

Board of Selectmen – December 3, 2012

Present: Searle, Tsagaris, Gibbs, Babson, McCauley

Also present: Larsen, Connolly, Robinson

Call to order: Meeting called to order at 6:00 pm.

Warrants approved: None

Minutes approved: None

At 6:00 the Board was polled all aye to go into executive session with representatives of the School Committee and Human Resources Board to discuss strategy for collective bargaining. (See related minutes attached.)

1. Citizen Speak

Michael Morrissey, Norfolk County District Attorney, joined the Board and reviewed the HERO Campaign for Designated Drivers.

2. Executive Directors Update

The Board voted (5-0) to accept the following gifts:

- **\$1,000 to the Recreation Department by an anonymous donor for the purpose of planning costs for a town aquatic facility.**
- **\$140 to the Council on Aging from Circle of Life Partners, LLC.**

The Board voted (5-0) to approve the addition of Nicholas Marsh to the Board of Directors, as listed on the application by Stellar Restaurant Group, Inc. for an alcohol license.

Mr. Larsen explained the proposed monetization of the remaining reimbursement from the MSBA (Massachusetts School Building Authority) on the Sprague school project.

The Board voted (5-0) to accept the MSBA lump sum payment of \$1,806,166 for the remainder of the Sprague Elementary School grant and to authorize the Chair to sign the MSBA Acceptance Form.

3. Audit Committee – FY12 Results

Members of the Audit Committee (Rusty Kellogg, Mike Young and Alan Korpi), representatives of Powers & Sullivan (Jim Powers, Mike Nelligan and Todd Jurczak) and Sheryl Strother joined the Board.

Mr. Kellogg reported that Mike Young has been elected Chair of the Audit Committee for the next year and that P&S has been reappointed as the Town's auditors for the next 3 years. He reviewed the scope of the Town's FY12 audits and noted the Town received a "clean" opinion for all entities. He noted the financial highlights from the FY12 Comprehensive Annual Financial Report (CAFR), the MLP audit, and the audit of the Wellesley Contributory Retirement System. He reviewed the amount of the actuarial unfunded liability related to the pension plan and the impact of a potential change in the assumed rate of return on plan assets. He noted that the prior year deficiencies in the School Business Office have been addressed.

Going forward, the Government Accounting Standards Board will be making several changes that will impact the Town's financial statements.

Mr. Kellogg reiterated that Powers & Sullivan has been reappointed for 3 years, and reviewed the related fees. He provided further commentary on the Town's pension and OPEB (Other Post Employment Benefits) liabilities. He emphasized that these are "dynamic liabilities" that will continue to change. He

also observed that “doing a better job” than other communities in these respects is not necessarily sufficient for the long term.

Ms. Babson asked for the Audit Committee’s views in terms of the funding treatment to be applied to the proposed increase in the pension COLA (Cost of Living Adjustment). Mr. Kellogg noted it is appropriate to pay for existing obligations before committing to additional obligations.

Mr. Korpi noted that the key assumptions underlying the pension and OPEB liabilities are likely to change, e.g., the assumed rates of return may be decreased in the future, which would raise the liabilities.

Mr. McCauley questioned how the likely GASB changes will impact the Town’s financial statements. Mr. Powers noted the most significant change concerns the need to record the unfunded pension and OPEB liabilities on the Town’s balance sheet.

The Board thanked Mr. Kellogg for his service on the Audit Committee.

4. Tax Classification Hearing

Representatives from the Board of Assessors (David Livingston, Steve Mahoney, Arthur Garrity and Donna McCabe) joined the Board and Ms. Gibbs opened the Tax Classification Hearing. Ms. Gibbs explained the agenda for the hearing.

Mr. Mahoney reviewed the year-over-year trend in the Town’s assessments and tax rate. Ms. McCabe reviewed the various personal exemptions and the number of participants in each program. Ms. Searle questioned the circumstances surrounding the decline in the number of individuals benefitting from the senior tax work-off and the elderly exemption.

