

Board of Selectmen – October 2, 2012

Present: Searle, Tsagaris, Gibbs, Babson, McCauley

Also present: Larsen, Connolly, Robinson

Call to order: Meeting called to order at 7:45 pm.

Warrants approved: #13 in the amount of \$4,270,000.59

The Chair announced a meeting with SMMA (Symmes, Maini and McKee Associates) regarding the School Facilities Assessment on Thursday, October 11th at 7:00 p.m. in the Great Hall.

Police Chief Cunningham has been elected Fourth Vice President of the International Association of Chiefs of Police which is the professional voice of law enforcements. This is a significant accomplishment for the Chief and it is intended that in four years he will become President of the Association..

1. Citizen Speak

None.

2. Executive Director's Update

The Board voted (5-0) to approve the minutes of the September 20, 2012 and September 24, 2012 meetings of the Board of Selectmen.

The Board voted (5-0) to approve a donation by Carole Epstein of \$160 worth of annual flowers planted at the Weston/Cleveland traffic island.

The Board voted (5-0) to approve a donation by Jim Verner of a \$150 bronze plaque installed on a Town Hall bench in memory of his parents Jack and Peg Verner.

The Veterans' Day services will be held at 10:55 a.m. on Sunday, September 11, 2012 in the Great Hall.

We have been advised by MassDOT District 6 that the Rockland Street bridge should be reopened for traffic by December 14, 2012.

3. Wellesley Volunteers

Maura Renzella, Youth Director, described a new program to be called Wellesley Volunteers. Ms. Renzella introduced Megan Burns the Marketing Coordinator for the Wellesley Volunteers. Ms. Burns previously worked in the bio-tech industry and is a Wellesley resident. Ms. Renzella explained how the taskforce will function and gave a brief history of the group.

Ms. Burns provided further background on how the taskforce was created, its mission statement, objectives, strategy, and information on the volunteer clearing house. The taskforce is funded by a grant from the Fund for Wellesley and administrated by the Friendly Aid Society. The membership will be comprised of members of town and non-profit agencies. The website and e-mail address was provided.

4. National Grid Petition

The Chair opened the public hearing.

Dennis Regan, Permit Representative from National Grid appeared before the Board and gave a description of the project. Mr. Larsen noted the Town Engineer has approved this request.

Mr. McCauley asked about the maintenance of existing gas lines. The Board asked Mr. Regan to have the appropriate individuals at National Grid contact Mr. Larsen relating to the maintenance.

The Board voted (5-0) to approve a petition by National Grid dated August 27, 2012 to install and maintain approximately 445 feet, more or less of 4 inch gas main in Turner Road, Wellesley, from the existing 4 inch gas main at House #41, Northerly to House #27 for a new gas service.

The Chair closed the public hearing.

5. Comcast Petition

The Chair opened the public hearing.

Manuel Furtado, Comcast Project Coordinator appeared before the Board and gave a description of the project.

The Executive Director explained the plan and noted that the Town Engineer and NRC approved the plans and the Police Department will coordinate the traffic. The project should be completed in two days.

The Board voted (5-0) to approve a petition from Comcast dated September 24, 2012 to install approximately 180' of 3" PVC within sidewalk from existing vault on Cameron Street to Washington Street, continuing across Washington Street approximately 63' to corner of 555 Washington Street.

The Chair closed the public hearing.

The Executive Director expressed to Mr. Furtado the Town's frustration with the issue of the double poles. There are over 200 double poles in town where the power has been removed and we would like Comcast to be more proactive in the transfer of their infrastructure from these poles. Mr. Furtado said he would investigate the situation and the Executive Director will coordinate a meeting with Comcast and Dick Joyce. The MLP will provide a list of the inventory of these poles for the meeting.

6. Reserve Policy

Sheryl Strother briefly summarized the draft reserve policy including the rationale for the Town's financial reserves. She recommends a reserve level of 8-12% of Budgeted Operating Revenues (excludes CPA revenues and other "self-funded" items in the Town's Sources & Uses of Funds), which compares to 5-15% of Budgeted Operating Revenues as recommended by the Government Finance Officers' Association (GFOA). She also noted the relevant guidance from rating agencies and the Massachusetts Department of Revenue. Mr. McCauley questioned the distinction between Free Cash (use requires a simple majority vote of Town Meeting) and Stabilization Fund (2/3rds vote by Town Meeting required) and the implications of the higher quantum of vote required. Ms. Babson noted that Town Meeting has generally acted favorably on requests to appropriate funds from reserves. Ms. Strother reviewed the historic reserve balances and the current projection of same at June 30, 2012. She also reviewed the potential implications of reducing reserves to the 8% level, and the potential implications of using \$2.5 million of reserves to balance the FY14 budget. Mr. McCauley and Ms. Babson noted that any evaluation of the use of reserves in FY14 requires that we be cognizant of potential budget reversions and excess revenues from FY13.

