000	-	90,000
- Fire Hose Equipment	-	9,000	-	-	10,000	-	19,000
- Air bottle cascade system	-	9,250	-	-	-	-	9,250
- Training Room Equipment	-	20,000	-	-	-	-	20,000
- Engine Rehabilitation	-	-	50,000	-	-	-	50,000
- Fire Turnout Gear	-	-	-	115,000	-	-	115,000
- Vehicle Exhaust Recovery	-	-	-	15,000	-	-	15,000
- Rescue Boat & Trailer	-	-	-	-	-	30,000	30,000
- Light Tower/Generator Trailer	-	-	-	-	-	10,000	10,000
- Radio System/Portables	-	-	-	-	55,000	-	55,000
	<u>50,000</u>	<u>63,250</u>	<u>120,000</u>	<u>130,000</u>	<u>110,000</u>	<u>40,000</u>	<u>\$ 463,250</u>
<b>Selectmen</b>							
- Town Government Study Committee	-	15,000	-	-	-	-	\$ 15,000
- Online Registration Database	10,000	-	-	-	-	-	-
	<u>10,000</u>	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 15,000</u>
BOS Subtotal	\$ 206,457	\$ 262,238	\$ 418,836	\$ 238,387	\$ 168,824	\$ 133,996	\$ 1,222,281
<b>Facilities Maintenance (see attached)</b>	<b>1,141,200</b>	<b>1,500,000</b>	<b>1,625,000</b>	<b>1,750,000</b>	<b>1,875,000</b>	<b>2,000,000</b>	<b>\$ 8,750,000</b>
<b>Total Cash Capital</b>	<b>\$1,347,657</b>	<b>\$ 1,762,238</b>	<b>\$2,043,836</b>	<b>\$1,988,387</b>	<b>\$2,043,824</b>	<b>\$2,133,996</b>	<b>\$ 9,972,281</b>
<b>Fire</b>							
- Apparatus Replacement	-	500,000	-	-	625,000	-	1,125,000
<b>Total Borrowed and/or Inside Levy</b>	<b>-</b>	<b>\$ 500,000</b>	<b>-</b>	<b>-</b>	<b>\$ 625,000</b>	<b>-</b>	<b>\$ 1,125,000</b>
<b>Grand Total Selectmen</b>	<b>\$1,347,657</b>	<b>\$ 2,262,238</b>	<b>\$2,043,836</b>	<b>\$1,988,387</b>	<b>\$2,668,824</b>	<b>\$2,133,996</b>	<b>\$ 11,097,281</b>

**Town of Wellesley**  
**FY15 - FY19 Capital Improvement Plan**  
**Facilities Maintenance Department Schedule**

<b>Building Description</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>5 Year Total</b>
Townwide (Municipal)	34,400	24,500	17,000	47,000	13,000	135,900
Town Hall	114,000	20,000	193,000	126,000	178,000	631,000
Police	118,000	45,000	25,000	127,500	200,000	515,500
Fire Department Main (Headquarters)	143,000	68,000	78,000	89,000	165,000	543,000
Fire Department Central (Station 1)	20,000	20,000	43,000	-	15,000	98,000
Warren (Recreation and Health)	43,500	-	106,000	62,000	34,500	246,000
Morses Pond	5,000	2,750	10,000	3,000	-	20,750
Main Library	84,700	98,900	259,100	128,300	128,500	699,500
Hills Library	-	37,000	30,000	-	30,000	97,000
Fells Library	8,000	22,000	20,000	9,500	7,000	66,500
Subtotal Cash Capital - Municipal	570,600	338,150	781,100	592,300	771,000	3,053,150
Districtwide (Schools)	169,700	139,500	107,500	135,500	100,000	652,200
Preschool at Wellesley (PAWS)	23,700	10,000	-	-	-	33,700
Bates Elementary	168,500	8,000	99,000	139,000	56,000	470,500
Field House	-	17,000	15,000	8,000	-	40,000
Fiske Elementary	4,500	-	-	-	-	4,500
Hardy Elementary	173,000	30,000	-	-	-	203,000
Hunnewell Elementary	40,000	-	-	-	-	40,000
Sprague Elementary	52,000	55,000	99,000	99,000	99,000	404,000
Schofield Elementary	20,000	-	-	-	-	20,000
Upham Elementary	176,000	40,000	5,000	-	-	221,000
Middle School	90,000	550,000	250,000	325,000	150,000	1,365,000
High School	12,000	80,000	-	-	-	92,000
Subtotal Cash Capital - Districtwide	929,400	929,500	575,500	706,500	405,000	3,545,900
Other Unidentified Cash Capital	-	357,350	393,400	576,200	824,000	2,150,950
Total Cash Capital Requests	1,500,000	1,625,000	1,750,000	1,875,000	2,000,000	8,750,000
Middle School Donizetti Entrance	578,943	-	-	-	-	578,943
Middle School Auditorium Seating	512,000	-	-	-	-	512,000
Sprague Roof	596,334	-	-	-	-	596,334
Sprague Entry Plaza	596,334	-	-	-	-	596,334
Hunnewell Roof Repairs	201,278	-	-	-	-	201,278
District-wide Security Upgrades	-	910,000	-	-	-	910,000
Fire HQ Flooring	147,808	-	-	-	-	147,808
Fire HQ HVAC	660,000	-	-	-	-	660,000
Police HVAC	629,000	-	-	-	-	629,000
Warren Repairs	445,228	-	-	-	-	445,228
Design for New FMD Office	-	100,000	850,000	-	-	950,000
Warren HVAC	-	-	600,000	-	-	600,000
Fire Roof	-	-	-	615,000	-	615,000
Hills Library Roof Replacement	-	-	-	610,000	-	610,000
Total Borrowed Inside	4,366,925	1,010,000	1,450,000	1,225,000	-	8,051,925
<b>Total FMD Capital Requests</b>	<b>5,866,925</b>	<b>2,635,000</b>	<b>3,200,000</b>	<b>3,100,000</b>	<b>2,000,000</b>	<b>16,801,925</b>

**Town of Wellesley  
FY15- FY19 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>FY19</b>	<b>FY15-19 Total</b>
<b>Natural Resources</b>	Tree Planting	40,000	40,000	40,000	40,000	40,000	40,000	200,000
	Trail System Improvements	-	-	5,000	5,000	5,000	5,000	20,000
	Park Sidewalk/Paths Emergency Repairs	20,000	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	40,000
	Encroachment Boundary Markers	5,000	-	5,000	5,000	5,000	5,000	20,000
	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
	Hunnewell Field Pervious Pavement Maint.	-	5,500	5,500	5,500	5,500	5,500	27,500
	Abbott Pond Restoration Study	-	-	-	-	40,000	-	-
<b>Natural Resources Subtotal</b>		<b>75,000</b>	<b>65,500</b>	<b>85,500</b>	<b>110,500</b>	<b>325,500</b>	<b>85,500</b>	<b>672,500</b>
	Perrin Park Play Structure Replacement (FC)	25,000	-	-	-	-	-	-
	Fuller Brook (CPC and Borrowing)	-	5,470,205	-	-	-	-	5,470,205
<b>Total Natural Resources</b>		<b>100,000</b>	<b>5,535,705</b>	<b>85,500</b>	<b>110,500</b>	<b>325,500</b>	<b>85,500</b>	<b>6,142,705</b>
<b>Morses Pond</b>	Web Design/Education, Education Program Development, Bylaw review, design permitting, construction/demo & monitoring of LID, hand harvesting support, planting	-	-	35,000	95,200	124,200	45,200	299,600
	<b>Morses Pond Subtotal</b>	<b>-</b>	<b>-</b>	<b>35,000</b>	<b>95,200</b>	<b>124,200</b>	<b>45,200</b>	<b>299,600</b>
<b>Library</b>	Computer Replacement	22,000	28,000	-	-	-	-	28,000
	Servers	8,000	8,000	-	-	-	-	8,000
	Replacement of Furnishings	5,000	5,000	-	-	-	-	5,000
	Replace Switches	8,000	5,000	-	-	-	-	5,000
	<b>Total Library</b>	<b>43,000</b>	<b>46,000</b>	<b>46,000</b>	<b>46,000</b>	<b>46,000</b>	<b>46,000</b>	<b>230,000</b>
<b>Town Clerk</b>	Election Equipment - hardware	62,550	-	-	-	-	-	-
	Voting Booths	7,000	7,000	7,000	6,000	-	-	20,000
	Election Software	10,000	-	-	-	-	-	-
<b>Total Town Clerk</b>		<b>79,550</b>	<b>7,000</b>	<b>7,000</b>	<b>6,000</b>	<b>-</b>	<b>-</b>	<b>20,000</b>
<b>Planning Board</b>	Comprehensive	-	-	30,000	30,000	-	-	60,000
	<b>Total Planning Board</b>	<b>-</b>	<b>-</b>	<b>30,000</b>	<b>30,000</b>	<b>-</b>	<b>-</b>	<b>60,000</b>

**Town of Wellesley**  
**FY15- FY19 Capital Improvement Plan**  
**School Department**

Furniture/Fixtures/Equipment	FY14	FY15	FY16	FY17	FY18	FY19	FY15-19 Total
Instructional Equipment	28,720	100,068	10,000	10,000	10,000	100,000	230,068
Equipment							
Photocopiers	-	-	-	-	-	-	-
General Equipment	15,568	5,700	5,000	5,000	5,000	50,000	70,700
Infrastructure	34,256	10,371	-	-	-	-	10,371
<b>Total General Equipment</b>	<b>49,824</b>	<b>16,071</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>50,000</b>	<b>81,071</b>
Furniture/Furnishings	134,122	47,423	30,000	30,000	30,000	100,000	237,423
Subtotal FF&E	212,666	163,562	45,000	45,000	45,000	250,000	548,562
Technology	590,469	627,468	804,049	1,111,013	957,298	561,980	4,061,808
<b>Grand Total - All Capital</b>	<b>803,135</b>	<b>791,030</b>	<b>849,049</b>	<b>1,156,013</b>	<b>1,002,298</b>	<b>811,980</b>	<b>4,610,370</b>

**Town of Wellesley**  
**FY15- FY19 Capital Improvement Plan**  
**Department of Public Works**

Capital Project	FY14	FY15	FY16	FY17	FY18	FY19	FY15-19 Total
<b>Cash Capital:</b>							
Street Improvement	457,700	542,500	721,000	630,000	635,000	635,000	3,163,500
Sidewalk Restoration	80,000	100,000	160,000	160,000	160,000	160,000	740,000
Private Ways	20,000	20,000	20,000	20,000	20,000	20,000	100,000
Catch Basin Rehabilitation	-	-	200,000	200,000	200,000	200,000	800,000
RDF Container Replacement	22,500	22,500	25,000	25,000	25,000	-	97,500
Other Improvements	13,000	19,000	38,000	13,000	13,000	13,000	96,000
Vehicle/Equipment Procurement	718,800	701,000	811,000	928,900	1,220,000	833,000	4,493,900
Athletic/Playground Improvements	182,000	176,000	180,000	180,000	110,000	110,000	756,000
RDF Resurface Paved Areas	30,000	-	30,000	-	30,000	-	60,000
Hunnewell Football Field Fencing	-	-	-	70,000	-	-	70,000
Park/Highway Building Improvements	-	30,000	30,000	30,000	30,000	30,000	150,000
Park/Highway Washbay for Small Equipment	-	-	60,000	-	-	-	60,000
Total Cash	1,524,000	1,611,000	2,275,000	2,256,900	2,443,000	2,001,000	10,586,900
<b>Other Funding Sources:</b>							
DPW Street Resurfacing (chapter 90 funds)	207,300	542,000	601,000	720,000	720,000	720,000	3,303,000
Street Resurfacing - Washington Street (chap	700,000	-	-	-	-	-	-
Total Other:	907,300	542,000	601,000	720,000	720,000	720,000	3,303,000
<b>Debt Capital Inside Levy:</b>							
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	-	-	-	-	-	-
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
Park/Hwy Building Roof	-	-	680,000	-	-	-	680,000
Park/Hwy Building HVAC Rehab	1,000,000	-	-	-	-	-	-
Replacement/Renovation DPW Yard	-	-	-	900,000	1,000,000	-	1,900,000
DPW Fuel Depot Rehabilitation	-	-	-	250,000	-	-	250,000
Total Borrowed	1,400,000	-	1,005,000	2,725,000	5,492,000	-	9,222,000
<b>Grand Total DPW</b>	<b>3,831,300</b>	<b>2,153,000</b>	<b>3,881,000</b>	<b>5,701,900</b>	<b>8,655,000</b>	<b>2,721,000</b>	<b>23,111,900</b>

## REPORT OF THE SCHOOL COMMITTEE

*Prepared March 6, 2014*

School Committee has prepared this report to Town Meeting in order to provide additional background on the appropriations requested under Article 8, specifically those aspects of the budget that are not provided under level service funding. This report supplements the Advisory Report summary provided on pages 59-87. Included in this report is information on the following:

- Wellesley Public Schools (WPS) Strategic Plan implementation
- Kindergarten Curriculum and Schedule Redevelopment (Full-day Kindergarten)
- Curriculum And Instruction Materials Requests
- WHS House Model and Enrollment Support

### WPS STRATEGIC PLAN IMPLEMENTATION

In early FY13, the WPS Administration launched an effort to develop a comprehensive strategic plan in order to provide a framework for current and future decision-making. The Strategic Plan team sought input from WPS educators, higher education administrators, private industry executives, community members, WPS alumni and current students. The conversations were grounded in three essential questions:

1. What is most important for our students to know and be able to do?
2. How can our schools best develop these outcomes?
3. How will we know if we are successful?

The study confirmed that the WPS has a core of excellence in curriculum and education delivery. However, it also identified specific areas of opportunity for *development* and a need for *continuous improvement* in order to remain competitive and relevant in the rapidly changing world of education. The results became the basis for the **Strategic Plan Framework** (see below) and the full Strategic Plan Report is available online at [www.wellesley.k12.ma.us](http://www.wellesley.k12.ma.us).

The WPS Operating Budget for FY15 as presented in Article 8 supports the start of the implementation phase of the Strategic Plan. First and foremost, the proposed budget supports the funding of *level service* (the cost to provide the current level of educational content and delivery into the next fiscal year). In addition, the proposed budget provides the funding necessary for the continuous improvement and development outlined in the Strategic Plan.

The following page is an excerpt from the Strategic Plan Framework.

## Wellesley Public Schools Strategic Plan (2013-2019)

**MISSION:** The Wellesley Public Schools (WPS) exist to provide a high quality, comprehensive educational experience that supports each student's academic, social, and emotional development and prepares them to be global citizens who are college, career, and life ready.

**VISION:** WPS aspires to be a world-class school system that develops the heads, hearts, and hands of its students and inspires them to be the critical thinkers, problem-solvers, artists and innovators who make contributions to their communities, our nation, and the world.

**THEORY OF ACTION:** *I*f we maximize professional collaboration and development opportunities for educators that focus on meeting the individual learning needs of students, and *I*f we enhance the curriculum to incorporate essential skills for the 21<sup>st</sup> century, *THEN* we will provide a rich learning environment that prepares all students to be college, career, and life ready.

