

**Advisory Committee Meeting
Meeting # 3
September 22, 2010**

Steve Simons called the meeting to order at 7:30 p.m. Those present also included Catherine Johnson, Maura Murphy, Jack Haley, Caren Parker, Virginia Ferko, Rick Hill, Laura Hockett (leaving at 9:05 p.m.), Philip Licari, Richard Page, Polly Smith, Derek Redgate, Barbara McMahon, and David Murphy. Absent: Jason Whittet.

Citizens Speak

No one at the meeting spoke at Citizens Speak.

Minutes

The minutes of the September 15 meeting were reviewed and corrected to reflect the correct percentage increases for operating budgets shown in the updated Town-Wide Financial Plan (TWFP). Upon a motion made by Mr. Licari and seconded by Mr. Haley, the minutes of the Advisory Committee meeting of September 15, 2009 were approved as corrected by a vote of 13-0.

Special Town Meeting

Mr. Simons stated that it is likely that the Selectmen will vote on October 4 to hold a Special Town Meeting beginning on December 6, 2010 to consider two matters, an early retirement program for the Municipal Light Plant (MLP) and the funding of renovations to the Middle School. Mr. Simons asked that the MLP make its presentation to Advisory on October 6 and stated that the School Building Committee (SBC) and School Committee will make a presentation to Advisory on October 20. Advisory expects to hold a public hearing on the relevant warrant articles for the Special Town Meeting on October 27 and to vote its recommendations by November 3. Mr. Hill stated that the MLP proposal is driven by the recent passage of state legislation that allows the Town, for a limited time and under specified circumstances, to approve the adoption of early retirement plans by municipal departments, including the municipal light plant. Mr. Hill stated that the program has the potential to eliminate one or more MLP positions that are no longer needed because of management and program efficiencies. Mr. Simons stated that the proposal of the SBC and School Committee, which has not yet been finalized, would allow the financing of renovations at the Middle School to accommodate near-term enrollment growth.

Discussion of Advisory Budget Guidelines

In response to a question raised at the meeting of September 15, Mr. Simons stated that the "Facilities Reinvestment" priority line item in the FY12 TWFP is intended to cover capital improvements by various Town departments. Mr. Simons further stated that the line item for "Facilities" under departmental budgets in the FY12 TWFP is expected to be divided between the Town and the Schools in proportion to their budgeted operating budget in FY11. Any increase in the facilities budget, whether for schools or other town facilities, will have a guideline of 1.5%.

Members engaged in a broad discussion of the Advisory guideline budgets for FY12, with topics ranging from the compounding effects of ongoing budget increases, revenue projections, open union contracts, a possible carryforward of money in the Circuit Breaker account from FY11 to FY 12 and the uncertainty of the amount of state aid that might be available to the Town in FY12. Advisory also discussed the timing of certain federal stimulus grants awarded or available to the Schools. In addition to the grants mentioned in the FY11 school budget, Wellesley expects to receive a one-time \$528,228 grant under the federal Education Jobs Program in FY11 that must be used for compensation, benefits and support

services to retain, hire or rehire school employees in FY11 or FY12. In addition, the Schools expect to receive a small State Fiscal Stabilization Fund (SFSF) grant in FY11 designated to mitigate reductions in Chapter 70 funding. The Schools expect to return an equivalent amount to the Town at the close of FY11. Mr. Simons stated that the Schools anticipate spending all federal stimulus money on hand or eligible to be received in FY11, with the exception of the Education Jobs Program stimulus funds, which are expected to be used in FY12. Mr. Haley requested that the Schools provide an explanation of how the expenditure of stimulus funds in FY10 differed from the proposed use of such funds described in the FY11 school budget and also to provide a description of how all unspent stimulus funds either held by the Schools or to be received by the Schools will be spent in FY11

Liaison Reports; Updates on SBC and Senior Center

Mr. Haley said that at the last SBC meeting, projected enrollment at the Middle School dropped from a projected peak of 1224 to 1187, and the Schools expect that renovations at the Middle School will accommodate the increased population. The SBC and School Committee plan to vote on the plan next week, and the cost of the renovations will most likely be funded using free cash. Ms. McMahan said that the decline in the elementary school population has put into question the need to replace aging modular classrooms at Hunnewell, Schofield, and Hardy Schools. Ms. Parker stated that the Selectmen, at their meeting of September 20, had given an update of discussions by the Selectmen, the Council on Aging and a representative of the Billie Tolles estate with a committee from the Wellesley Community Center (WCC) to explore possible options for space for seniors at the WCC site.

Vote on Advisory Guideline Budget

Ms Ferko called for adoption of the budget guidelines contained in the Town-wide Financial Plan since there is no information that conditions have substantially changed since the TWFP was adopted in the spring. Advisory's role will be to rigorously review departmental budgets and any variances from guideline. We will have the opportunity to spell out our expectations for information from departments in the Advisory Guideline letter to be discussed at the September 29 meeting. After further discussion, a motion was made by Ms. Parker and seconded by Ms. Ferko to approve budget guideline increases in FY12 of 2.5 % for the School Department; 1.5 % for all other departments; and 1.5% for cash capital. It was understood that the amount of cash capital would also be increased by \$405,248 earmarked as "Facilities Reinvestment" in the "Priority Needs" section of the updated TWFP. The motion passed by a vote of 13-0.

Upon a motion made by Ms. Parker and seconded by Ms. McMahan, the Advisory Committee voted 13-0 to adjourn the meeting.

The meeting adjourned at 10:10 p.m.

Respectfully submitted,

Eileen Davis
Administrative Assistant

Documents Distributed: AARA Funds