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HANS LARSEN  
EXECUTIVE DIRECTOR OF GENERAL GOVERNMENT

February 28, 2007

Dear Town Meeting Members,

On behalf of the Board of Selectmen, I am pleased to provide you with the enclosed material regarding the Town's finances.

The first item is our report on the Town-Wide Financial Plan, which addresses the requirements of Article 19.16 of the Town's Bylaws. The Plan provides an overview of the Town's current and projected fiscal picture, and includes:

- Details regarding the proposed FY08 budget;
- A Sources and Uses projection for FY09 and FY10;
- Information regarding the proposed debt exclusion projects to be considered at Town Meeting; and
- Information regarding the Town's health insurance initiatives and proposed OPEB funding exclusion.

When reviewing this material, please keep in mind that the Town is under mandate by the Commonwealth to pass a balanced budget. Therefore, all projected budget shortfalls in future years are shown as Proposition 2½ overrides in order to demonstrate compliance with this mandate while not substituting our judgment for that of other independent Town boards, committees or the voters at-large.

The second item is the "Town of Wellesley – Sources and Uses of Funds." This document should look familiar, as it is traditionally included in budget information transmitted by the Board of Selectmen. The section includes both a summary version and a more detailed version of the Sources and Uses.

The third item is the Five Year Capital Budget Program, pursuant to the requirements of Article 19.5.2 of the Bylaws. The text component, in conjunction with Exhibits A & B, provides a description of major capital projects as well as a comprehensive listing of all capital requests from each department.

It is our hope that you will find this information useful as we prepare for the 2007 Annual Town Meeting. While the enclosed material represents the best information available at this time, the Selectmen will provide a full presentation at Town Meeting, which will encompass more up-to-date information.

Sincerely,

A handwritten signature in cursive script that reads "Katherine L. Babson, Jr.".

Katherine L. Babson, Jr., Chair  
Board of Selectmen

**Town-Wide Financial Plan for 2007 Annual Town Meeting**  
**Submitted by the Board of Selectmen**



Dear Town Residents:

We are pleased to submit our report on the Town-Wide Financial Plan (TWFP). The TWFP represents the hard work and collaboration of all Town departments and boards. Their cooperation, along with a number of factors which coalesced in the Town's favor, allows us to bring a balanced budget to Town Meeting this spring, one which requires no operating budget override.

Various boards will be requesting capital appropriations at the upcoming Town Meeting. A proposal to fund a bundle of related projects through a debt exclusion was withdrawn at last year's Town Meeting in order to allow time for more analysis and planning. The planning work has continued throughout this year and Town Meeting will be asked to fund the following capital projects:

- School building infrastructure work, consisting of roof replacement, new boilers, new flooring and other renovations, primarily within the elementary schools (Article 23);
- Surface drainage infrastructure improvements (Article 20);
- Work related to the reclamation and preservation of Morses Pond (Article 21);
- New garage buildings for the Municipal Light Plant and Water & Sewer Department (Article 19); and
- Remediation of conditions at the Sprague Fields through the installation of synthetic turf to cap the underlying physical debris (Article 22).

It is the Selectmen's intention to appropriate the full cost of these multiyear projects at the 2007 Town Meeting, which will require favorable Town Meeting action on each project, and, with the exception of the garage buildings, voter approval at a special election in the spring. Further information regarding the proposed projects is presented elsewhere in this book, and financial details are provided later in this report.

Last year's Town Meeting authorized the filing of special legislation to enable us to fund some portion of the Town's post-retirement medical liability (referred to as Other Post-Employment Benefits, or "OPEB") through a Prop 2½ funding exclusion. Anticipating the approval of this legislation prior to Town Meeting and recognizing the magnitude of this liability, we will also seek Town Meeting authorization and voter approval of a ballot question. It would allow the Town to exclude \$1,800,000 per year for ten years from the Prop 2½ limits, for the specific purpose of partially funding the Town's OPEB liability. This funding approach provides certainty regarding the use of such funds and avoids a permanent increase in the Prop 2½ levy limit. This proposal is the subject of Article 9.

### **Key Planning Issues**

In formulating the TWFP, the Selectmen have continued to focus on the key planning issues. The Board's initiatives related to each of these issues are summarized below.