**STRATEGIC GOALS:**

1. **Increase the achievement of all students** by providing rigorous, relevant and engaging learning experiences
2. **Eliminate achievement gaps** by ensuring equal access to rigorous curriculum and instruction, closely monitoring individual student progress, and attending to the social and emotional needs of all students
3. **Prepare all students to be ready for college, career and life** in a global economy
4. **Maintain a focus on recruiting, developing, and retaining exemplary educators and leveraging their expertise** throughout the District

### STRATEGIES AND INITIATIVES

<p><b>1</b></p> <p><b>Focus on every child, in every classroom, every day:</b> Support an approach to teaching and learning that is responsive to each student's academic, social and emotional needs</p> <ul style="list-style-type: none"> <li>• Focus on closing achievement gaps among students</li> <li>• Expand support for differentiated learning</li> <li>• Develop district-wide assessment strategy</li> <li>• Implement house model at Wellesley High School</li> <li>• Strengthen early childhood education</li> <li>• Increase support for transition years (Prek to Elementary School, Elementary School to Middle School, Middle School to High School)</li> </ul>	<p><b>2</b></p> <p><b>Invest in our educators:</b> Sustain the high quality of our teachers and administrators by maximizing opportunities for professional development and collaboration, while also increasing diversity</p> <ul style="list-style-type: none"> <li>• Maximize opportunities for professional collaboration through development and support of professional learning communities</li> <li>• Enhance recruiting, mentoring and induction efforts</li> <li>• Further develop new educator appraisal system</li> <li>• Maintain competitive salary levels</li> <li>• Create leadership development program</li> </ul>	<p><b>3</b></p> <p><b>Provide broad-based learning opportunities as part of a world-class public school system:</b> Further enhance the curriculum by including 21<sup>st</sup> century skills, and strengthening and expanding district science, technology, engineering, mathematics (STEM) and World Language offerings</p> <ul style="list-style-type: none"> <li>• Integrate key curricular inputs, including Common Core, 21<sup>st</sup> century skills, and interdisciplinary approaches</li> <li>• Strengthen &amp; expand district STEM offerings</li> <li>• Implement K-12 World Language program</li> <li>• Expand opportunities for experiential learning at every grade level, including community service</li> <li>• Establish external partnerships for further content enrichment</li> </ul>
<p><b>4</b></p> <p><b>Align resources with educational needs:</b> Align resources to accomplish the goals outlined in the WPS strategic plan</p> <p>Develop facilities master plan • Establish "Innovation Fund" at each school • Reduce burden of activity fees on families &amp; reliance on donations</p>		

*Academic Excellence • Commitment to Community • Respect for Human Differences • Cooperative and Caring Relationships*

## **KINDERGARTEN CURRICULUM & SCHEDULE REDEVELOPMENT** (*Full-day K*)

As part of the Strategic Plan development process, the WPS Administration reviewed the current delivery of Kindergarten education.

### **The Current Model: Transitional Kindergarten**

WPS currently employs a unique schedule for Kindergarten education delivery. Termed "transitional kindergarten," this system was initiated as a transition between pre-school and the full day of elementary education. In this model, students attend school for most of the year for two full days and three half days.

While there are certainly some advantages of the Transitional Kindergarten program (namely, small class size for half the day until mid-April) and it has served the WPS very well for the past decades, it has become abundantly clear that a full day Kindergarten program, from mid-September to mid-June, would provide a more robust and appropriate education for the students of Wellesley to prepare them for the world today.

In the proposed Kindergarten schedule, all students will attend school for the same time period as other Elementary students: four full days per week and one half day a week. This change will result in students having six more instructional hours per week from mid-September through mid-April; the equivalent of approximately 25 more days, or five weeks, of school.

### **Evaluation: Community Input & Benchmarking**

Community forums held throughout last year indicated a significant interest in full-day Kindergarten throughout the year. During the school year 2012-13, the Administration developed a full-day Kindergarten pilot program at Bates, Sprague and Fiske, and based on its success, expanded the pilot in school year 2013-14 to all elementary schools. The administration convened a full-day Kindergarten committee that visited full-day Kindergarten programs in the Brookline, Natick, and Sudbury districts, held community forums, and convened Kindergarten teachers from across the system to research and develop a full-day program.

This process led to the conclusion that four full days and one half-day in the proposed Full-Day Model will provide teachers with the time needed to fully engage students in age-appropriate instruction that is consistent throughout the year. Therefore, the WPS Administration made the recommendation to the School Committee for the implementation of a full-day Kindergarten program with appropriate staffing and materials support.

### **New State Standards**

The new Common Core State Standards (CCSS), as well as Massachusetts frameworks in English, Math, Science, and Social studies, require a low teacher-student ratio. Research shows that teachers of full-day Kindergarten are more likely to use research-based instructional methods to help students meet standards, including preparing hands-on materials, allowing extended time for learning through play, moving independently to new activities, and having extra time for students to complete tasks and projects.<sup>78</sup>

### **Academic, Social-emotional, and Developmental Needs**

Full-day Kindergarten would allow sufficient instructional time for teachers to fulfill both the core academic (English, Math, Science and Social Studies) and non-core academic (Music, Art,

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<sup>78</sup> "Structuring Kindergarten and Pre-K: Classroom Ratios and Funding Models." Hanover Research, 2012.

Fitness & Health and Library) needs of children by today's standards. The current model puts students at risk of not meeting Reading and Math readiness standards. In SY 2013-14:

- 41% of students enter 1<sup>st</sup> grade with below-proficient levels of numeracy readiness.
- 20% of WPS students enter 1<sup>st</sup> grade requiring *Reading Intervention*. (The WPS program focused on individualized instruction to address recognized deficiencies early.)

### **Optimizing Curriculum for All Students**

While WPS students perform well overall in comparison with other Massachusetts school districts, there are persistent gaps among various subgroups of students, most notably students with disabilities, students from low-income households, and students who are English Language Learners (ELL), though by no means is this gap limited to these subgroups. Kindergarten students arrive with varying levels of proficiency for a multitude of reasons. The current Transitional system exacerbates this situation, due to inconsistent levels of after-school enrichment. The proposed model focuses on providing the optimal educational curriculum consistently, every day, to all students.

**The WPS Administration and School Committee are confident that the proposed Full-day Kindergarten Program best serves the children of Wellesley, both in terms of transitional support and elementary education, ultimately laying the foundation for a successful educational experience in the WPS.**

### **Budget Implications of the Proposed Kindergarten Program**

The WPS is very proud of our Kindergarten professionals who have a high level of expertise in evaluating and educating our young students. In the proposed model, this expertise is leveraged with additional support, enabling intervention and rapid remedy as warranted. The WPS Administration is confident that this support can be delivered with the addition of full-time teaching assistants (TAs) in each Kindergarten classroom. The WPS guideline for class size in Kindergarten is 18-22 students. Full-time TAs would provide a 1:9 adult-student ratio, enabling a significant increase in interaction and responsiveness.

This model of Full-time Kindergarten supported by full-time TAs (18 total, across all 7 elementary schools) has been successfully adopted by the following school districts: Belmont, Brookline, Cambridge, Concord, Lincoln and Weston.

As we estimate the cost of the incremental teaching assistants for the Kindergarten Program, there is some disparity: An aggregated estimate for each "*benefit-eligible new employee in the Town of Wellesley*" is \$20,000; however, based on current *actual* benefits usage of teaching assistants across the district, this number is closer to \$7,500 each. Fewer than 50% of current TAs enroll in benefits, and of those who do, 70% select the individual plan benefit rather than the more costly family plan. In addition, going to a Full-Day Kindergarten program eliminates the need for mid-day transportation for students on Monday, Tuesday, Thursday and Friday. This change results in a savings of \$11,760. The total estimated cost of this program \$537,240.

**Table 1. Budget Impact of Full-Day Kindergarten**

<b>Aggregate TA Salary (18 Sections)</b>	<b>Benefit Estimation</b>	<b>Cost of Benefits</b>	<b>Transportation Savings</b>	<b>TOTAL</b>
\$414,000	Generalized Town Estimate	\$360,000	(\$11,760)	\$762,240
\$414,000	District Actual	\$135,000	(\$11,760)	\$537,240

## **CURRICULUM AND INSTRUCTION MATERIALS**

The WPS conducts Curriculum Review cycles for each subject area on a rotating basis (typically every 7-10 years). During Curriculum Review, teachers learn from each other and other experts how best to engage students in learning at high levels, and share those ideas broadly with students, parents, and the community. The purpose of the curriculum review process is to evaluate (determine the quality of), improve (apply lessons from teacher-experts), and implement (engage students) what students learn and how teachers present it to them (Worthen and Sanders, 1997).

The Curriculum Review impacts the Operating and Capital budgets during Year 2 of each Cycle. In the WPS, the Social Studies and Science Curriculum Cycles are overlapping in FY15 due to delays in the Social Studies cycle and this year's accelerated pilot to re-align Earth Science and Physics. The science curriculum re-alignment has an impact across Middle School through High School science classes. In addition, the Elementary curriculum is being re-aligned and advanced with new materials. Science is typically the most cost-intensive of the curriculum areas to replenish, due to the dynamic nature of the discipline. For these reasons, we have developed a staggered approach to purchasing to better manage the annual expenditures of Curriculum Review and purchase cycles. This approach involves adding a line for curriculum review to the annual budget to allow for a measured approach to purchasing curriculum materials. This line item request is for \$399,044 for FY15 and holds steady at approximately \$370,000 (or \$74 per pupil) for the next four years.

Table 2 shows a four-year projection of all curriculum expenses, using actual market figures for Social Studies, which has already completed Phase 1 of its curriculum review, estimating Science expenses based on piloted programs, student enrollment, and market figures. In Visual Arts and Math, we have estimated costs based on enrollment projections, anticipated market rates, and current materials usages.

**Table 2. Four Year Projections of Curriculum Expenses**

<b>Curriculum Area &amp; Year(s) of Purchases</b>	<b>FY15</b>				<b>FY16</b>			
	<b>ES</b>	<b>MS</b>	<b>HS</b>	<b>TOTAL</b>	<b>ES</b>	<b>MS</b>	<b>HS</b>	<b>TOTAL</b>
Social Studies FY15*	80,425	36,000	66,900	183,325				
Science FY15-17*	100,000	61,300	54,419	215,719	141,000	122,600	108,838	372,438
Capital requests - Science		4,838	46,825	51,663		17,452		17,452
<b>TOTAL</b>				<b>399,044</b>				<b>372,438</b>

Curriculum Area & Year(s) of Purchases	FY17				FY18			
	ES	MS	HS	TOTAL	ES	MS	HS	TOTAL
Science FY15-17*	141,000			141,000				
Visual Arts FY17**	28,000	44,000	85,000	171,000				
Math FY18**					110,000	110,000	150,000	370,000
Capital requests – Visual Arts	14,000	25,000	25,000					
<b>TOTAL</b>				<b>372,000</b>				<b>370,000</b>

### WHS HOUSE MODEL AND ENROLLMENT SUPPORT

Enrollment at the Wellesley High School has grown 50% in the past 10 years from 946 in FY04 to 1436 in FY14. During this period, the School has maintained the traditional structure of one principal supported by two assistant principals. The assistant principals' responsibilities have been distributed based on years of graduation with each principal having two grades. To support the increased enrollment, the FY15 budget includes an additional assistant principal.

As part of the planning for the new WHS in 2005, a consultant (Frank Locker Educational Planning) was hired to lead a program review and to analyze the future needs of the school. The participants in these programming evaluations included teachers, students, community members/School Committee members, central office administrators, and WHS building administrators. The Committee analyzed the needs of each department, examined enrollment trends/projections, and determined that with increasing enrollments moving toward 1500 students, it would be in the best interest for the new school to be built to provide a house model structure. The rationale for this decision was that with a growing student population, it would be in the best interest of the school overall to de-centralize the school administration, breaking it into three different houses, thereby providing a more personalized learning experience for students. The conversion to this de-centralized school administrative house model is considered also part of the strategic plan in its effort to more effectively connect with students and efficiently support larger enrollment.

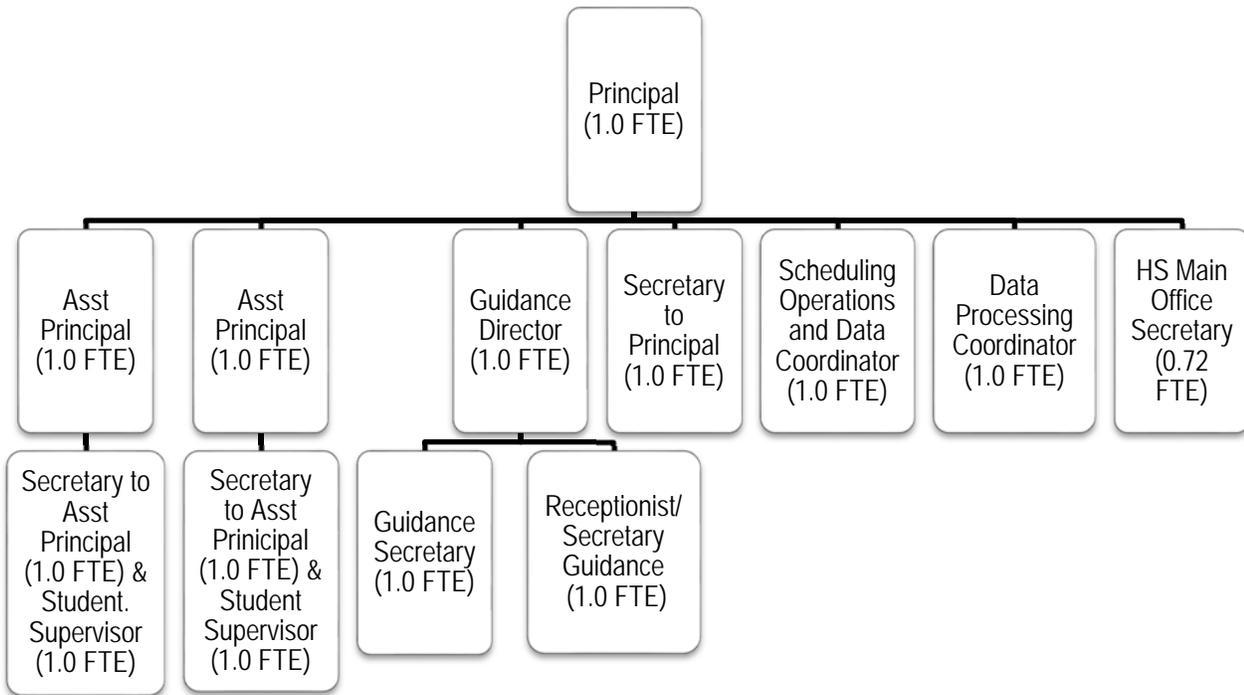
### Delays in Implementation

As the construction project progressed, it became clear that the building was going to be completed earlier than originally planned (February 2012 instead of June 2012), that enrollment would close in on 1600 students, and that we would be entering the building without having appropriate staffing for administrative House model. Today, with enrollment at over 1,450 students and projected to increase over the next several years and then stabilize, and an administrative structure that has not changed in over 20 years, it is time to execute the House model plan.

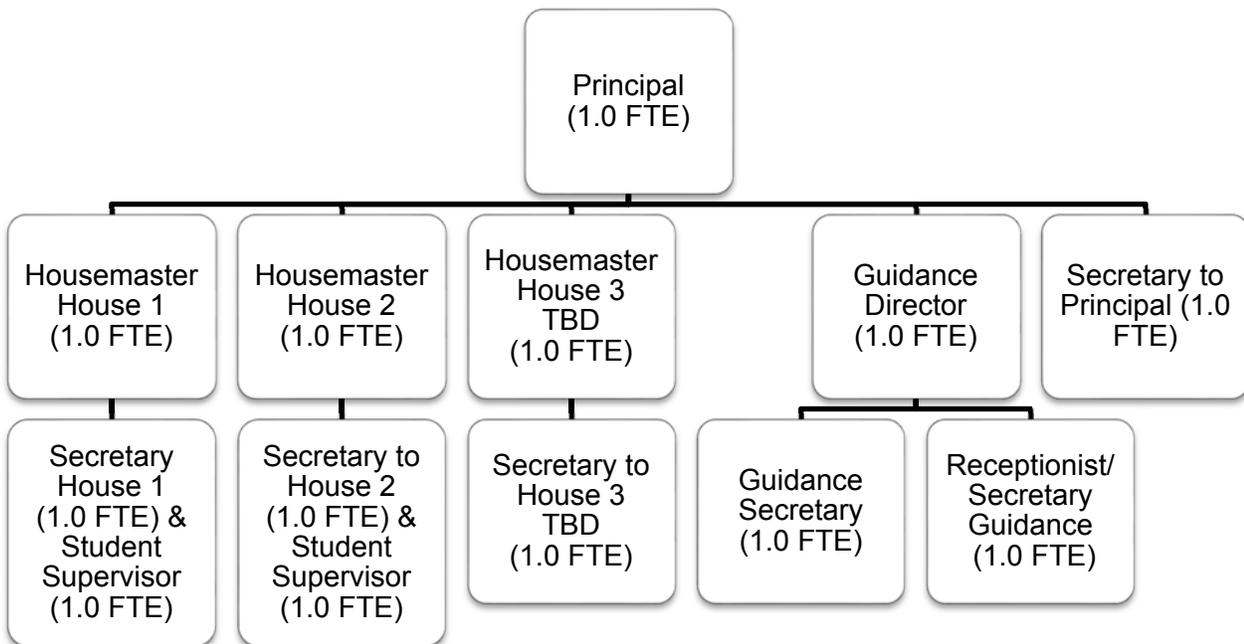
### Proposed Structure

Under this proposed administrative House model, each House assumes complete responsibility for the academic, social, and emotional needs of approximately one third of the student body (divided alphabetically). To equalize costs, the main office staff would be reduced to offset the increase in staff realized through adding a third House. The following pages include the specific budget implications and the change in staff organization.

