

Advisory Committee
January 14, 2015
Felix Juliani Meeting Room, Town Hall

Andy Patten called the meeting of the Wellesley Advisory Committee to order at 6:45 p.m. Those present included Mary Crown, Thomas Engels, Chad Harris, John Hartnett, John Hussey, Lucy Kapples, Michael Mastrianni, Frank Pinto, Ann Rappaport, Sara Raveret, Mason Smith, Scott Tarbox and Kathleen Woodward.

Citizen Speak

No one wished to speak at this time.

Municipal Light Plant FY16 Operating and Capital Budgets

The presentation was given by Katherine Gibson, Chair and Owen Dugan from the Board of Commissioners. They were accompanied by Richard Joyce, Director and Debra Healy, Assistant Director and Jim Verner, Superintendent of the Municipal Light Plant. (MLP) It was highlighted that all expenditures do not impact taxes. The MLP is run as a business which seeks to secure public and employee safety, provide reliable electric service with competitive pricing and provide a financial benefit to the Town. There has been a recent 5% increase in the rates charged, but the MLP has still able to give back to the Town \$1 million each year. There are currently 32.75 total employees with 3.5 shared with Water & Sewer.

The capital budget request for FY16 is \$2.862 million and the operating budget is \$31.281 million for a total \$34.143 million. Wellesley does not generate any power, but purchases it from outside providers. The operating budget is allocated as follows: purchased power \$17.677 million; forward capacity \$3.566 million; delivery \$2.376 million; transmission \$4.425 million and resources depreciation \$3.237 million. Purchased power comprises 68% of the total budget and includes energy purchases and capacity. FY16 figures recognize a decrease of \$58.200 million from FY15. Electricity is purchased on the forward market to help secure the best rates. The reduction in F16 reflects a shift to 100% balanced block strategy. Delivery costs account for 8% of the budget and includes expenses for administration, customer service and distribution costs for delivery from Newton and Needham to Wellesley. Transmission charges are through ISO-NE which encourages the development of new transmission lines within NE and sets rates to guarantee a 10.5% return to investors. Charges to Wellesley in FY16 are estimated at \$4.4 million. Forward Capacity Market charges are expected to rise dramatically in the next few years which will impact FY17 and beyond. These charges encourage the building of new regional generation capacity and set rates at auction three years in advance. The charges are based on kilowatts used during peak periods. The focus will be to reduce peak usage to help reduce these fees. Charges to Wellesley for FY16 are estimated at \$3.6 million.

Allocation of capital investment is as follows: infrastructure \$1,628,500; vehicle \$250,000; customer requested work \$663,400 and other \$320,000. Capital work plan investment for FY16 is projected at \$2,861,906.

Total revenue for FY16 is \$33,741,800 with total operating expenses of \$31,039,200 with a net income of \$2,702,600.

NRC FY Operating and Capital Budgets

Heidi Kost-Gross, Chair and Stephen Murphy from the Natural Resources Commission and Brandon Schmitt, NRC Director provided the budgets overview.

The NRC FY16 operating budget was reviewed with a review of the priorities and projects anticipated: implementation of Morses Pond Management plan, pest management plan for parks and playing fields, encroachment corrects on NRC land, park path and sidewalk repairs, as well as continued involvement in Fuller Brook and forestry management program. NRC will also be developing a pond management plan, enhancing open spaces and protecting wetlands. Personal Services request for FY16 is \$200,275 with expenses of \$23,400 for total request of \$223,675. There are 3.5 employees as of this report with no additional employees anticipated for FY16.

The NRC FY16 capital budget request is \$178,000: \$40,000 for public tree replacement; \$100,000 Comprehensive Pond Management Plan; \$5,500 Hunnewell Field pavement and \$5,000 parking; trail system improvements; \$5,000 light pollution abatement at Hunnewell \$5,000; \$20,000 Morses Pond erosion study and \$2,500 Kelly Field Court land use and needs assessment.

Morses Pond FY16 operating budget reflects a 0% increase from FY15. Personal services are \$0 which recognizes no additional charges for NRC Education Coordinator with expenses of \$149,394 which represents a variance of \$11,021 under from FY15.

Morses Pond FY16 capital budget request is for no additional funds as there is sufficient capital carry-over funding from previous budgets.

Approval of Minutes

Kathleen Woodward made a friendly amendment to the January 7th minutes to include a mention of where to find Advisory's discussion on the purchase of the North 40 property in the Special Town Meeting Report. There were no objections. Mary Crown made a motion to approve the minutes of January 7, 2015 as amended. The motion was seconded and the minutes were approved unanimously by a show of hands.

Mary Crown made a motion to approve the minutes of December 17, 2014. The motion was seconded and the minutes were approved unanimously by a show of hands.

Liaison Reports

The Chair asked for liaison reports and various members of the Advisory Committee provided their reports.

New Business/Old Business

Advisory's new member, Sara Raveret, was introduced to existing members and they each provided a short biographical summary.

The calendar was reviewed and dates assigned for various departments to make their budget presentations.

The Special Town Meeting will be held on Tuesday, January 20th at 7:30 p.m. at the Wellesley Middle School. If needed, the meeting will continue on Wednesday, January 21st.

The Advisory Committee will meet at 7:00 p.m. on January 21, 2014 in the Juliani Room of Town Hall provided the Special Town Meeting is adjourned on January 20th.

Mr. Patten adjourned the meeting at 9:25 p.m. with no objections.