Rising Health Insurance Costs: The Selectmen have undertaken two important initiatives. The first is working with the West Suburban Health Group (WSHG) to expand its health insurance plan offerings to include plans with higher, market-level co-pays and deductibles, resulting in lower premium costs. As a result of these efforts, the WSHG has adopted an alternative set of health insurance plans, for which the premiums are 10% lower than existing plans. These alternative plans offer the potential for significant premium savings for employees, certain retirees and the Town. However, the Town's participation in these new plans is subject to collective bargaining with each of the Town's thirteen unions.

The second initiative is the promulgation of Group Health Insurance Rules & Regulations. While the document is in large part a codification of existing policies, it provides clarity on certain matters such as the rules of eligibility for part-time employees, employees on leaves of absence and retired employees.

OPEB Funding: The Town's actuary recommended a funding schedule for the accrued liability related to its post-retirement medical costs (approximately \$93 million as of January 1, 2006) consisting of an annual appropriation of approximately \$3 million each year for a period of 30 years. This funding is in addition to the existing pay-as-you-go costs, which are projected to increase significantly during the same 30-year period. Last year Town Meeting approved an initial appropriation of \$600,000 to the Group Insurance Liability Trust Fund. The TWFP reflects a five-year phase-in of this funding, anticipating that the funding will be increased by \$600,000 each year thereafter until reaching a level of \$3,000,000.

The proposed FY08 budget includes \$1,200,000 of OPEB funding. As discussed later in this report, the Selectmen are also recommending that Town Meeting and the voters approve its proposal to exclude \$1,800,000 of additional OPEB funding annually for a period of 10 years. By doing so, the annual level of funding would immediately increase to the intended \$3 million, thereby reducing the projected override in each of the fiscal years FY09-FY11 by \$600,000. This proposal would accelerate the funding program and reduce the ultimate total cost of the program to taxpayers.

Centralized Building Maintenance: Last summer, the School Committee and Selectmen agreed to consolidate responsibility for the operation and maintenance of all facilities under their jurisdiction. The purpose of this consolidation is to achieve financial synergies and greater consistency in the maintenance of all Town buildings. A new Town Facilities Director, John Donahue, was hired last fall, and he has assumed responsibility for the relevant buildings. Mr. Donahue's goals include an ongoing assessment of the key infrastructure elements of each building (e.g., roof, exterior siding, windows, plumbing and heating, flooring, etc.), a uniform custodial and maintenance program for all buildings, and a financial model for the long-term operation and maintenance of all Town buildings. The long-term goal is to consolidate the operation and maintenance of all town buildings under one department.

High School Project: Considerable work is ongoing to determine the scope, timing and cost of renovations needed at the High School. The School Committee, Permanent Building Committee and Programming Review Committee have been actively engaged in this work.

The cost of this project will inevitably necessitate a Prop 2½ debt exclusion, and will significantly impact property taxes in future years. A major unknown at this time is the level of State reimbursement that will be available to defray a portion of the project costs. We are

continuing to monitor the development by Massachusetts School Building Authority (MSBA) of its new reimbursement process. Consistent with the new MSBA regulations, a School Building Committee including representatives from the School Committee, Board of Selectmen, Permanent Building Committee, Town residents with germane expertise, and other individuals has been formed to monitor and advise the Town on the project.

A comprehensive update regarding the planning for the High School project will be presented at Town Meeting (Article 25), along with a request for additional planning funds. While the scope and cost of the project is not yet known, a table illustrating the potential long-term impact of this project on taxpayers is presented later in this report.

Reserves: In recent years, Town Meeting has been cognizant of the need to increase the level of the Town's financial reserves, to help maintain the Town's favorable Aaa bond rating. This has required us to carefully monitor the level of revenues and expenses versus budget, and the resulting impact on reserve levels. It has also required us to be judicious in our utilization of reserves.

Union Contract Negotiations: Contracts with six of the Town's unions expire in June 2007, and the remaining seven contracts expire in June 2008. The results of these bargaining efforts will impact the FY08 and future years' budgets. As previously noted, the Town's health insurance initiatives will be a topic of discussion at the upcoming bargaining sessions.

### **FY08 Budget**

During the early fall, we discussed preliminary revenue projections with the Advisory Committee which included new tax revenues of \$1.1 million from "new growth," minimal growth in State aid (2%) and improved interest income. The Advisory Committee issued budget guidelines designed to minimize, or possibly avoid, an operating override, by capping increases in the School budget at 5.5%, Department of Public Works at 3% and all other budgets at 2%.