**Table 3. High School Main Office Organization Chart – Current**



**Table 4. High School Main Office Organization Chart – Proposed House Model**



**Table 5. House Model FY15 Budget Implications**

<b>Current Structure</b>	<b>Proposed House Structure</b>	<b>Difference in FTEs</b>	<b>FY15 Budget Request</b>
2.0 FTE Assistant Principals	3.0 FTE House Masters	1.0 FTE AP/House Master	\$105,506
7.0 FTE Guidance Counselors	8.0 FTE Guidance Counselors	1.0 FTE Guidance Counselor	65,068
1.0 FTE Data/Operations Manager	0.0 FTE	-1.0 FTE Data/Operations Manager	(70,000)
1.81 FTE Student Supervisors	2.81 FTE Student Supervisors	1.0 FTE Student Supervisor	24,000
2.0 FTE Secretaries to Assistant Principals	3.0 FTE House Secretaries	1.0 FTE House Secretary	45,000
1.0 FTE Data Processing Coordinator	0.0 FTE	-1.0 FTE Data Processing Coordinator	(45,000)
0.72 FTE 10-month Main Office Secretary	0.0 FTE	-0.72 FTE Main Office Secretary	(36,000)
<b>TOTAL FY15 REQUEST</b>			<b>239,574</b>
<b>TOTAL FY15 OFFSETS</b>			<b>(151,000)</b>
<b>NET IMPACT ON FY15 BUDGET</b>			<b>\$88,574</b>

The WPS Operating Budget for FY15 as presented in Article 8, also includes some smaller strategic plan investments to support planning for Elementary World Languages and the expansion of the 1:1 technology initiative to the Middle School. In addition, the FY15 budget includes increased math and literacy supports for educators at the elementary level to bring equity across the system and enrollment adjustments at the High School to address the student increases in both FY14 and FY15.

The majority of the FY15 budget and budget increase provides level service to a student community of over 5000 students (in-district and out of district). The investments allow the educational program to advance to meet the state standards and the expectations of the Wellesley community identified during the Strategic Planning process.

Respectfully Submitted,

KC Kato, Chair  
Wendy Paul, Vice Chair  
Patti Quigley, Secretary  
Tere Ramos  
Matt Kelley

## **REPORT OF THE BOARD OF SELECTMEN AND COUNCIL ON AGING: TOLLES-PARSON CENTER UPDATE**

This is a Report of the Board of Selectmen (“BOS”) and the Council on Aging (“COA”) on the status of the Tolles-Parsons Center (“TPC”) since the Special Town Meeting of Fall 2013. A bibliography at the end of this Report provides a comprehensive history of the TPC project.

### **Appropriations to Date**

At the Fall 2013 Special Town Meeting (“STM”), a supplemental appropriation of \$308,855 was approved by Town Meeting to make revisions to the Application for a Special Permit as a Project of Significant Impact (“PSI”) or to submit a new PSI Application with regard to the TPC and to make any additional modifications to the proposed project that may be necessary to complete the design, permitting and construction document preparation. To date, \$11,000 of the funds appropriated at the 2013 STM have been expended on interim professional services.

Previously, in 2008, Town Meeting appropriated \$50,000 for a feasibility study of the former American Legion (“AL”) site at 496 Washington Street and in 2009, \$600,000 was appropriated by Town Meeting for a detailed building design at the site. An additional \$165,300 in design funds were appropriated at the 2013 Annual Town Meeting (“ATM”) to accommodate revised programming needs, as well as to develop plans for additional parking across the street at the police station.

### **Alternative Parking Proposals**

Throughout this project, a substantial amount of time and money has been spent on addressing traffic and parking concerns and numerous alternatives have been considered.

#### **1. Previous Attempt to Purchase 494 Washington Street**

In 2010, the Selectmen engaged in negotiations with the owners of the property located adjacent to the AL site, 494 Washington Street. The lot size is 12,489 square feet and when combined with the AL site, totals almost an acre at 41,924 square feet. At that time, a price of \$1,270,000 was negotiated and the Selectmen requested an appropriation for the property at the 2010 ATM. Town Meeting did not approve the proposed purchase price of \$1,270,000 but agreed that it would accept \$1,000,000. The owners declined to accept the offer and further negotiations were unsuccessful.

#### **2. Parkland Owned by Natural Resources Commission**

Additionally, the Selectmen and the Natural Resources Commission (“NRC”) discussed the use of parkland on Morton Field (across Washington Street from the AL site) as well as use of Wellesley Housing Authority property adjacent to the police station for additional parking. Recognizing the complex issues involved with the use of parkland for parking and the time required to obtain legislative approval of a land swap, it was determined that this was not a viable alternative.

#### **3. Additional Parking Spaces at Police Station**

In the PSI Application for the TPC, the parking plan included 34 on-site parking spaces and an additional 22 spaces dedicated to the TPC at the police station. The proposed plan included an expansion of the police station driveway, 31 additional parking spaces (22 for TPC and 9 for the Police Department) and a new crosswalk with a pedestrian-activated signal to replace the

existing crosswalk in front of the police station. The plan assumed the existing St. Paul's Church and School crosswalk and flashing yellow pedestrian-activated signal would remain in place.

The Planning Board did not issue the special permit for the project and during the PSI hearing, members of the Planning Board raised concerns about the safety of those participants of the TPC who parked at the police station and who would then be required to cross Washington Street in order to access the TPC. PB also raised issues regarding whether TPC participants would park on Washington Street, rather than at the police station, thereby reducing the number of parking spaces for use by St. Paul's Church and School. Additionally, they raised concerns over the type of pedestrian-activated crosswalk being proposed for a new crosswalk.

### **Proposed Acquisition of 494 Washington Street**

In order to address the parking and traffic issues raised by the Planning Board and others, the Selectmen reengaged with the owners of 494 Washington Street to determine whether the Town could negotiate the purchase of the property. On February 2014, a Purchase and Sale Agreement (the "Agreement") was executed by the Town and the owners which includes the following terms:

- Purchase price of \$1,365,000
  - \$1,290,000 to be paid at time of delivery of deed;
  - \$75,000 to be held in escrow and paid upon completion of Sellers' obligation to demolish the structures on the site and deliver the Building Inspector's certification that the site is clear
- Closing to occur on June 2, 2014 unless otherwise agreed upon in writing or unless the necessary action of the 2014 STM has not become final. In that case, closing will be the 10<sup>th</sup> day following final STM action.
- Sellers must apply for a demolition permit within ten months following closing and demolition must be completed no later than four weeks after issuance of the demolition permit.
- Sellers must demolish the structures on the site and deliver the Building Inspector's Certificate that the site has been cleared in accordance with applicable protocols.
- Sellers may occupy the premises for a period of up to nine months following the closing. During that period, Sellers have the right to lease a portion of the building to others and collect any rents therefrom. Sellers shall continue to pay all utilities and property insurance, but not real estate taxes which will be paid by the Town.
- Prior to the closing, the Sellers have the right to market the property but do not have the right to sell it pending the Town's right to purchase in accordance with the Agreement.
- The Agreement is contingent on and subject to approval and appropriation of the purchase price being voted (passing by a two-thirds vote) at the 2014 STM. If TM fails to pass the appropriation, the Agreement will be terminated without recourse. If TM passes the appropriation, but a Referendum request is filed, each party shall have the right, but not the obligation, to terminate the Agreement within ten days of certification of the

Referendum Petition by written notice to the Town. If no such written notice is given, and if the Referendum proceeds and passes, the transaction shall proceed to closing.

### **Next Steps Following Annual Town Meeting**

In order for the TPC project to proceed, the Selectmen and the Permanent Building Committee (“PBC”) must amend the original PSI Application or submit a new PSI Application. **No further work on this project will take place until a determination is made on the purchase of 494 Washington Street.**

In the event that STM approves the purchase of the property and no Referendum Petition is filed or a Referendum Petition is filed and the voters approve the action of ATM to purchase the property, a modified or new PSI Application will be filed to include the addition of the Property and the off-site impacts on municipal systems of the combined properties.

If STM does not approve the purchase of the property or a Referendum Petition is filed and the action of STM is not approved by the voters, or the Sellers give Notice to the Town that they are terminating the Agreement because a Referendum Petition was filed, the Selectmen and PBC will work with the Planning Board to submit an amended PSI Application with specific and material changes from the original PSI Application as required by the Town By-Laws.

If the Planning Board approves a new or amended PSI Application, the Selectmen will continue with permitting and the development and completion of construction documents. The Selectmen currently are projecting that they will return to a 2014 Town Meeting to seek funding for the construction of the TPC.

Respectfully submitted,

Board of Selectmen  
Council on Aging

March 31, 2014

### **Bibliography**

Comprehensive History of TPC Project: Report of the BOS and COA on the status of the project, *2013 Advisory Report*, pages 193-202.

Rationale for a Senior Center: Report of the Senior Study Committee, *2009 ATM Advisory Report*, pages 80-81.

Report of the Tolles-Parsons Review Committee, *2013 Advisory Report*, pages 203-210.

Description of the Supplemental Appropriation Request, *2013 STM Advisory Report*, pages 6-12.

## 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 (FY04-08). With the decline in the real estate transactions and an increase in the number of communities adopting the CPA, the State match has declined substantially since 2008. In 2012, the CPA was amended to allow for additional State funding each year of up to \$25 million taken from budget surpluses. At the end of FY13, the state acted to transfer \$25 million from budget surplus to the Community Preservation Act Trust Fund. As a result, in November 2013 Wellesley received a state match of \$508,375, which is 52% of the FY13 local levy of \$982,069. This additional state funding must be approved by the legislature and the governor each year. Since 2004, the Town has received a total of \$5,021,806 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. In addition to typical administrative expenses, these funds are sometimes used to for consultants and other support to better define, shape, and analyze potential projects. Any administrative funds that are not expended in any fiscal year are returned to the Community Preservation Fund undesignated balance.

To date, the Committee has funded a total of 45 projects or portions of projects. The complete list can be viewed 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:

<http://www.communitypreservation.org/projects/report?town=Wellesley>.

Including FY2014 appropriations made at the 2013 ATM and fall 2014 STM, the CPC has appropriated \$10,048,979 for these projects. Of this total, \$3,190,500 (31.8%) has been appropriated for Community Housing, \$3,116,750 (31.0%) for Recreation, \$1,738,469 (17.3%) for Historic Resources, and \$2,003,260 (19.9%) for Open Space.

## II. Community Preservation Fund FY15 to FY19 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 chart shows the various fund balances as of June 30, 2013, with projections through June 30, 2019. The charts include actual revenues, appropriations and fund balances for the fiscal year 2013, with projections for fiscal years 2014 through 2019. Following state guidance, the projection does not assume an increase in the state match for future years.

### Wellesley CPA Financial Plan: June 30, 2013 to June 30, 2019

February 15, 2014

#### REVENUE

	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>
Local Surcharge	\$982,069	\$1,031,172	\$1,082,731	\$1,136,868	\$1,193,711	\$1,253,397	\$1,316,066
State Match (match %)	\$251,233 26.6%	\$508,375 51.8%	\$268,105 26.0%	\$281,510 26.0%	\$295,586 26.0%	\$310,365 26.0%	\$325,883 26.0%
Interest	\$10,333	\$11,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Total	\$1,243,635	\$1,550,547	\$1,360,836	\$1,428,378	\$1,499,297	\$1,573,761	\$1,651,949

#### APPROPRIATIONS

	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>
Administrative	\$60,776	\$63,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000
WHDC	\$330,000	\$225,000	\$0	\$225,000	\$225,000	\$225,000	\$225,000
900 Worcester Street	\$0	\$0	\$0	\$900,000	\$0	\$0	\$0
Fuller Brook Park	\$0	\$35,000	\$4,500,000	\$0	\$0	\$0	\$0
ADA Compliant Dock	\$0	\$0	\$16,140	\$0	\$0	\$0	\$0
Hills Library	\$126,125	\$0	\$0	\$0	\$0	\$0	\$0
Perrin Playground	\$0	\$25,000	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$100,000	\$200,000	\$250,000	\$500,000	\$500,000	\$500,000
Total	\$516,901	\$448,000	\$4,781,140	\$1,440,000	\$790,000	\$790,000	\$790,000
<i>Assumes FY15 appropriations are all at spring 2014 ATM and not at a later STM</i>							

	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>
<b>Planned Reserve Appropriations</b>							
Open Space Reserve	\$124,890	\$145,000	\$145,000	\$150,000	\$155,000	\$160,000	\$165,000
Additional FY14 Open Space			\$11,000				
Historic Reserve	\$124,890	\$145,000	\$145,000	\$150,000	\$155,000	\$160,000	\$165,000
Additional FY14 Historic Reserve			\$11,000				
Community Housing Reserve	\$124,890	\$145,000	\$145,000	\$150,000	\$155,000	\$160,000	\$165,000
Total Approp for Reserves	\$374,670	\$435,000	\$468,000	\$450,000	\$465,000	\$480,000	\$495,000

# Wellesley CPA Financial Plan: June 30, 2013 to June 30, 2019

February 15, 2014

<b>Fund Balances</b>	<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>	<u>6/30/2019</u>
Encumbered	\$1,515,862	\$5,500,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Specific Reserves	\$543,204	\$157,204	\$382,204	\$322,204	\$642,204	\$961,204	\$1,301,204
Undesignated	<u>\$3,216,599</u>	<u>\$174,006</u>	<u>\$169,842</u>	<u>\$568,220</u>	<u>\$957,517</u>	<u>\$1,411,278</u>	<u>\$1,933,228</u>
<b>Total Available</b>	<b>\$3,759,803</b>	<b>\$331,210</b>	<b>\$552,046</b>	<b>\$890,424</b>	<b>\$1,599,721</b>	<b>\$2,372,482</b>	<b>\$3,234,432</b>
<b>Total Assets</b>	<b>\$5,275,665</b>	<b>\$5,831,210</b>	<b>\$1,552,046</b>	<b>\$1,890,424</b>	<b>\$2,599,721</b>	<b>\$3,372,482</b>	<b>\$4,234,432</b>

\*Encumbered balance as of 6/30/2013 includes FY14 Appropriations in Spring 2013 ATM (\$225,000 for WHDC and \$25,000 for Perrin Playground)  
For each year end, funds approved by the ATM are encumbered and no longer in Total Available

The CPC continues to focus on the ability to fund larger projects that might not otherwise be funded by the Town, such as the acquisition and development of 900 Worcester Street and the Fuller Brook Park Preservation Project. In addition, the CPC allocates a portion of its funds to continue to support the development of community housing and other equally worthy projects including some smaller in scope. With this goal in mind, the committee is now looking to identify other significant projects for FY17 and beyond.

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 FY16. There is some flexibility in the financial plan should a request arise during FY15. In short, while the CPC has moved this planned expenditure to FY16, the commitment to the project has not changed.