The Board briefly discussed the relative merits of establishing a rigid minimum reserve level vs. leaving the Town more flexibility in this regard. Mr. Larsen also noted the Town's flexible approach in recent years has resulted in the restoration of sizeable reserve balances, while also allowing for the funding of numerous one-off items. Ms. Searle asked whether other towns have established formal reserve policies.

Ms. Strother opined that the Town should not use long-term reserves to balance the operating budget. Mr. McCauley noted the "cycling" of conservative budgets and subsequent reversion, and suggested we should be careful not to penalize the Mr. Larsen noted that financial reserves should be evaluated in the context of the Town's overall financial profile. He further noted that the Town has replenished its

reserves since a low point in FY13 but still has significant unfunded liabilities related to pensions, OPEB and facilities maintenance. He also recalled the prior year proposal that, rather than continuing to grow the reserves using reversions and excess revenue, the Town earmark such “windfall” toward funding a special purpose stabilization fund for facilities maintenance. This would partially blunt the impact of facilities maintenance costs in the future. The Board recalled that one concern with this approach was that it was impossible to predict what the level of the windfall would be in future years.

The Board agreed to seek input from the Advisory Committee and deferred action on the draft policy until a later date.

7. Vincent Errichetti, Restaurant and Business Alliance – Proposed Change in Town of Wellesley Rules & Regulations Governing Alcohol Beverages

Vincent Errichetti, Executive Director of the Restaurant and Business Alliance suggested the Board relax the current restrictions against service of alcohol without an “intent to dine”, for restaurants with more than 100 seats. Daniel Adelson from Blue Ginger, John Lacomacini from The Cottage and Dan and David Andelman of the Phantom Gourmet television program also appeared to support Mr. Errichetti’s request. Mr. Adelson provided a merchant petition supporting this change.

8. Other Postemployment Benefits (OPEB) Update

The Retirement Board has received the results on the July 1, 2012 actuarial valuation of the Town’s OPEB liability from The Segal Company. Mr. Larsen contrasted the results of the current valuation vs. prior years’ in terms of the unfunded liability, the Annual Required Contribution (ARC) and additional funding required (ARC less projected benefit payments). While the additional funding required is less than the Town’s current annual contribution (\$3 million per year), Mr. Larsen noted that the Town’s annual contribution does not yet cover the sum of the annual normal cost and interest on the liability. In addition, he anticipates the Town will at least need to decrease the assumed rate of return used in the pension valuation, which will necessitate further increases in the Town’s pension funding. Thus, Town Hall staff and the Retirement Board believe the Town’s OPEB funding schedule should not be reduced.

Mr. McCauley suggested a tutorial on health insurance and OPEB costs for the Board before the Retirement Board comes before the Selectmen.

9. FY14 Budget Guidelines

The Chair reported that she and Mr. Larsen met earlier in the evening with the School Committee to review the proposed FY14 budget guidelines, which would result in a 2.8% increase in the School budget (FY14 vs. FY13). A working group involving 2 Selectmen, 2 School Committee members, Mr. Larsen, Ms. Strother, Superintendent Lussier and School Business Manager Belliveau has met once to discuss the potential implications of this level of increase to the Schools, and will meet again the week of October 15th. The Selectmen will resume discussion of this issue following that meeting.

Projects and Updates

Tolles-Parsons Center - At the meeting last week it was decided to have standing meetings going forward.

Wellesley Square Initiative – A meeting was held with the property owners and updates were provided regarding parking initiatives, MLP Audits, sustainability, lighting and energy.

Fuller Brook Park - There will be two public meetings on October 25th and 26th.

900 Worcester Street – The Planning Committee will meet this Thursday and we will have a further update at the next meeting. A report on the Parallel Process will be provided to the Selectmen later in the month.

The Board was polled all aye to go into Executive Session to discuss acquisition of real property.