Capital requests were submitted in October and departmental operating budgets were submitted in early January, with virtually all budgets meeting the guidelines. Financial Services was able to provide a first look at the total operating budget during the first week of January. The initial shortfall was \$3.3 Million.

Over the next several weeks all parties worked to reduce the shortfall while keeping in mind the ongoing longer-range objectives as outlined above. Revenue estimates continued to be

refined. The Town learned that health insurance costs were estimated to increase at a rate less than the projected 14% and it became clear that interest income would be more robust. Once the budget shortfall was reduced to \$1,187,000, the Finance Director recommended that “free cash” be used to cover the shortfall. Even with this use of free cash, the Finance Director remains confident that the Town’s financial reserves will continue to trend upward.

The FY08 Operating Budget is summarized in the table below:

|   | <b>FY07</b>          | <b>FY08</b>           |
|---|----------------------|-----------------------|
|   | <b><u>Budget</u></b> | <b><u>Request</u></b> |
| <b>*** SOURCES OF FUNDS ***</b>             |                      |                       |
| Tax & Other Current Revenues (Inside Levy)  | \$ 91,133,165 *      | \$ 95,603,992         |
| Tax & Other Current Revenues (Outside Levy) | 3,794,401            | 3,791,434             |
| Available Funds                             | 2,203,489            | 4,557,733             |
| MLP   | 1,000,000            | 1,000,000             |
| <b>Total Sources</b>                        | <b>98,131,055</b>    | <b>104,953,159</b>    |
| <b>*** USES OF FUNDS ***</b>                |                      |                       |
| Personal Services & Expenses (School)       | 47,032,871           | 49,619,071            |
| Personal Services & Expenses (Non-School)   | 24,084,615           | 25,391,763            |
| Capital & Debt (Inside Levy)                | 6,432,066            | 6,793,099             |
| Capital & Debt (Outside Levy)               | 5,141,500            | 4,412,688             |
| Employee Benefits                           | 12,396,795           | 13,934,241            |
| OPEB  | 600,000              | 1,200,000             |
| Special Items                               | 2,443,208            | 3,602,297             |
| <b>Total Uses</b>                           | <b>98,131,055</b>    | <b>104,953,159</b>    |
| <b>Surplus/(Deficit - Override)</b>         | <b>\$ -</b>          | <b>\$ -</b>           |

\* Includes \$3,158,618 override.

The Operating Budget includes “Cash Capital,” which are those items to be funded by cash and not by borrowing. The total FY08 cash capital budget exceeds the historical 4-year average of such spending by \$408,094, including a one-time site remediation cost of \$200,000. Although the requested level of cash capital reflects a modest increase relative to prior years’ levels, the Selectmen support continued increases in the level of cash capital, in part to address the need for additional facility maintenance.

The table below provides a summary of the FY08 cash capital budget for the various departments:

|                                 | <b>4-Yr Avg.<br/>FY 04-07</b> | <b>Request<br/>FY 08</b> | <b>Variance<br/>%</b> | <b>Variance<br/>\$</b> |
|---------------------------------|-------------------------------|--------------------------|-----------------------|------------------------|
| Public Works                    | \$ 1,144,875                  | \$ 1,303,500             | 14%                   | \$ 158,625             |
| Schools                         | 1,005,840                     | 982,811                  | -2%                   | (23,029)               |
| Selectmen                       | 55,486                        | 132,104                  | 138%                  | 76,618                 |
| Public Works - Site Remediation | -                             | 200,000                  |                       | 200,000                |
| Natural Resources               | 112,350                       | 56,000                   | -50%                  | (56,350)               |
| Planning Board                  | 32,500                        | 50,000                   | 54%                   | 17,500                 |
| Library                         | 9,775                         | 42,504                   | 335%                  | 32,729                 |
| Town Clerk                      | 14,000                        | 16,000                   | 14%                   | 2,000                  |
| <b>Total</b>                    | <b>\$ 2,374,826</b>           | <b>\$ 2,782,919</b>      | <b>17%</b>            | <b>\$ 408,094</b>      |