The Fuller Brook Park Preservation Project has gone through three development phases with CPC funding of \$977,700 in five appropriations, including an initial appropriation to register the park in the historic register. The most recent appropriation was at the fall 2013 STM when the CPC provided additional funding of \$35,000 to complete Phase III. For several years, the CPC has planned a FY15 appropriation of \$3.6 million. After performing a breakdown of CPA eligible components, the committee voted in February 2014 to increase this commitment to \$4.5 million for the construction phase. The balance of \$970,205 will come from other Town funds. The Fuller Brook Park Coordinating Committee will be coming to the ATM with bids in hand to support this appropriation.

At the 2013 Annual Town Meeting, the Town appropriated \$225,000 for the WHDC 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. However, the WHDC has sufficient reserves to continue to operate and at the 2014 ATM the CPC will not be seeking a WHDC appropriation. Instead, we will make the required appropriation to the Community Housing Reserve. For future years, we show a WHDC appropriation in the plan, but this is dependent on the creation of a long range plan and metrics for community housing development by the WHDC. Lacking such a plan, future appropriations will be made to the reserve fund or to other applicants.

Also at the 2013 ATM, the CPC recommended the appropriation of \$126,125 for the preservation, rehabilitation and restoration of the Hills Branch Library Chimney. In early 2010, the Town identified the necessity to repair the east wall and chimney of the Hills Branch library. Repairs attempted in fall 2011 resulted in the collapse of a large portion of the upper chimney. Various approaches (historic and non-historic) for repair and/or restoration were analyzed and the decision was made to proceed with a full historic restoration with the support of the Board of Library Trustees, Board of Selectmen, Historic Commission and the Permanent Building Committee (PBC) estimated the project cost with contingencies at \$252,250 with the CPC funding 50% of the cost. The funds were taken from balances on hand. The project started almost immediately after the completion of the 2013 ATM and is now nearing completion.

Also at the 2013 ATM, the CPC recommended the appropriation of \$25,000 for the replacement of playground equipment at the Perrin Park Playground. This appropriation provided 83.3% of the \$30,000 cost to replace the playground equipment. The remainder was raised by contributions from the community. The playground equipment at the Perrin Park Playground was removed from the park due to deteriorating condition and safety concerns. This was 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 new equipment will be installed in spring 2014.

With the commitment to 900 Worcester Street and the Fuller Brook Park 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. As stated above, the CPC is now looking to identify other significant projects for FY17 and beyond.

### **III. Proposed Actions at the 2014 ATM**

#### **CPC Warrant Article 14**

Based on estimated FY15 revenues of \$1,360,836, the CPC requests the following:

- Motion 1. Appropriations of \$65,000 for administrative purposes and \$435,000 to designated reserves;
- Motion 2. An appropriation of \$33,000 to meet CPA funding requirements for FY2014; and
- Motion 3. An appropriation of \$16,140 to the Wellesley Recreation Department for the installation of an ADA Compliant Dock Extension at Morses Pond.

#### **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. The CPC requests an appropriation of \$65,000 for FY15. Unused funds appropriated for Administrative purposes revert to the CPA fund undesignated balance.

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, the CPC requests the transfer of \$145,000 for each to the Historic Resources, Open Space, and Community Housing reserves. Following guidance from the state, the estimated revenues do not assume that the increased level of state match will continue.

## **2. Additional FY14 Appropriation to the Designated Reserves**

Due to the increased state match in November 2014, the FY14 appropriations to each of the designated reserves did not meet the CPA's 10% minimum for these reserves. To make up the shortfall, the CPC requests an additional \$11,000 appropriation to each of the three reserves.

We will probably have to repeat this process each year in which there is a substantially increased state match. While we have the option of increasing our normal appropriation to anticipate a larger match, we have decided to wait and see if the state offers any guidance.

## **3. Appropriation for ADA Compliant Dock Extension at Morses Pond**

**Sponsor:** Wellesley Recreation Department

**Description of the Project:** ADA Compliant Dock Extension at Morses Pond

**Recommended Amount:** \$16,140

The CPC recommends that \$16,140 be appropriated from balances on hand in the undesignated Community Preservation Fund as of June 30, 2013, for installation of an Americans with Disabilities Act (ADA)-compliant dock extension at Morses Pond at the request of the Recreation Department. The Community Preservation Act encourages the use of CPA funds to increase accessibility.

An ADA-compliant kayak launch will be attached to the existing fishing dock and will allow for those with physical challenges to enter and exit a kayak safely with little or no assistance from others. It will also make it easier for parents to kayak with their children. The installation of this dock extension will provide wider access to the recreational opportunities available at Morses Pond. \$16,140 represents 80% of the cost of the dock extension; the remainder will be raised by fundraising activities organized by the Recreation Department. The CPC is pleased to support this request.

### **Other 2014 ATM Warrant Articles involving CPC Funds:**

#### **Article 15, Motion 1: Funding for the Fuller Brook Park Preservation Project**

**Sponsor:** Fuller Brook Park Coordinating Committee

**Description of the Project:** Preservation, Rehabilitation and Restoration of Fuller Brook Park

**Recommended Amount:** \$4,500,000

The CPC has provided significant support for the early phases of the Fuller Brook Preservation Project, appropriating \$977,700, with the overwhelming support of previous Town Meetings. This funding enabled the completion of the necessary hydrological and ecological studies, conceptual designs, the construction of demonstration paths, development of final designs, permitting and construction documents. (Additional information and documents pertaining to these earlier phases are available on the Town website under the link for the Fuller Brook Path Coordinating Committee.) As the 2014 ATM convenes, the Fuller Brook Park Coordinating Committee comes to Town Meeting with bids in hand and a project that is ready to move into

Phase 4. The CPC is asking for Town Meeting approval of a \$4.5 million appropriation of CPA funds to support the final construction phase of the Fuller Brook Preservation Project.

Fuller Brook Park is a special and unique asset to the Town of Wellesley, comprised of 23 acres or two and one half linear miles of parkland running parallel to Washington Street, stretching from Dover Road to Maugus Avenue. This 110-year old park is also the Town's largest watershed, draining 32% of the Town's storm water, giving the park an important dual purpose as a pedestrian passageway through town and a significant part of Wellesley's infrastructure. The goal of the Fuller Brook Preservation Project is to preserve, rehabilitate and restore the structural, environmental and aesthetic integrity of the park. In 2011, the Fuller Brook Park was placed on the National Register of Historic Places, an indication of the historical significance the park carries for the Town.

The Fuller Brook Park Preservation Project meets the criteria for CPA eligibility in three areas: the preservation, rehabilitation and restoration of an historic resource, the preservation of an open space resource and the preservation, rehabilitation and restoration of a recreational resource. The CPA-funded portion of the project will address the crumbling path system that does not meet current universal accessibility standards, the deteriorating stream course which is severely damaged by erosion, invasive plants, sedimentation build-up, the treatment/removal/stabilization of trees and other vegetation, and the dredging of State Street Pond due to extensive sedimentation that has compromised the pond's ability to serve as a water retention area for the park system.

Phase 4 of the Fuller Brook Project is estimated to last approximately two and one half years and project management will be under the jurisdiction of the Board of Public Works. A Project Management Team comprised of the Director of the DPW, the Town Engineer, the Director of the NRC, and the Deputy Director of the Town will meet on a regular basis with the Project Manager. In addition, a streamlined version of the Fuller Brook Park Coordinating Committee will continue to serve as an advisory group for the project and will meet periodically over the course of the final phase. CPC is confident the Town's significant investment in this project will be well managed.

The Fuller Brook Park Coordinating Committee comprised of representatives from elected Town boards, experienced Town staff, volunteers and engineering and environmental consultants has worked tirelessly to bring forward a project that will truly benefit the Town in an efficient and cost-effective way. The project before Town Meeting is the outcome of well-articulated guiding principles and goals, developed through the work of the Natural Resources Commission, to guide the park's preservation, management and public use. It represents the input of a cross section of the Town as a result of significant citizen participation through public forums. The CPC is pleased to play a role in seeing this important Town project to its completion.

Respectfully Submitted,

Allan Port, Chair  
Barbara McMahan, Vice-Chair  
Deborah Carpenter  
James Conlin  
Kathy Egan

Joan Gaughan  
Tad Heuer  
Tony Parker  
Susan Troy

## REPORT OF THE FULLER BROOK PARK COORDINATING COMMITTEE

Fuller Brook Park is Wellesley's most popular and well-used public park, serving not only the approximately 7,500 residents who live within walking distance of it, but many more who come by car and bicycle to enjoy its scenery and recreational opportunities. This linear park, whose 23 acres stretch for 2 ½ miles through the heart of town along portions of Fuller Brook and its tributary Caroline Brook, was established by the Town just before the turn of the 20<sup>th</sup> century for the dual purpose of improving the drainage of flood-prone areas and providing parkland near the center of town. Additionally a third purpose was to create an alternative route to the chaotic traffic patterns of Washington Street by establishing a pedestrian and cart path, colloquially known as the "Brook Path."

As it took shape in the early 20<sup>th</sup> century, the park acquired its distinctive human-made features: the Brook Path that runs the full length of the park, seven historic vehicular bridges, four pedestrian bridges, two culverts, two raised walkways, and two granite flumes. As usual, nature dwarfs the works of man; over 3,000 trees grow within the park boundary.

In June 2013, after a process of state and federal review that lasted nine years, Fuller Brook Park was accepted for listing on the National Register of Historic Places, a signal honor accorded only to those sites that have demonstrated high historical significance to the nation, the state, and/or their locality. This designation did not impose any new restrictions or obligations on the Town, other than the moral obligation to be good stewards of this precious, nationally recognized asset.

### **History of the Park**

In 1897, the Wellesley Park Commission hired the landscape architecture firm Olmsted, Olmsted & Eliot, founded by the iconic American landscape architect Frederick Law Olmsted, to provide recommendations for the creation of a series of parks to be laid out in the Town. John Charles Olmsted and Warren Manning, who had been working on plans for the Muddy River in Boston and Brookline, provided specific recommendations related to Fuller Brook Park. In 1899, the Town began acquiring the land necessary for Fuller Brook Park. Manning is credited with the development of plans for the 2 ½-mile long park after he left the Olmsted firm.

In 1915, engineer Ernest Bowditch was hired to lay out the town's main trunk sewer line and supervise further land acquisitions that brought the park to its present size and shape. By the early 1930s, the park's distinctive constructed features—the popular Brook Path and the handsome stone bridges that carry town streets across the brook—were in place.

The physical character of the park evolved over the past century as the needs and priorities of the community changed. Originally threading through an undeveloped area with extensive wetlands, the watercourse was made narrower, straighter and deeper to improve surface drainage in some sections, and placed underground in others. The original scenery of woodlands and fields assumed a more managed appearance, with mown lawns and ornamental plantings interspersed with more natural vegetation.

The two functions of Fuller Brook Park, which are sometimes at odds with each other, have presented a management challenge and involved multiple town agencies for more than a century. In recent years, increased recreational use and new emphasis on protecting natural resources and historical values have raised additional issues. Concerns regarding the maintenance of the property, especially the health of the landscape, have intensified as the park's infrastructure has aged and pressures on it have increased.

## **Two Master Plans, One Project**

In late 2003, Wellesley's Natural Resources Commission (NRC) began the process of creating a Preservation Master Plan for Fuller Brook Park. The purpose of the project was to document the natural, historic and aesthetic values of the park and to make recommendations for revitalizing it "in the spirit of its original creators." The Town engaged a consultant team, led by Halvorson Design Partnership, Inc., of Boston, in association with landscape historian Shary Page Berg, to carry out the Master Plan project.

Concurrent with the Fuller Brook Park planning process, the Wellesley Department of Public Works (DPW) undertook an update of its Municipal Stormwater Master Plan in compliance with State requirements. This project involved a comprehensive assessment of the town's entire surface water drainage system including watercourses, such as rivers and streams, and infrastructure, such as storm sewers and culverts.

The timing of the DPW study was fortuitous: while the Natural Resources Commission team focused on uncovering the history of the park and assessing the visual, environmental, recreational and vegetation issues, the engineering questions regarding the stream itself were also being comprehensively reviewed. By coordinating their work, NRC, DPW and their consultants set up a much-needed dialogue between the park's two historic functions.

## **Fuller Brook Park Coordinating Committee and Phase 2**

By the time the Preservation Master Plan was issued in November 2009, it had become clear that the role of Fuller Brook Park in Wellesley's life had expanded beyond the original vision of Olmsted, Manning, and the Park Committee of 1897. After 110 years at the town's center, the park had become an irreplaceable link to the early history of Wellesley's existence as a town. It was serving the schools as both a teaching resource and a safe transportation corridor for pupils. It was the centerpiece of an extensive system of walking trails for outdoor recreation. And, now lined with homes for virtually its entire length, Fuller Brook Park had become "the town's backyard."

To assure that all these interests were represented in the process of preserving the park, the Fuller Brook Park Coordinating Committee (FBPCC) was formed in January 2010. Its membership consisted of representatives from the Board of Selectmen, Natural Resources Commission, Board of Public Works, Historical Commission, School Committee, Trails Committee, and at-large members including at least one abutter to the park. Directors of Town departments including Public Works, Natural Resources, Planning, and the Town Engineer participated in all FBPCC meetings, which took place on average twice a month.

Preparation of the Master Plan was designated the project's Phase 1, and FBPCC then proceeded to Phase 2, preliminary design ("10 percent design") of the project. A team led by Pressley Associates, a landscape architecture firm in Cambridge, prepared plans in consultation with the committee and with town residents through a series of public meetings held in September, October, and December of 2010. Many features of the project, in particular the width and composition of the Brook Path, were modified in response to public opinion, as expressed at the meetings and through the project's web page at: [www.wellesleyma.gov/fullerbrook](http://www.wellesleyma.gov/fullerbrook).

The project's "Phase 2.1" consisted of the installation, by DPW crews in October 2011, of two segments of new soft-surface material on the Brook Path between State Street and Wellesley Avenue, and solicitation of public comments on them. Based on those comments, and experience gained during the installation, FBPCC chose a path design with a plain edge rather than a reinforced shoulder, which cost more and was of questionable added value.

At around this same time, with encouragement from FBPCC, a group of park abutters organized as Friends of Fuller Brook Park, a citizens' group that promotes awareness of the park and provides volunteer help in maintaining it. Several members of the Friends have received training in management of invasive species, and the group's park cleanup days have been a popular weekend activity for neighbors and for high school students earning community-service credits.

### **Phase 3: Permitting and Final Design**

Town Meeting approved Phase 3 of the project in November 2011. This phase, funded like Phase 2 by Community Preservation Act funds, consisted of 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. FBPCC selected the engineering firm BETA Inc. of Lincoln, R.I., and Norwood, Mass. to conduct this phase, in association with Horsley Witten Group, environmental consultants located in Sandwich, Mass., and Boston.

FBPCC assigned day-to-day management of the Phase 3 design and permitting process to a Project Management Team consisting of a Project Manager; the directors of Public Works, NRC, and Planning; and the Town Engineer. Stephen S. Fader, who had recently retired as Town Engineer, was engaged on a contract basis as Project Manager.

Because public comments on the project had focused largely on the path, FBPCC held informational public meetings in October 2012 to unveil its proposed path design, which called for a soft surface of crushed rock (as opposed to hard pavement), six feet wide at the park's two ends, stepping up to eight feet in the middle area, where path traffic was highest.

The consultants delivered the intermediate design plans ("60 percent design") on October 1, 2012, and presented them at public meetings later that month. Over the span of seven months in spring and summer 2013, with these plans in hand showing details of engineering, hydrology, invasive plant removal, re-planting and path and stream alignment, FBPCC embarked on and virtually completed the extensive permitting process for the project. Using a combination of presentations at meetings, public hearings, and guided site visits for representatives of the permitting boards and agencies, FBPCC and the consultants successfully obtained the necessary permission to proceed from the Town of Wellesley (Wetlands Protection Committee, Design Review Board, Zoning Board of Appeals), the Commonwealth of Massachusetts (Historical Commission, Department of Environmental Protection), and the United States government (Army Corps of Engineers). As the result of an enforcement action initiated by the Wetlands Protection Committee and the NRC, additional filings will be required for a limited portion of Caroline Brook.