Mr. Livingston reviewed the evolution of the Proposition 2 ½ levy limit from FY12 to FY13, and the various sources of the Town’s revenues. He reviewed the calculation of the FY13 tax rate, assuming a single rate for all property classes. He reviewed the Assessment Profile and tax rate history. He also reviewed the tax rate options in the event the Board approves a Tax Factor greater than 1.00 for commercial property. In response to a question from Ms. Searle, Ms. McCabe noted that North Attleboro recently increased their Tax Factor for commercial property from 1.00 to 1.03.

Mr. Garrity reviewed comparative data for a number of neighboring communities. Wellesley continues to have higher mean valuations than other communities and a lower rate (excepting Needham’s residential rate). He also highlighted the trend in total single family values, mean single family values, residential tax rates and mean single family tax bills for the various communities.

Ms. Gibbs asked for more details regarding the high level of New Growth. Ms. McCabe noted the significant amount of New Growth attributed to the 27 Washington Street project, the new Whole Foods store and the renovated Wellesley Toyota dealership. She also noted the impact of the ongoing high level of “teardowns”. She noted 60 new house permits were issued in the past year.

Mr. Larsen reviewed a resident’s suggestion that the Town seek special legislation to increase the maximum qualifying income for participation in the senior tax deferral program. Ms. Babson noted that all of the deferral programs were reassessed within the past few years and the interest rate applicable to amounts deferred in FY13 will apply to such amounts for all future years.

Mr. Waldman noted the intent of this program as designed in 2002 was to “lend” seniors the necessary funds to stay in their homes and that the interest rate mechanism was intended to replicate the rate the Town earns on its investments.

Ms. Gibbs invited public comment. There was none. Ms. Gibbs also noted that no comments have been received at the Selectmen’s office.

Ms. Gibbs continued the hearing until next Monday night.

5. Open 2013 ATM Warrant

Mr. Connolly reviewed the proposed dates related to the 2013 Annual Town Meeting.

The Board voted (5-0) to call the 2013 Annual Town Election and Annual Town Meeting and to set the following dates:

- **Date of Annual Town Election – Tuesday, March 5, 2013**
- **Start of Annual Town Meeting – Monday, April 1, 2013, 7:30 pm at the Wellesley High School**
- **Open the Annual Town Meeting Warrant – Monday, December 3, 2012**
- **Close the Annual Town Meeting Warrant – Friday, January 4, 2013 at 5:00 pm**

6. WCC Maintenance Facility PSI Draft Decision

The Board voted (5-0) to approve the Traffic Impact and Access Study prepared by Ron Muller & Associates as being professionally prepared and having sufficient evidence that the traffic conditions resulting from the Wellesley Country Club Facilities Maintenance Project (PSI 12-01) will meet the Town's Project of Significant Impact standards for level of service, sight lines, proposed site connections, and pedestrian safety due to the minimal traffic impact; and further, that the proposed project is not expected to add significant traffic volumes to the Wellesley Avenue and Brookside Road intersections or impact the operation of these intersections.

Projects and Other Updates

- Wellesley High School – Ms. Babson noted the anticipated timing for the completion of the site work.
- Senior Center – Ms. Tsagaris noted the proposed membership of the Tolles-Parsons Center Advisory Group are: Heather Sawitsky (Chair), Jean Boyle, David Himmelberger, Todd Himstead, Dona Kemp, Phil Laughlin, Kathleen Woodward. She also noted Tim Driver might be a good addition to the group. In response to a question from Ms. Babson, Ms. Tsagaris described the charge to the Committee.

The Board voted (5-0) to approve the membership of the Tolles-Parsons Center Advisory Group to include Heather Sawitsky, Chair, Jean Boyle, David Himmelberger, Todd Himstead, Dona Kemp, Phil Laughlin, Kathleen Woodward and Tim Driver.

- Wellesley Square Initiative – Ms. Searle noted the new holiday lights.
- Advisory Committee Update – None.
- Fuller Brook Park – None.
- 900 Worcester Street – The Committee will be addressing the Board next week.
- Regional Matters – None.
- Sustainability – Ms. Searle reported the 19,000 fluorescent bulbs obtained free of charge.
- School Facilities Task Force – Ms. Searle described the agenda for the upcoming meeting of this committee.

Old Business/ New Business

None.

At 9:22 the Board was polled all aye to go into executive session to discuss litigation and acquisition of real property.