### Debt Exclusion Projects

The Town's Five Year Capital Budget Program is presented elsewhere in this book. The debt capital requests contained in the Program are summarized in the following table:

| <b><u>Debt Capital Requests and Proposed Debt Exclusion</u></b> |                     |                     |                      |                     |                     |
|---|---------------------|---------------------|----------------------|---------------------|---------------------|
| <b><u>Project</u></b>   | <b><u>FY08</u></b>  | <b><u>FY09</u></b>  | <b><u>FY10</u></b>   | <b><u>FY11</u></b>  | <b><u>FY12</u></b>  |
| Bos - Washington St Cold Planing                                | \$ -                | \$ 385,000          | \$ -                 | \$ -                | \$ -                |
| BoS - Cedar & Hastings Intersection                             | -                   | -                   | -                    | -                   | 336,000             |
| BoS - Engine #1   | -                   | 375,000             | -                    | -                   | -                   |
| BoS - Weston Rd Parking Lot                                     | -                   | -                   | -                    | -                   | 200,000             |
| Morse's Pond Management Plan                                    | -                   | 250,000             | 600,000              | -                   | -                   |
| NRC - Fuller Brook Park Restoration                             | -                   | -                   | 572,000              | -                   | -                   |
| DPW - Bacon Street *  | -                   | -                   | 375,000              | -                   | -                   |
| DPW - Cliff Road **   | -                   | -                   | -                    | 1,250,000           | -                   |
| DPW - Grove Street  | -                   | -                   | -                    | -                   | 1,250,000           |
| DPW - Surface Drainage Master Plan                              | 300,000             | 331,000             | 375,000              | 300,000             | -                   |
| DPW - Garage/Office   | -                   | -                   | 4,000,000            | 900,000             | 390,000             |
| DPW - Hunnewell Field Improvements                              | -                   | 92,500              | 300,000              | 1,520,000           | 1,262,000           |
| Rec. - Morses Pond Bathhouse                                    | -                   | -                   | 870,000              | -                   | -                   |
| School Infrastructure   | 1,559,244           | 5,014,585           | 4,633,225            | 659,240             | 3,146,500           |
| Sprague Field   | 1,204,900           | -                   | -                    | -                   | -                   |
| <b>Total</b>  | <b>\$ 3,064,144</b> | <b>\$ 6,448,085</b> | <b>\$ 11,725,225</b> | <b>\$ 4,629,240</b> | <b>\$ 6,584,500</b> |

The shaded items in the above table represent multiyear projects proposed for funding via a debt exclusion this year, for the following reasons:

- The projects represent the sponsoring boards' highest priorities;
- The projects are largely capital maintenance in nature, and responsive to the need to preserve Town assets; and
- This funding approach allows for more efficient planning and phasing of each project, and provides longer-term financial certainty. It also allows for the timely bidding of work to be completed during the critical summer months, without the constraints of Town Meeting calendar.

The projected debt service and annual median tax bill impact of the debt exclusion projects are summarized in the following table:

| <u>Project</u>                | <u>FY08</u>       | <u>FY09</u>         | <u>FY10</u>         | <u>FY11</u>         | <u>FY12</u>         |
|-------------------------------|-------------------|---------------------|---------------------|---------------------|---------------------|
| Morses Pond Management Plan   | \$ -              | \$ 60,625           | \$ 204,000          | \$ 196,775          | \$ 189,550          |
| Surface Drainage Master Plan  | 42,750            | 88,643              | 139,398             | 177,873             | 172,322             |
| School Infrastructure         | 222,192           | 930,144             | 1,562,440           | 1,514,810           | 1,467,180           |
| Sprague Field                 | 171,698           | 166,577             | 161,457             | 156,336             | 151,215             |
| <b>Total</b>                  | <b>\$ 436,641</b> | <b>\$ 1,245,989</b> | <b>\$ 2,067,294</b> | <b>\$ 2,045,793</b> | <b>\$ 1,980,267</b> |
| <b>Median Tax Bill Impact</b> | <b>\$ 40</b>      | <b>\$ 115</b>       | <b>\$ 191</b>       | <b>\$ 189</b>       | <b>\$ 182</b>       |

The debt service cost continually declines after FY10, because the debt is amortized on a “level-principal” basis. The decision on whether to “bundle” one or more of the projects or to have a single referendum question on each project will be made by the Selectmen following Town Meeting action on each of the related articles, and after seeking input from the other Town boards. Further highlights of each of the projects are as follows:

School Building Infrastructure (\$11,207,054): This request provides funds for new roofs, boilers, flooring and other capital maintenance needs at various elementary schools. It also includes funds to replace the stage rigging at the Middle School, which was recently removed and disposed of for safety reasons. All of this work is part of the School Committee’s 5-year capital plan. The development of this proposal has been a collaborative effort involving the School Committee and the Permanent Building Committee. The PBC will supervise this project and the full amount of the funds will be appropriated to the PBC;