Based on the extensive information obtained through the permitting process, public input, and special engineering studies, FBPCC voted unanimously in July 2013 to save time and expense by eliminating another intermediate stage in the design process, the "ninety percent (90%) design plans," and proceeding directly to the final "one hundred percent (100%) design plans." FBPCC received these plans in December 2013, and the project was put out to bid at the beginning of January 2014.

### **Bid Process and Results**

It has always been the goal of the FBPCC to come to the 2014 Annual Town Meeting with "bids in hand" to provide an accurate representation of costs for Phase 4, the project's final phase. These costs are associated with construction (including a construction contingency), project management, and required services of the consultant design team.

Bids for Phase 4, first advertised on January 8, 2014, were opened the following February 12. Of the six bids received, the lowest was \$4,324,647, submitted by R. Bates and Sons, Inc. of Clinton, MA. This bid was remarkably close to the engineering consultant's advance estimate of \$4,318,600.

## **Budget**

- **Project Management**

The Department of Public Works, specifically the DPW Engineering Division under the direction of David J. Hickey, Jr., P.E., will provide project management services for the implementation and construction of the Phase 4 project. The construction of the project will be by a private contractor under contract to the Board of Public Works (BPW). A scaled-down and renamed Fuller Brook Park Committee will continue in an advisory capacity to DPW during Phase 4. An Engineering Division staff person with the title "Senior Civil Engineer," experienced in managing projects of this type and scope, will be hired to provide day-to-day management of the project. The staff of the DPW Park and Tree Division will supplement the expertise of the Senior Civil Engineer.

The cost of these project management services is estimated to be \$303,000.

- **Consultant Services**

In addition to the in-house professionals that will participate in the management of the project, professional staff from BETA Group and its sub-consultant, Horsley Witten Group will be under contract to participate in the Phase 4 project. Having already participated in the Phase 3 design and permitting, these professionals are intimately familiar with the project. They will review shop drawing submittals, participate in field reviews and decision making, and review the contractor's monthly progress payments and change orders as may be necessary.

In addition to these services, the consultant team will prepare a grant proposal to the Massachusetts Department of Environmental Protection (MADEP) for a Section 319 Grant to supplement the Town's funding of the project. The 319 Program is a 60% state and 40% local share reimbursement program that can be applied to such tasks as streambank protection, removal of the channel liners, and creation of the wet meadow and bio-retention areas. The Town received a Section 319 grant for the dredging of the Town Hall Duck Pond within the past 10 years.

The estimated cost for the conduct of the consultant team's services during the Phase 4 project is \$323,600, which includes \$5,925 for the preparation of the Section 319 Grant Application.

- **Contingency**

A 12% contingency, to cover unforeseen circumstances encountered during construction, was included in the total cost for the Phase 4 project. This amount was computed from the estimated construction cost. No contingency was added to engineering services or project management costs, as those were known and firm prior to the start of construction. The contingency for the Phase 4 project is \$518,958, or approximately \$519,000. The total Phase 4 project cost is \$5,470,205.

- **Maintenance**

During Phase 3, a long-term Park Maintenance and Management Plan was developed by Park Planning Associates, a member of the consultant's design team. This plan includes consideration of both park maintenance, which refers to physical work in Fuller Brook Park to keep the park in good condition, and park management, which refers to tasks, often conducted outside of the park, that support its operation. Management includes such tasks as budgeting, staffing, and personnel management, public education, site programming, public outreach, and boundary protection. While the park's actual future needs are not yet known in detail, the park maintenance and management plan has been approved in principle by DPW, NRC, and FBPCC.

The estimated annual post-construction maintenance cost is estimated at \$100,000 for the first three years and \$85,000 thereafter. The difference between these amounts is \$15,000 annually for invasive vegetation removal and treatment in post-construction years 1, 2, and 3. The DPW Park and Tree Division plans to hire a new Area Supervisor, estimated cost \$65,000 per year, as well as utilize personnel from its current staff. (In contrast, in recent years the annual expenditure for maintenance of Fuller Brook Park was only about \$20,000, one of the reasons for the problems this project seeks to remedy.)

The first-year investment in capital equipment following completion of the project is estimated to be \$45,000.

#### **Phase 4 Construction**

The Phase 4 project is estimated to take 880 days from the date the contractor is given the Notice to Proceed. Construction is expected to begin in July 2014 and be completed by November 2016. Due to permitting requirements regarding the replanting of certain areas in the park, the project may extend into a third year. As with any project in this region of the country, severe weather could have a significant impact on the project schedule.

Once the project is awarded, the contractor will be required to submit a construction schedule indicating what, where, and when operations will take place. The contract documents will reflect the fact that people with diverse needs utilize Fuller Brook Park. For example, because of the proximity of the park to the Hunnewell School, Middle School and High School, coordination meetings with the School Department will be held to discuss the project's temporary impact on people walking to school. An up-to-date project website will indicate the contractor's current activities and progress.

A Town board known as the Fuller Brook Park Committee (FBPC) will be the public face of the project and play an advisory role in Phase 4. (Financial responsibility for the project, however, will be with the BPW/DPW.) Four of the committee's five members will represent the Board of Public Works, Natural Resources Commission, Historical Commission, and the citizens group Friends of Fuller Brook Park, with the Town Moderator choosing the fifth member at large.

The current Project Management Team (PMT), consisting of the DPW Director, Town Engineer, Natural Resources Director and the Deputy Director of General Government (who previously held the position of Planning Director), will continue during Phase 4. The PMT will communicate regularly with the Phase 4 Project Manager to ensure, from a staff perspective, that the goals of the project are being implemented. The PMT will pass along ideas to the FBPC.

## Endorsements

The following Town boards have voted to support Phase 4 of the Fuller Brook Park Restoration Project:

Board of Selectmen  
Board of Health  
Board of Public Works  
Council on Aging  
Historical Commission  
Library Board of Trustees

Natural Resources Commission  
Planning Board  
Recreation Commission  
School Committee  
Trails Committee

## Appendix I: Summary of Recommended Actions in Fuller Brook Park

As part of the Phase 3 process, FBPCC endorsed the following actions recommended by the designers and environmental consultants:

- **Path**

Address deterioration and erosion by rebuilding the path, using a soft surface of crushed stone rather than hard pavement.

Vary path width from 6 feet at the west and east ends of the park, to 7 feet in busier sections, to 8 feet in zones of heavy traffic near schools and the town center.

Keep the path's present route, except when redirected around a relocated culvert at Forest Street and a proposed new wet meadow (see below) near Wellesley Avenue.

Modify path grades at street crossings for universal accessibility.

Improve and extend raised walkways in the wet area near Paine Street; install a new raised walkway near the wet meadow.

- **Brook**

Remove accumulated sediment from streambed and State Street Pond (Skating Pond) to improve flow and increase capacity.

Remove deteriorated concrete liners, installed in the 1950s to increase flow, but now impeding flow and causing bank erosion.

Restore and stabilize the streambank, using primarily "soft stabilization" methods (coir logs, live stakes, native species plantings), with inconspicuous use of "hard stabilization" (boulders, riprap) where necessary.

- **Stormwater management**

Create bioretention areas to capture stormwater and filter it before it returns to the system.

Design streambanks and flood plains to accommodate high water flows during storms. Repair storm drain outlets where necessary and trim unsightly exposed outlet pipes.

Monitor water quality to meet current EPA standards, identifying and mitigating sources of pollution.

- **Vegetation**

Preserve the park's natural character.

Reduce and control invasive species that block views, choke the stream, and crowd out more desirable native plants.

Remove and replace dead or dying trees, and prune others to eliminate hazards to park users.

Plant native species appropriate to the park's various environments: streambank, open upland, woodland, wet meadow.

- **Structures**

Restore historic stone bridges with masonry repairs and removal of damaging tree roots.

Reorient culvert at Forest Street to improve flow and reduce bank erosion.

### **Appendix II: Actions by Town Meeting to date on Fuller Brook Park appropriations**

Annual Town Meeting, March 24, 2003

Phase 1 study and Preservation Master Plan; \$50,000 from NRC capital funds; PASSED BY VOICE VOTE

Annual Town Meeting, April 26, 2010

Phase 2 survey, design, cost estimates for preservation and restoration; \$250,000 from CPC undesignated reserves; PASSED BY VOICE VOTE

Special Town Meeting, November 24, 2011

Phase 3 final design, bid documents, permitting; \$665,000 from CPC Historic Resources Reserve; PASSED UNANIMOUSLY

Special Town Meeting, December 9, 2013

Additional funding for Phase 3 final design, bid documents, permitting; \$35,000 from CPC Historic Resources Reserve; PASSED UNANIMOUSLY

**The Fuller Brook Park Coordinating Committee respectfully requests favorable action by Town Meeting on the motion(s) under Article 15 to fund Phase 4, the construction phase of the Fuller Brook Park Restoration Project.**

FULLER BROOK PARK COORDINATING COMMITTEE

Rose Mary Donahue, Chair (member-at-large)  
Bob White, Vice Chair (Trails Committee)  
Katherine Babson (Board of Selectmen)  
Diane Campbell (School Committee)  
Paul Criswell (Board of Public Works)

Heidi Kost-Gross (NRC)  
Stephen Murphy (NRC)  
Kurt Somerville (Friends of Fuller Brook Park)  
David Wright (Historical Commission)

## REPORT OF THE PLANNING BOARD

In accordance with the provisions of the Zoning Bylaw, Section XXVIA, *Notice for Public Hearings*, and the General Laws of the Commonwealth of Massachusetts, Chapter 40A, the Planning Board convened duly advertised public hearings on Monday, February 24, 2014 on the proposed amendments to the Zoning Map and Zoning Bylaw as contained in the Warrant for the March 31, 2014 Annual Town Meeting. Following the public hearings and as further required by the Zoning Bylaw and General Laws of the Commonwealth of Massachusetts, the Planning Board produced the following reports with recommendations on the articles to be considered by Town Meeting.

Article 33  
(Planning Board voted 5-0)

Final Recommendation - Adoption

In 1980, Wellesley created Historic District Overlay Zoning to regulate the creation and administration of Historic Districts in Town. Historic District designation requires review by the Historic District Commission for exterior modifications to a protected property. Currently, Wellesley has one Multiple Building Historic District and two Single Building Historic Districts that are protected under these provisions. The Cottage Street Historic District includes 61 properties just outside of Wellesley Square. The Comprehensive Plan recommended that Wellesley investigate options to maintain the historical integrity of Wellesley's neighborhoods through initiatives that will help protect historically significant properties and landscapes. Prior to the establishment of the two existing Single Building Historic Districts, it was determined through discussions with the Massachusetts Historical Commission that the existing zoning provisions could be used to protect individual properties that meet the State requirements for historical significance rather than use other provisions available, such as establishing a Landmark Bylaw. This was most recently done in 2011 when Town Meeting established the two current Single Building Historic Districts at 377 Weston Road and 38 Lowell Road.

Over the past year, in discussions with the property owners who are concerned with preserving their properties, the Historical Commission identified 26 Elmwood Road and 126 Woodlawn Avenue as two properties that are each eligible for designation as Single Building Historic Districts. Both properties are being recommended for historic district designation due to the historic and cultural significance of their former residents: Sylvia Plath in the case of 26 Elmwood Road, and Joseph Emery Fiske in the case of 126 Woodlawn Avenue. Both property owners have requested the Town designate their properties as historic and have indicated their understanding of the implications of such a designation.

The Sylvia Plath House was the home that noted poet Sylvia Plath lived in while attending Wellesley Public Schools and during her college years. Sylvia Plath's experiences while living in Wellesley, including the home itself, figure prominently in her writing, especially *The Bell Jar*, known to be a semi-autobiographical account of her early professional years. The residence, which has been little altered since Plath lived there with her family, is an important piece to understanding a life tragically cut short at the age of 30.

The Fiske House was the lifelong residence of Joseph Emery Fiske. Fiske was a prominent public official who led the separation of Wellesley from Needham in 1881. Once Wellesley was incorporated on April 6, 1881, Fiske continued to take a leading role in Town affairs. Fiske not only moderated many important meetings, but also served on the first School Committee. In honor of his public service, the Town named a new grammar school the Fiske School, which opened in 1892 on Cedar Street at the current site of Ouellet Park. In 1937, the property left the hands of the Fiske family descendants and the new property owners undertook an extensive renovation to both the exterior and interior. The most notable difference between the original

house and the current structure is its orientation. Unlike today, where the front of the house faces east, the original structure was built facing south.

The Historical Commission asked the Board of Selectmen to establish a Single Building Historic District Study Committee in December 2013. The Committee conducted extensive research of the two individual properties and prepared a report which has been approved and endorsed by the Massachusetts Historical Commission. If the zoning map amendment placing these properties within the Historic District Overlay Zone is passed by Town Meeting, these two properties, as with other properties within the Historic District Overlay Zone, will require a Certificate of Appropriateness from the Wellesley Historic District Commission for any exterior change to buildings or structures on the property as described in Section XIVD, *Historic Districts*, of the Wellesley Zoning Bylaw. Evidence of the Historic District is required to be recorded at the Registry of Deeds to inform any future property owners of the property's status as a historic district.

The Wellesley Historical Commission and the Massachusetts Historical Commission have found the properties worthy of designation, and the rezoning of these properties to the Historic District Overlay ensures protection of two local historical assets. As cosponsors of this article with the Historical Commission, the Planning Board requests favorable action by Town Meeting on this article.

Article 34

Final Recommendation - Adoption  
(Planning Board voted 5-0)

This article was initiated by the Board of Selectmen, and is cosponsored by the Planning Board. To address the approval of the Act for the Humanitarian Medical Use of Marijuana by initiative on November 6, 2013, an amendment to the Zoning Bylaw was adopted at 2013 Annual Town Meeting instituting a moratorium on the establishment of the Medical Marijuana Treatment Centers within Town. The intent of the moratorium was to allow the Town the opportunity to consider State regulations that had not yet been developed and to complete an in-depth study of the issues involved with the new law. Absent any extension, modification, or rescission, the moratorium expires June 30, 2014.

Following adoption of the moratorium, the Town established a Medical Marijuana Working Group in May 2013 to study and make recommendations on the regulation of medical marijuana in the Town. The Working Group is comprised of staff and members of the Board of Selectmen, Board of Health, and Planning Board, as well as staff of Wellesley Public Schools, the Chief of Police and Town Counsel. The proposed amendments to the Zoning Bylaw are a recommendation of the Working Group as a means to establish appropriate regulations for the commercial cultivation, storage, sale and dispensing of medical marijuana within the Town.

Final State regulations addressing the allowance of medical marijuana were adopted by the Massachusetts Department of Public Health in May 2013. These regulations are comprehensive and establish the following: common terms and definitions; registration requirements for physicians; procedures for patient qualification and registration; procedures for Personal Caregiver registration; responsibilities, registration requirements and operational restrictions for Dispensaries and Agents (specific requirements for security, signage, cultivation, production of products, storage, sale, etc...); and registration requirements and operational restrictions for Hardship Cultivation. Furthermore, the Attorney General has indicated that while a temporary moratorium is allowed, the out-right ban of medical marijuana dispensaries (known in the State regulations and in the proposed Zoning Bylaw amendments as "Registered Marijuana Dispensaries" or "RMDs") is prohibited; additionally, the Attorney General has indicated that

localities are prohibited from requiring Special Permits for State-permitted residential Hardship Cultivation.

Based on the above, the Working Group determined that the only land use impacts (things that are commonly addressed through regulation by the Zoning Bylaw) permissible to be regulated by the Town would be those associated with the location of RMDs, and therefore identified procedures and additional regulations to apply to RMDs if proposed within the Town. There are other potential impacts that are best addressed by Health and Police Department regulations, which may be considered separately from this Article. While the State's regulations are wide-ranging, the proposed amendments apply the following additional local regulations on Registered Marijuana Dispensaries: allows RMDs only within underlying commercial zoning districts and prohibits the use in all other districts; requires a Special Permit to be reviewed and issued by the Board of Selectmen as Special Permit Granting Authority; establishes a required 500 foot setback for RMDs from schools, childcare facilities and other establishments primarily serving minors; establishes additional location, configuration & operation, signage, and security requirements; and establishes a specific procedure and required findings for the issuance of Special Permits.

The Planning Board supports the direction recommended by the Working Group and requests favorable action by Town Meeting on this article. The Planning Board is cosponsoring this article with the Board of Selectmen.

### **Planning Board**

Jeanne Conroy, Chair  
Sara Preston, Vice Chair  
Deborah Carpenter, Secretary  
Neal Glick  
Catherine Johnson

## REPORT OF THE SINGLE BUILDING HISTORIC DISTRICT STUDY COMMITTEE

Article 33

Final Recommendation - Adoption

In accordance with the provisions of Chapter 40C of the General Laws of the Commonwealth of Massachusetts, a Single Building Historic District Study Committee was established by the Board of Selectmen (as recommended by the Historical Commission, Historic District Commission, and Planning Board) to study the establishment of two (2) single building historic districts at 26 Elmwood Road and 126 Woodlawn Avenue. As further required by Chapter 40C, the Study Committee prepared a report on the properties, submitted the report to the Massachusetts Historical Commission for endorsement (granted on February 12, 2014), and conducted a public hearing on the report (jointly with the Planning Board on February 24, 2014). The Study Committee is required to submit the Final Report, including its recommendations, a map of the proposed districts, and a draft of the proposed bylaw (motion under Article 33) to Town Meeting. Town Meeting and all other interested persons may review the Final Report here: [http://www.wellesleyma.gov/Pages/WellesleyMA\\_Planning/projects/2014SBHD/FinalReport.pdf](http://www.wellesleyma.gov/Pages/WellesleyMA_Planning/projects/2014SBHD/FinalReport.pdf) or may contact the Planning Department staff to review or receive a hardcopy of the Final Report.

To effect the recommendation of the Final Report to establish Single Building Historic Districts for 25 Elmwood Road and 126 Woodlawn Avenue, the Study Committee recommends favorable action by Town Meeting on Article 33, cosponsored by the Historical Commission and the Planning Board.

### **Single Building Historic District Study Committee**

Helen Robertson, Chair  
David Wright, Vice Chair  
Joel Slocum  
Maureen Cary  
Joshua Dorin  
Catherine Johnson

**REPORT OF THE SUSTAINABLE ENERGY COMMITTEE**  
*and*  
**PROPOSED 2020 GOAL FOR EMISSIONS REDUCTIONS**

Town Meeting established the Sustainable Energy Committee (SEC) in 2010, to lead efforts to accomplish the goal adopted at the 2009 annual Town Meeting to reduce Town-wide greenhouse gas emissions 10% below 2007 levels by 2013, to monitor and report progress toward that goal, and to propose further goals for emissions reductions to Town Meeting. Through 2013, the SEC estimates that Town-wide emissions have declined 9.7 percent, just short of the target because of the minimal reduction in the transportation sector. All other sectors exceeded the 10 percent goal. The SEC is asking this Town Meeting to adopt a new goal to reduce Town-wide emissions 25 percent below 2007 by 2020.

**Measurement of 2013 Emissions and Trend**

Each year the SEC measures the Town’s “carbon footprint” and tracks the change against earlier years. This carbon footprint measurement 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 electric and natural gas use by households and businesses, and estimates for heating oil consumption, fuel efficiency in the transportation sector and the conversion factors that translate energy use into greenhouse gas emissions. The methodology is guided by the U.S. Community Protocol for Accounting and Reporting of Greenhouse Gas Emissions established October 2012 and calculated using ICLEI – Local Governments for Sustainability CACP 2009 software.

This carbon footprint calculation shows that between 2007 and 2013 every sector except transportation exceeded the 10 percent goal. The estimated decline in the non-transportation sectors in aggregate is 13.7%. However, because the large transportation sector lagged significantly, total emissions are estimated to have declined 9.7% over the period.

**CHANGE IN EMISSIONS (eCO<sub>2</sub>) FROM 2007 TO 2013 (000 tonnes)**

<b>Electricity/ Natural Gas/ Fuel Oil</b>	<b>Share of Total 2013 Emissions</b>	<b>2013 Emissions</b>	<b>2007 Emissions</b>	<b>Percent Change</b>
Residential	31.6%	115,314	132,862	-13.2%
Commercial	13.9%	50,773	57,922	-12.3%
Colleges	10.5%	38,434	45,885	-12.3%
Municipal	2.1%	7,684	9,234	-16.8%
<b>Building Subtotal</b>	<b>58.2%</b>	<b>212,205</b>	<b>245,903</b>	<b>-13.7%</b>
Waste	0.5%	1,781	2,027	-12.1%
Gasoline/Diesel	41.3%	150,715	155,968	-3.4%
<b>Total Emissions</b>	<b>100%</b>	<b>364,701</b>	<b>403,898</b>	<b>-9.7%</b>

**25 Percent by 2020**

The SEC proposes that Town Meeting adopt a new goal for 2020 of 25 percent below 2007, as the next step toward a longer-run target to reduce Town-wide greenhouse gas emissions 80 percent below 2007 by 2050. To accomplish this goal requires an increase in the annual average rate of reduction from the 1.7 percent achieved between 2007 and 2013 to 2.6 percent in the years from 2013 to 2020.

### **Context**

A broad consensus of environmental scientists concur that it is necessary to reduce worldwide greenhouse gas emissions 80 percent by 2050 in order to avoid severe consequences from climate change. This goal has been adopted by the Commonwealth of Massachusetts and many other governments and institutions as the basis for their efforts.

Wellesley is a leader in adopting a Town goal. Only a few peer communities have done so. A few comparisons are available:

Brookline	25% below 1990 by 2020
Newton	20% below 1998 by 2020
Massachusetts	25% below 1990 by 2020
Babson College	50% below 2005 by 2020

### **Attainability**

The SEC's intent is to set a stretch goal which will motivate and focus community initiatives and which is challenging but can be achieved with persistent effort. The difficulty of achieving 25 percent by 2020 can be viewed in several ways—as individuals, as a community, and by sectors.

For individual families or businesses, a reduction of 25 percent is easy to achieve. Many already have done so, or have at least begun the process, as demonstrated by the residential sector reduction of 13.2 percent since 2007. Everyone will have further opportunities to reduce between 2013 and 2020. During this seven year period most families and businesses will need to replace some of their appliances and electronics, and they will have a choice among models that are more efficient than the item they are replacing, including many models that are significantly more efficient than Energy Star standards. Those who already use CFL light bulbs can find further reductions with new LED lighting options. Those who need to replace longer-lived items such as furnaces can achieve even more substantial reductions with the choice of energy efficient models. A home energy assessment is a great first step to identify the most effective opportunities for an individual family or building owner. In addition, many will replace a vehicle during the next seven years and have the opportunity to significantly reduce auto emissions, whatever class of vehicle they need.

As a community goal, 25 percent is a greater challenge because if some members do not achieve 25 percent then others must achieve more. So the challenge for the SEC becomes finding the best ways to reach the largest number of people and motivate them to action. In this regard, reducing the carbon footprint is a bit like public health campaigns. Many people know the importance of a healthy diet and exercise and know what changes they need to make but good intentions do not always yield the necessary daily action. Similarly, many people who agree with the goal of sustainability find other activities taking priority over meeting with the home energy assessor or hiring a contractor to install insulation. However, reducing one's carbon footprint is less difficult than healthy living lifestyle changes in that results can be achieved with one-time actions—installing a programmable thermostat to turn down the heat at night or choosing a car that gets more miles to the gallon—which continue to improve efficiency for many years without further effort.

Turning to the sector analysis, the proposed target of 25 percent reduction by 2020, is based on different expectations for transportation and for the building sectors (use of electricity, natural gas and heating oil by residences, businesses, the colleges and municipal government) and waste. Looking first at the lagging **transportation sector**, several factors support an expectation of more rapid reductions in carbon emissions from 2013 to 2020 than has been

achieved to date. Corporate Average Fuel Economy (CAFE) standards adopted by the National Highway Transportation Safety Board will require more rapid annual increases in average miles per gallon for new cars, beginning in 2016, than have been achieved in the 2007– 013 period. These standards will result in many more choices for fuel-efficient cars, whether gasoline-powered, hybrid, electric, or fuel cell. Technologies such as regenerative braking, continuously variable transmission, turbocharged direct injection, and cylinder deactivation will be used more widely to raise fuel efficiency in gasoline powered vehicles.

In addition to improvements in miles per gallon, improvements in automobile air conditioning systems, developed to meet EPA requirements, will contribute to the reduction in auto emissions. The pace of auto emissions reduction increased significantly in 2013 compared with earlier years, reflecting, we believe, both a faster pace of automobile replacement, following a slow period during the recession, and the availability of an increasing number of models that already meet the 2016 standards. We think that a 15 percent reduction or more in auto emissions from 2007 levels is a reasonable expectation for 2020. This could be achieved with a 10 percent turnover per year and a 15 – 20% increase in average miles per gallon for new vehicles versus the ones they replace.

Also, the SEC expects to be able to improve the measurement of Wellesley auto emissions during this period. The Registry of Motor Vehicles has committed to provide aggregate data on automobiles registered in Wellesley by class and miles driven which would enable us to measure based on local data rather than national data as done currently. Local measurement would enable us to capture the impact of local initiatives such as the recently introduced in-town bus service and efforts to enhance the attractiveness and safety of walking and biking. Planned improvements in the frequency and reliability of the MBTA Framingham-Boston line offer another opportunity to promote increased use of public transportation.

Looking at the **use of electricity, natural gas and fuel oil by the residential, commercial, municipal and college sectors**, the SEC estimates that a reduction of more than 30 percent in emissions from these sources is attainable by 2020. Through 2013, the annual average rate of reduction in emissions from these sectors is estimated to be 2.4 percent. To achieve a 30 percent reduction by 2020, these sectors need to average an annual rate of reduction of three percent, a rate already achieved by the municipal sector between 2007 and 2013. Multiple factors contribute to our expectation that faster reductions in emissions can be achieved in these sectors, including:

- The growing impact of the stretch building code, first effective in January 2012, as each year adds more new homes and additions that meet the requirements. Furthermore, the state has pledged to revise the stretch code every three years to incorporate new opportunities for efficiency, so that homes built later in the period leading to 2020 will be even more efficient.
- Leadership from Babson and Wellesley colleges and the municipal sector. Babson College has set a goal to reduce its carbon emissions 50 percent by 2020. Wellesley College is setting a LEED silver criteria as the minimum requirement for its new building projects, with an intention to exceed that level on at least some projects, and is exploring opportunities for a solar installation. In the municipal sector, the creation of the Town's Facilities Maintenance Department and addition of an energy manager is bringing sustained attention to improving municipal HVAC and lighting systems, with many improvements included in the five-year capital plan. A new municipal energy control system facilitates quick identification and repair of problems, and assessment of priorities for action. The Municipal Light Plant is continuing to install more efficient street lights and is offering a rebate on solar PV installations in 2014.

- A 2014 initiative of the Municipal Light Plant in cooperation with Representative Alice Peisch to amend legislation controlling the distribution of funds from the Regional Greenhouse Gas Initiative to include qualifying municipal light plants among fund recipients. This proposed legislation has the potential to bring more than \$200,000 to the Town annually to fund energy efficiency initiatives.
- Continued conversion of homes from the use of heating oil to natural gas, which emits 30 percent less greenhouse gas per unit of heat, encouraged by a continued lower price for natural gas.
- Improved market offerings for efficient lighting, TVs, cable boxes, computers, appliances.
- Increased community support and engagement, encouraged by increasingly effective collaboration among the many groups in Town focused on sustainability and recently joined into the Wellesley's Green Collaborative network.

### **Implications for the Future**

Achievement of the 2020 goal will be a cause for celebration and put Wellesley in a leadership position within the state. However, it should not lull us into complacency. The Town will need to significantly speed up the rate of reduction in the years following 2020 in order to achieve a total reduction of 80 percent by 2050. Assuming we were to exactly achieve the 2020 goal, we estimate that it would require an annual average rate of reduction of more than four percent per year during the thirty year period from 2020 to 2050 to be 80 percent below 2007 emission levels by 2050. Therefore we have every incentive to meet and exceed the 2020 goal, so that we do not leave too much to be accomplished in the years after 2020.

### **Committee Activities in 2013 and 2014**

In 2013, the Committee led a **POWER TO SAVE** campaign which resulted in approximately 400 homeowners obtaining a free home energy assessment, a good first step to identify the most cost-effective improvements to home energy use. The SEC also led the formation of Wellesley's Green Collaborative to strengthen coordination among municipal committees focused on sustainability and civic organizations including Sustainable Wellesley, School green teams, garden clubs, and faith groups. This network now includes more than 20 organizations in Town. In the municipal sector, the SEC is working with the Facilities Maintenance Department and the Wellesley Public Schools to design a pilot Occupant Behavior program at the Middle School, for implementation in the fall of 2014.

For 2014 the SEC's **More POWER TO CHOOSE** campaign offers residents a menu of five options for reducing their carbon footprint. A quick first choice is to view a thermal image of one's house showing the areas of heat loss on a cold winter night. The homeowner, and only the homeowner, can obtain this image at [www.wellesleypowertochoose.com](http://www.wellesleypowertochoose.com). From this same site, one can sign up for a free home energy assessment, contact a contractor to begin implementing the improvements identified in the assessment (often substantially funded with incentives from National Grid for homes heated with natural gas), sign up to obtain electricity from renewable energy through the Municipal Light Plant. And, for the first time, obtain a quick assessment of how suitable one's home is for the installation of solar PV and the opportunity to participate in a group solar purchase which offers the potential for a discounted price.

To improve the process of monitoring progress, the SEC is exploring several improvements to the model used to estimate Town-wide emissions, including both a new method of calculating transportation emissions and a method of estimating the impact of unusual weather on energy use and emissions.

Finally, the Committee will foster the expansion and effectiveness of the Green Collaborative network.

### **Challenges**

Wellesley's 30 year history as a Tree City, maintenance of its open spaces, and outstanding recycling and disposal facility are testament to the Town's commitment as a "green" community. The overarching challenge to attaining the 2020 goal is to expand this culture of sustainability to make reducing our contribution to climate change an equal value that informs our decisions and actions. This value would be expressed by making energy efficiency an important criteria in consumer and business purchases, developing everyday habits that eliminate "vampire" use, paying the premium for renewable energy or more efficient vehicles where we can. The challenge for the SEC is to find the messages and programs that engage a wider and wider swath of citizens and businesses in these actions to take full advantage of the opportunities as technologies and market choices improve.

As we enter a second phase, with a 2020 time horizon, we will need to find ways of maintaining focus and commitment. We have been lucky in the leadership at Town Hall, at the MLP, on the Board of Selectmen, the SEC, Green Schools, Sustainable Wellesley and other groups. It will be important to replenish this leadership and sustain momentum throughout the planning period. Finally, it must be acknowledged that the 2020 plan is only an interim step toward a longer range goal and will not be the end of this effort. The most widely accepted goal, adopted as the Massachusetts State goal and widely deemed necessary to avoid severe damage from climate change, is to reduce emissions 80 percent by 2050. Achieving this longer-range goal will require even faster reductions in emissions in the decades following 2020; achieving our 2020 goal will not be grounds for complacency.

### **SUSTAINABLE ENERGY COMMITTEE**

Ellen Korpi, Chair  
Scott Bender  
Diane Campbell  
Ellen Gibbs  
Katharine Gibson  
Laura Olton  
Tere Ramos  
Stephen Tolley

## APPENDIX A: TOWN MEETING ACRONYMS

AC	Advisory Committee
ADA	Americans with Disabilities Act
ATM	Annual Town Meeting
BOH	Board of Health
BOS	Board of Selectmen
BPW	Board of Public Works
CB	Circuit Breaker
COA	Council on Aging
COLA	Cost of Living Adjustment
CPA	Community Preservation Act
CPC	Community Preservation Committee
DAS	Distributed Antenna System
DEP	Department of Environmental Protection
DOR	Department of Revenue
DPW	Department of Public Works
DRB	Design Review Board
ELL	English Language Learner
FAR	Floor Area Ratio
FBPC	Fuller Brook Park Committee
FBPCC	Fuller Brook Park Coordinating Committee
FF&E	Furniture, Fixtures and Equipment
FMD	Facilities Maintenance Department
FTE	Full-Time Equivalent
FY	Fiscal Year
GIS	Geographic Information Systems
HDC	Historic District Commission
HRB	Human Resources Board
HVAC	Heating, Ventilation and Air Conditioning
ID	In District
IDEA	Individuals with Disabilities Education Act
IEP	Individualized Education Plan
MGL	Massachusetts General Laws
MLB	Municipal Light Board
MLP	Municipal Light Plant
MSBA	Massachusetts School Building Authority
MWRA	Massachusetts Water Resources Authority
MWRTA	MetroWest Regional Transit Authority
NIS	Network and Information Systems
NCD	Neighborhood Conservation District

NRC	Natural Resources Commission
OOD	Out of District
OPEB	Other Post-Employment Benefits
P&S	Purchase & Sale
PAWS	Preschool at Wellesley Schools
PB	Planning Board
PBC	Permanent Building Committee
PFTP	Playing Fields Task Force
PSI	Project of Significant Impact
RDF	Recycling and Disposal Facility
SBHDSC	Single Building Historic District Study Committee
SC	School Committee
SEC	Sustainable Energy Committee
SFC	School Facilities Committee
SFMP	School Facilities Master Plan
SMMA	Symmes, Maini, McKee & Associates
SPGA	Special Permit Granting Authority
SRD	Single Residence District
STEM	Science, Technology, Engineering and Mathematics
STM	Special Town Meeting
TA	Teaching Assistant
TDRT	Town Development Review Team
TGSC	Town Government Study Committee
TM	Town Meeting
TMM	Town Meeting Member
TPC	Tolles-Parsons Center
TWFP	Town-Wide Financial Plan
WCC	Wellesley Community Center
WCRS	Wellesley Contributory Retirement System
WFL	Wellesley Free Library
WHA	Wellesley Housing Authority
WHC	Wellesley Historical Commission
WHDC	Wellesley Housing Development Corporation
WHS	Wellesley High School, Wellesley Historical Society
WMS	Wellesley Middle School
WPC	Wetlands Protection Committee
WPS	Wellesley Public Schools
WSCD	Wellesley Square Commercial District
WSHG	West Suburban Health Group
WSVD	West Suburban Veterans District
ZBA	Zoning Board of Appeals

## **APPENDIX B: TEACHER COMPENSATION**

### **March 2014 Update**

This Appendix provides detailed information on the current salary schedule for Wellesley's teachers, professional support staff and nurses; the contractual step and lane system used in WPS; and teacher profiles showing how our current staff is distributed in both FTEs and salary across steps and lanes. Comparative salary information for Wellesley and other towns is also included. Note that the salary schedule for the Wellesley Teachers Unit A is from the contract that expired June 30, 2013.

#### **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 expired 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 FY15 for the majority of School Department personnel will be subject to collective bargaining. FY15 salary budgets have been prepared by simulating the continuation of the current steps and lanes system with some additional provision for a contract settlement. All teachers moving up a step through Step 15 will receive an increase of 4.17% in FY15. 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 Adjustment (COLA).

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. For each step, a lane increase from Bachelor's to Master's is worth an additional 10.2% increase in compensation; from Master's to Master's + 30 is worth 7.7%, and from Master's + 30 to Master's + 60 or Doctorate is worth 7.0%.<sup>79</sup>

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<sup>79</sup> Master's + 30 means that the teacher has successfully completed a Master's degree and has received sufficient additional graduate semester credits from regionally accredited colleges or universities so as to total 60 graduate semester credits (including the 30 credits within the Master's degree itself). Master's + 60 teachers have received 90 graduate semester credits.

### Longevity and Stipends

In FY15, 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 or 3% of their base salary, whichever is less. The total spending for longevity stipends is budgeted to increase by about \$25,000 in FY15. 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. Because the School Department is currently in contract negotiations, they used the FY13 salary schedule to create the FY15 budget for all teachers and staff in Unit A.

Step	WTA UNIT A SALARY SCHEDULE FY13			
	Bachelor's	Master's	Master's+30	Master's+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 FY15 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	1.00	3.00	0.20		4.20	0.9%
2	4.00	7.20	1.00		12.20	2.5%
3	4.30	13.60	1.00		18.90	3.9%
4	3.00	5.00	1.70		9.70	2.0%
5	1.00	7.40	4.00		12.40	2.6%
6	1.00	5.30	2.00	2.00	10.30	2.1%
7	2.00	9.10	4.00	4.00	19.10	4.0%
8		19.60	1.00	2.80	23.40	4.9%
9	1.00	13.00	3.50	5.42	22.92	4.8%
10		7.80	6.50	4.00	18.30	3.8%
11	2.00	6.50	7.00	5.20	20.70	4.3%
12	1.00	8.50	16.70	10.00	36.20	7.5%
13	1.00	6.00	4.50	8.00	19.50	4.1%
14	1.10	13.60	7.50	9.20	31.40	6.5%
15		4.00	6.70	5.80	16.50	3.4%
16	9.50	45.91	51.50	97.45	204.36	42.6%
<b>TOTAL FTEs</b>	<b>31.90</b>	<b>175.51</b>	<b>118.80</b>	<b>153.87</b>	<b>480.08</b>	
<b>%</b>	<b>6.6%</b>	<b>36.6%</b>	<b>24.7%</b>	<b>32.1%</b>		<b>100%</b>

Wellesley teachers are highly educated and very experienced. Under the Steps and Lanes system, 42.6% of all FTEs in Unit A have attained the top step (Step 16), and the balance (just under 58%) are granted the annual automatic increases driven by the Steps and Lanes system described above. Further, 56.8% of all teachers have attained an educational level of Master's Degree plus 30 hours or higher.

The compensation table below reflects the FTEs (480.08, inclusive of new positions) in Unit A by Step and Lane and the total compensation breakdown, as estimated by advancing current staff through their anticipated FY15 Step and Lane assignments.<sup>80</sup>

Step	BA	MA	MA+30	MA+60/ PhD	TOTAL \$ COMPENSATION
1	44,351	146,685	10,534	0	201,570
2	184,792	366,710	54,864	0	606,366
3	206,929	721,534	57,150	0	985,613
4	150,384	276,325	101,203	0	527,912
5	52,217	426,003	248,044	0	726,264
6	54,393	317,825	129,192	138,226	639,636
7	113,316	568,432	269,144	287,976	1,238,868
8	0	1,275,333	70,089	209,986	1,555,408
9	61,478	881,140	255,532	423,400	1,621,549
10	0	550,711	494,332	325,496	1,370,539
11	133,416	478,043	554,540	440,768	1,606,766
12	69,488	651,185	1,378,101	882,950	2,981,724
13	72,383	478,806	386,820	735,792	1,673,801
14	82,939	1,130,514	671,565	881,424	2,766,442
15	0	346,356	624,922	578,834	1,550,113
16	753,597	4,015,059	4,851,558	9,822,668	19,442,881
<b>TOTAL</b>	<b><u>\$1,979,683</u></b>	<b><u>\$12,630,661</u></b>	<b><u>\$10,157,590</u></b>	<b><u>\$14,727,520</u></b>	<b><u>\$39,495,451</u></b>

This table compares the profile of WPS teachers over a period of four years. With a high 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 \$39,495,451 which is 70.9% of the FY15 Personal Service budget and 62.2% of the entire WPS FY15 Budget request.

Wellesley Teacher Profile <sup>81</sup>						
Years of Experience (Step)	FY10	FY11	FY12	FY13	FY14	FY15
Steps 1 to 5	11%	9.5%	11.8%	10.4%	7.5%	12.0%
Steps 6 to 12	37%	36.4%	35.4%	35.8%	32.1%	31.4%
Steps ≥ 13	52%	54.1%	52.8%	53.8%	60.4%	56.6%
Median Step	13	13	14	14	14	14
<b>Education</b>						
Bachelors	8%	7.6%	7%	6.6%	6.7%	6.6%
Masters	42%	42.3%	36.8%	36.4%	35.5%	36.6%
Masters+30 credits or Masters+60 Credits/Doctorate <sup>82</sup>	50%	50.1%	55.3%	55.9%	57.8%	56.8%

<sup>80</sup> Table excludes any consideration of Cost of Living Adjustments (COLA).

<sup>81</sup> In FY10 and FY11, there were 15 steps. In FY12 and beyond, there were 16.

<sup>82</sup> For FY15 the "Master's+30" accounts for 43.6% of the teachers in this category; the "Master's+60 /PhD" accounts for 56.4% of the teachers.

### Comparison to Teacher Salaries in Other Towns

In the table below, Wellesley's teachers' salaries for FY14 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: Master's, Master's plus 30 credits and Master's plus 60 credits/Doctorate. 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 Bachelor's lane, which includes 6.6% of Wellesley teachers; also, this table excludes the effect of longevity stipends.

Competitive Salary Schedules for FY14												
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	50,595	4	88,979	4	53,369	4	93,396	7	56,481	4	98,530	7
Brookline	53,128	1	87,729	5	56,386	1	94,544	5	59,577	1	100,932	5
Concord	49,123	5	93,845	2	51,638	9	98,659	2	55,515	9	106,057	3
Conc/Carlisle	52,355	2	95,675	1	55,038	2	100,583	1	59,168	2	108,127	1
Lexington	47,784	10	84,050	9	50,599	10	89,438	9	53,473	11	97,106	9
Natick	48,248	8	75,241	11	53,073	5	82,764	11	58,513	3	91,249	11
Needham	47,967	9	83,473	10	51,668	8	88,046	10	55,116	10	93,521	10
Newton	48,691	7	85,644	8	52,332	7	92,377	8	55,690	8	98,273	8
Wayland	45,696	11	87,062	7	50,273	11	95,783	4	55,849	7	106,406	2
Wellesley *	48,895	6	87,455	6	52,670	6	94,205	6	56,353	5	100,797	6
Weston	50,654	3	90,629	3	53,514	3	96,632	3	56,107	6	100,985	4

\*NOTE: All figures reflect FY14 settlements except Wellesley.

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 42.6% of Wellesley's teachers are at the maximum step and only 0.9% are at the minimum step, the most relevant comparisons are at the top step. For the top steps in the three lanes under comparison, Wellesley is ranked sixth in each case.

On an aggregate basis, the Wellesley salary scale is most comparable to Newton's and Belmont's. To remain competitive, the Administration's goal is to maintain compensation above the midpoint of peer communities. With current salaries and continuing with steps and lanes based on the expired contract, Wellesley ranks in the middle of these eleven communities.

## **APPENDIX C: SPECIAL EDUCATION PROGRAMS**

### **March 2014 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 (ID) specialized programs and Out-of-District (OOD) programs and services<sup>83</sup> are needed to meet the needs of a growing population of students with disabilities.

After an extensive evaluation by a team of special education professionals and parents, an Individual Education Program (IEP) is developed for each student who requires services. The IEP is a binding contract between the school and the parents, outlining the specialized services that student will receive and the benchmarks which must be met. 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 public 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. Of the 944 students in FY15 projected to be on an IEP, most of them (877) have needs that can be met within the WPS system in ID programs; the remaining students (67) are educated through OOD placements. The overall numbers of students on IEPs has increased 12.6% in FY15 but the number educated OOD has remained steady (up 1.5%). The Special Education budget of \$18,106,640 for FY15 actually represents a decrease of 0.4% from FY14 and is approximately 28.5% of the school budget.

The population of students with disabilities is growing, with increasing numbers of students identified each year through early intervention programs. A number of these students present with significant disabilities, including medically-fragile children, multi-handicapped children, and children with autism spectrum disorder, as well as students with significant emotional and/or behavioral issues.

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. Because federal Special Education law requires that school districts provide services in the Least Restrictive Environment (LRE)<sup>84</sup>, WPS is mandated to educate students, to the greatest extent appropriate, within general education environments. Related services, which allow these students to remain within the public school setting, can include therapies (such as occupational or physical therapy) and counseling. Students may receive ID services in preschool (at PAWS, a specialized preschool program), at their local elementary schools, or through a specialized program housed at one of the elementary schools, WMS or WHS.

If the Town has a cohort of students with similar low incidence specialized needs, new Specialized Programs are developed whenever possible. By developing ID programs, Wellesley meets the mandate of LRE and creates cost efficiencies by avoiding OOD Placement tuitions and extensive transportation costs. When ID placement isn’t possible, the school helps find and

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<sup>83</sup> Out-of-District services typically include screening and evaluation, speech/language and physical therapy, and psychological services.

<sup>84</sup> The Least Restrictive Environment requires students with disabilities to be educated with children who do not have disabilities (to the maximum extent appropriate), which may require supplementary aids and services.

pay for an OOD placement for students between the ages of 3 and 22. Those placements can range from other public (collaborative) schools, private day schools and private residential schools. Tuition for a private day school setting is often extremely expensive, ranging from \$37,112 to over \$131,703, and residential schools can range from \$87,324 to \$311,775. The State Division of Purchased Services sets annual tuition rates for these services.

The Special Education budget is developed based on the needs of each student's IEP. ID costs include all expenses incurred for students educated in the Wellesley Public Schools. OOD expenditures include tuitions and transportation costs for Special Education students educated outside the WPS system. 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 individually 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.

### **WPS Specialized Programs**

The WPS 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 OOD 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. 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.

The current WPS Specialized Programs are:

#### **PAWS – Preschool at Wellesley Schools**

- Students with significant developmental delays

#### **Elementary Programs by school:**

- Schofield – Language-based Program for traits and characteristics of dyslexia
- Hunnewell – Therapeutic Learning Center for emotional/social needs
- Upham – Skills for Autism Spectrum
- Sprague – Integrated Specialized Services for disabilities that cross domains

#### **Wellesley Middle School**

- Language-based Program for traits and characteristics of dyslexia
- Therapeutic Learning Center for emotional/social needs
- Skills for Autism Spectrum
- Integrated Specialized Services for disabilities that cross domains

#### **Wellesley High School**

- Language-based Program for traits and characteristics of dyslexia
- Integrated Specialized Services for disabilities that cross domains
- Gateways Program to assist students with emotional needs
- Launch Program for students aged 18-22 who will not receive a High School diploma to prepare those students for adult life

### **In-District and Out-of-District Transportation**

The state mandates that Special Education students who require transportation to an ID or OOD Placement (either because of the nature of their disabilities or because their programs are located outside their neighborhood school districts) must be provided with it. Salaries for transportation include the Transportation Coordinator, transportation attendants and van drivers for the school's thirteen vans and are included in Personal Services. Vehicle-related expenses associated with the van program (fuel, maintenance, etc.) and outside vendor transportation services are included in Expenses.

### **Funding Special Education**

Budgeting for all of the Special Education programs, including the OOD tuitions, are 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, both State and Federal, provide substantive offsets.

### **State Funding (Circuit Breaker)**

In FY04, the Massachusetts State legislature funded the Circuit Breaker (CB) 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 FY15 budget assumes a reimbursement rate of 70% of the cost to educate any student above a threshold, which equals four times the statewide average per pupil cost. Since its inception, the CB funding percentage has ranged from a low of 40% to a high of 72%. The FY14 CB threshold is \$40,512 and is projected to increase to about \$42,000 in FY15, a 4% increase which is consistent with recent trends.

CB funding is subject to the following limitations: it does not reimburse any transportation costs and it is calculated on a child-by-child basis, not on an aggregate basis. Therefore, CB funding is triggered only if an individual child's costs exceed the threshold. For example, if the town paid \$70,000 tuition for a student to attend an out-of-district institution, and the state were to reimburse 70% of the \$28,000 cost above the threshold of \$42,000, the town would pay \$50,400 and the state would cover \$19,600 for this student's placement.

In addition, the School Department may apply for "extraordinary relief" under the CB funding program if the current year "CB 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.

### **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 (IDEA Grant) – This federal entitlement grant currently funds 2.1 full-time equivalent (FTE) professional education staff (up from 1.1 FTE in FY13) and 34.76 FTE teaching assistants (down from 35.5 FTE in FY13). The

FY14 grant total is \$1,078,801, a decrease of \$45,923 over FY13, or just over 4%. In addition to the salaries, the grant also covers the costs associated with retirement and other benefits. The FY15 budget assumes no change from FY14, which would be sufficient to maintain this level of staffing.

- Early Childhood-Special Education Allocation – This federal entitlement grant funds a 1.00 paraprofessional as it did in FY13 and FY14. The FY15 budget assumes a grant level of \$28,326 which is unchanged from FY14 and \$1,383 less than FY13.
- Program Improvement Grant – This grant, in the amount of \$21,302 in FY14, 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 Program Improvement Grant was \$15,905 less than the FY13 grant; the FY15 budget request assumes the FY14 level of funding.

**APPENDIX D: ARTICLE 34 MOTION 1 LANGUAGE**  
**March 11, 2014 Draft**

**ARTICLE: 34 - Registered Marijuana Dispensaries**

To see if the Town will vote to amend the Zoning Bylaw to define and/or regulate the location, use, acquisition, commercial and home cultivation, processing, transfer, transport, sale, distribution, and/or dispensing of medical marijuana and to define and regulate Registered Marijuana Dispensaries in the Town as authorized under 105 CMR 725: Implementation of an Act for the Humanitarian Medical Use of Marijuana; or 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.

**MOTION: 1**

That the Zoning Bylaw be amended, as follows, to define and regulate Registered Marijuana Dispensaries in the Town, establishing regulations for the location, operation, and permitting of such uses, thereby reasonably allowing such uses as authorized under the *Act for the Humanitarian Medical Use of Marijuana* and Massachusetts Department of Public Health regulations 105 CMR 725.000: *Implementation of an Act for the Humanitarian Medical Use of Marijuana*; the following amendments shall not be effective until July 1, 2014 and Section XVIG, *Temporary Moratorium on Medical Marijuana Treatment Centers*, of the Zoning Bylaw shall not be rescinded until such date.

- **By amending Section IA., *Definitions*, of the Zoning Bylaw, to add the following term and definition in alphabetical order:**

Registered Marijuana Dispensary - A not-for-profit entity and use registered under 105 CMR 725.100, and previously known as a Medical Marijuana Treatment Center, which may acquire, cultivate, possess, process (including development of related products such as edible Marijuana-Infused Products (“MIPs”), tinctures, aerosols, oils, or ointments), transfer, transport, sell, distribute, dispense, and/or administer marijuana, products containing marijuana, related supplies, and/or educational materials to registered qualifying patients or their personal caregivers. Also referred to herein as “RMD” or “RMDs”. Not to include non-medical dispensaries.

- **By additionally amending Section IA., *Definitions*, of the Zoning Bylaw, by deleting the definition of the term “Special Permit Granting Authority” and inserting the following definition therefor:**

Zoning Board of Appeals except as otherwise designated by this Zoning Bylaw for the granting of special permits. For the review and issuance of special permits for Registered Marijuana Dispensaries, as allowed by this Bylaw and established in Section XXV, B., 5., b., the Board of Selectmen shall act as the Special Permit Granting Authority. For the purposes of SECTION XIVB. FLOOD PLAIN OR WATERSHED PROTECTION DISTRICTS., SECTION XIVE. WATER SUPPLY PROTECTION DISTRICTS., and SECTION XVIA. PROJECT APPROVAL., the Planning Board shall act as the Special Permit Granting Authority for subdivision applications processed under the provisions of the Subdivision Control Law (Chapter 41, Sections 81K - GG M.G.L.) and for approval of projects of significant impact. When the Planning Board is acting as Special Permit Granting Authority, the chairman may call upon the associate member to sit on the Board for the purposes of acting on an application, in the case of absence, inability to act, or conflict of interest on the

part of any member, or in the event of a vacancy on the Board. The provisions for filling the position of associate member shall be governed by Article 45 of the Town Bylaws.

- **By amending Section II., *Single Residence Districts, A., 8., b., of the Zoning Bylaw, by inserting the following language (not to include the quotation marks) between the words “purpose” and “provided”:***

“, not to include Registered Marijuana Dispensaries,”

- **By amending Section IX., *Administrative and Professional Districts, A., 2., of the Zoning Bylaw, by deleting the subsection in its entirety and inserting the following therefor:***

2. Administrative offices{ XE "office building, office park" }, clerical offices, statistical offices, professional offices, establishments for research and development, including light manufacturing{ XE "manufacturing" } incidental to such research and development, and any additional use for which a special permit may be obtained in accordance with SECTION XXV. after the determination by the Special Permit Granting Authority that the proposed use is similar to one or more of the uses specifically authorized by this SECTION IX. also, in connection therewith, the parking{ XE "parking" } of motor vehicles and such other accessory uses as are customary. Registered Marijuana Dispensaries shall be allowed with the issuance of a special permit in accordance with SECTION XXV and subject to additional provisions included therein.

- **By amending Section IX., *Administrative and Professional Districts, of the Zoning Bylaw, by adding a subsection “C.”, as follows, to ensure clarity and the continuation of existing regulations due to the preceding alteration:***

C. All uses shall be subject to conformity with the following requirements:

1. No building or other structure shall be erected or placed on a lot containing less than forty thousand (40,000) square feet in area.
2. No building or addition to any building shall be erected or placed on a lot which will result in the covering by buildings of more than 20% of the lot area.
3. No building or structure other than accessory buildings shall be located within fifty (50) feet of any property boundary line abutting a public or private way{ XE "private way, unaccepted street" } or within fifty (50) feet of any other property boundary line. No accessory buildings may be erected within thirty (30) feet of any such property boundary lines.
4. Off-street parking{ XE "parking" } shall be provided in accordance with SECTION XXI.
5. PROJECT APPROVAL. The provisions of SECTION XVIA. PROJECT APPROVAL. shall apply.
6. FLOOR AREA RATIO: The maximum floor area ratio{ XE "floor area ratio, FAR" } as defined in SECTION IA. DEFINITIONS. shall be 0.30.

- **By amending Section IXB., *Lower Falls Village Commercial District, B., 9., of the Zoning Bylaw, by adding an item “c.” as follows:***
  - c. Registered Marijuana Dispensaries
- **By amending Section IXC., *Wellesley Square Commercial District, A., 13., of the Zoning Bylaw, by adding an item “k.” as follows:***
  - k. Registered Marijuana Dispensaries
- **By amending Section XI., *Business Districts, A., 13., of the Zoning Bylaw, by adding an item “k.” as follows:***
  - k. Registered Marijuana Dispensaries
- **By amending Section XIII., *Industrial Districts, A., 11., of the Zoning Bylaw, by adding an item “c.” as follows:***
  - c. Registered Marijuana Dispensaries
- **By amending the Zoning Bylaw by deleting Section XVIG, *Temporary Moratorium on Medical Marijuana Treatment Centers*, in its entirety, and any reference thereto.**
- **By amending Section XXV., *Special Permit Granting Authority, B., of the Zoning Bylaw, by adding an item “6.” as follows:***
  - 6. Registered Marijuana Dispensaries
    - a. Purpose - The purpose of this subsection is to regulate the siting, design, placement, security, safety, monitoring, and modifications of Registered Marijuana Dispensaries (“RMDs”) within the Town of Wellesley to ensure that such uses are operated in a manner consistent with the overall health, welfare and safety of the Town in compliance with Chapter 369 of the Acts of 2012, *An Act for the Humanitarian Medical Use of Marijuana*, and 105 CMR 725.000: *Implementation of an Act for the Humanitarian Medical Use of Marijuana*, and to minimize the adverse impacts of RMDs on adjacent properties, residential neighborhoods, schools and other places where children congregate, and other land uses potentially incompatible with said RMDs.
    - b. Compatibility with State Laws - These regulations pertaining to RMDs are not intended to supersede state laws and/or regulations, including but not limited to Chapter 369 of the Acts of 2012, *An Act for the Humanitarian Medical Use of Marijuana*, and 105 CMR 725.000: *Implementation of an Act for the Humanitarian Medical Use of Marijuana*; rather, these regulations shall take precedence where they are more stringent, and where a matter is not addressed herein, compliance with 105 CMR 725.000 shall be required. Terms used herein not defined within the Zoning Bylaw shall be as defined in 105 CMR 725.000.
    - c. Applicability and Authority
      - i. Applicability:

- (1) No RMD use shall commence unless permitted by the issuance of a special permit as authorized by this Section and subsection.
  - (2) No special permit for an RMD use shall be issued unless the use is located in one of the zoning districts established within the Zoning Bylaw specifically authorizing such use.
  - (3) The establishment and operation of RMDs shall be subject to continued compliance with all special permits, including any conditions thereof, the provisions of this Section and subsection, any other applicable requirements of the Zoning Bylaw, and local and state laws and regulations.
  - (4) The commercial cultivation, production, processing, assembly, packaging, retail or wholesale sale, trade, distribution or dispensing of marijuana is prohibited unless permitted as an RMD as required and authorized by the Zoning Bylaw.
  - (5) Nothing in this Bylaw shall be construed to supersede federal and state laws governing the sale and distribution of narcotic drugs.
- ii. Authority: The Special Permit Granting Authority is empowered to review and take action on special permit applications for Registered Marijuana Dispensaries consistent with the procedures established in subsection C. of this Section; the Special Permit Granting Authority may deny, grant, or grant with conditions all such applications.
- d. General Regulations - All RMDs shall be subject to the following conditions and limitations:
- i. Location:
    - (1) No special permit for an RMD shall be granted where such use would be located within 500 feet of a:
      - a. Public or private elementary school, middle school, or high school;
      - b. Child care facility, including family daycare homes, daycare centers, and/or nursery schools; or
      - c. Any establishment catering to or providing services primarily intended for minors, as determined by the Special Permit Granting Authority.
    - (2) The 500 foot distance shall be measured in a straight line from the nearest point of the structure within which the RMD would operate (from the nearest point of the exterior of the tenant space if the RMD is located in a structure occupied by multiple tenant spaces), to the nearest point of any property on which a public or private elementary school, middle school, or high school is located, or to the nearest point of any structure containing or associated with other uses noted above.

- (3) The commencement of one or more of the above uses within 500 feet of a proposed RMD location during the review of a special permit application for an RMD (beginning on the date of submittal), following the issuance of a special permit, or following the commencement of the RMD use shall not invalidate the RMD use, the special permit issued therefor, or the ability to renew any unexpired or unrevoked special permit.

ii. Configuration and Operation:

- (1) An RMD shall be located in, and conduct all operations within, an enclosed building; this shall not prohibit operations involving the delivery or receiving of permitted goods and products, which may involve transfer to or from a motor-vehicle outside of an associated building.
- (2) All publicly accessible entrances shall be visible from a public way.
- (3) Drive-through windows and/or any interactions or sales to customers within vehicles are prohibited.
- (4) No RMD shall be located inside a building containing residential dwelling units, including transient housing, group housing, hotels, motels, lodging houses, and/or dormitories.
- (5) The hours of operation of RMDs shall be set by the Special Permit Granting Authority, but in no event shall an RMD be open to the public, performing deliveries, and/or otherwise operating between the hours of 8:00 PM and 8:00 AM; there shall be no exemptions to the prohibited hours of operation for emergencies.
- (6) No person under the age of eighteen (18) shall be permitted on the premises of the RMD unless he or she is a qualified patient or primary caregiver, or is accompanied by a parent or legal guardian.
- (7) No marijuana shall be smoked, ingested, or otherwise consumed on the premises of an RMD; the term "premises" includes all buildings, accessory structures, parking lots or parking areas, walks and/or other immediate surroundings located on the same lot/parcel as the RMD use.
- (8) All RMDs shall be ventilated in such a manner that no pesticides, insecticides or other chemicals or products used in cultivation or processing are dispersed into the outside atmosphere, and so that no odor from marijuana or its processing can be detected by a person with an unimpaired and otherwise normal sense of smell at the exterior of the RMD or at any adjoining use or property.

iii. Signage:

- (1) All signs associated with RMDs shall comply with 105 CMR 725.000 and Section XXIIA, *Signs*.
- (2) All special permit applications for RMDs shall include a proposed exterior sign package, which may be included as a condition of issuance of the

special permit.

- (3) For every publicly accessible entrance there shall be at least one (1) sign that includes the language "Registration card issued by the MA Department of Public Health required" with a minimum text height of two (2) inches.
- (4) Temporary signs and standard informational signs, as defined in Section XXIIA, *Signs*, shall be prohibited.

iv. Security:

- (1) RMDs shall provide the Wellesley Police Department, Inspector of Buildings and the Special Permit Granting Authority with the names, phone numbers and email addresses of all management staff and keyholders to whom one can provide notice if there are operating problems associated with the establishment; this information shall be updated when staff of the RMD changes.
- (2) No operator and/or employee of an RMD shall have been convicted of any felony under state or federal law.
- (3) Trash dumpsters shall be locked and enclosed by a screening enclosure so as not to be accessible to the public.
- (4) The exterior grounds, including the parking lot and landscaped areas, shall be lighted in such a manner that all areas are clearly visible at all times during business hours; all light fixtures shall have full cut off shields.
- (5) The RMD shall be equipped with, and the operators of such RMD shall maintain in working order at all times, burglary/robbery alarms.
- (6) A video surveillance system in compliance with 105 CMR 725.000 shall be installed and maintained; the system shall monitor all areas that may contain marijuana, parking lot areas, main building entrances and exits, and any and all transaction areas for the dispensing of marijuana.
- (7) Procedures and protocols for the delivery and transport of marijuana and MIPs shall be in compliance with 105 CMR 725.000 and approved by the Chief of Police.

e. Procedures and Findings

- i. Procedures: In addition to the procedures established in subsection C. of this Section, special permits issued for RMDs shall be:
  - (1) Limited to the current applicant and shall lapse if the permit holder ceases operation of the RMD; and
  - (2) Renewed annually.
- ii. Findings: In addition to determining compliance with the above General

Regulations, all other applicable Sections of the Zoning Bylaw, and the applicable Special Use Permit Standards contained in subsection D. of this Section, the Special Permit Granting Authority in their review of any special permit application for an RMD shall find that the proposed Registered Marijuana Dispensary:

- (1) Meets a demonstrated local and regional need based on the proximity of other RMDs serving the Town's qualifying patients;
- (2) Meets all other applicable requirements of the Zoning Bylaw and the permitting requirements of all applicable agencies of the Commonwealth of Massachusetts and the Town of Wellesley, and will otherwise comply with all applicable state and local laws and regulations;
- (3) Is designed to minimize any adverse visual or economic impacts on abutters and other parties in interest;
- (4) Provides a secure indoor waiting area for patients;
- (5) Provides adequate pick up/drop off area;
- (6) Provides adequate security measures to ensure that no individual participants will pose a threat to the health or safety of other individuals, and that the storage and/or location of cultivation of marijuana is adequately secured in enclosed, locked facilities; and
- (7) Adequately addresses issues of vehicular and pedestrian traffic, circulation, parking and queuing, especially during peak periods at the RMD.

f. Severability - The provisions of this subsection (6. Registered Marijuana Dispensaries) are severable. If any provision, paragraph, sentence, or clause of this Section, or the application thereof to any person, establishment, or circumstances, shall be held invalid, such invalidity shall not affect the other provisions or application of this Section or the Zoning Bylaw.

▪ **By amending Section XXV., *Special Permit Granting Authority, C., 2.*, of the Zoning Bylaw, by deleting the subsection in its entirety and inserting the following therefor:**

2. All but one of the members of the Planning Board or Board of Selectmen, when serving as Special Permit Granting Authority, consents thereto; and

## APPENDIX E: 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 F: 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.