Given the need to perform virtually all of this work during the summer, and the similar nature of the work required at multiple schools (e.g., roof replacement), the PBC carefully studied how to most efficiently package and phase the various elements of work. The resulting plan calls for the completion of all required engineering work (e.g., bid specifications) in the first year, and categorizes the majority of the work in the following three groupings,

- Fiske School (roof, boiler, windows, sprinkler system, etc.)
- Roof replacement (Hardy, Hunnewell, Schofield and Upham)
- Boiler replacement (Hardy, Schofield and Upham);

Surface Drainage Master Plan (\$1,306,000): The Surface Drainage Master Plan previously developed by the Department of Public Works identified a program of work to be completed over a period of five years. The work in year one was funded at the 2006 Town Meeting, and this request covers years two through five (FY08-11). The scope of the work originally required in year five (FY11) has been reduced to reflect the drainage work to be completed by the developers of Linden Square;

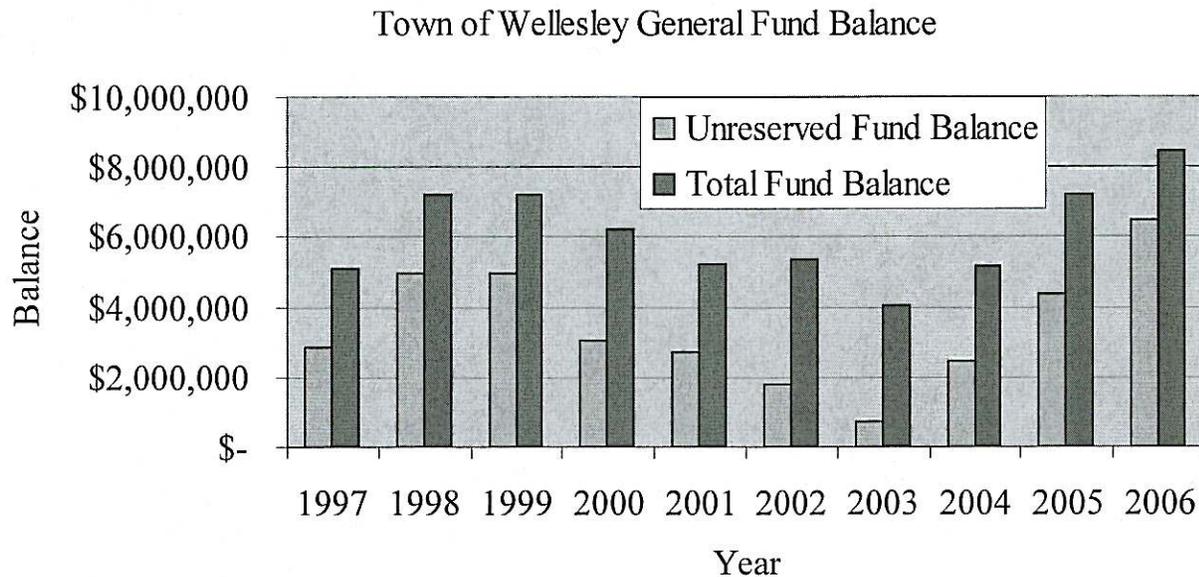
Morses Pond Management Plan (\$850,000): This request covers the additional capital required for the implementation of the Morses Pond Management Plan, which was reviewed at the 2006 Annual Town Meeting. Of the total project cost, \$650,000 is for the dredging of the Northern Basin of the Pond; and

Sprague Field (\$1,204,900): This request covers the cost to remediate certain conditions at the Sprague Playing Fields. Questions regarding toxicity at the site have been fully resolved, but there continue to be safety issues related to physical debris (e.g., glass and metal objects), which migrate to the surface as a result of ongoing freezing and thawing. Department of Environmental Protection (DEP) regulations require the Town to remediate these conditions by June 2009. Representatives from a number of Town departments and boards, working with engineers from Gale Associates, the Town's environmental consultant, have identified synthetic turf as the proposed solution. The estimated cost of the project is \$1,849,900, of which \$645,000 is to be funded by Community Preservation Act funds. The balance would be bonded. Field user fees would be increased to raise sufficient additional funds to offset 50% of the debt service and accumulate a \$500,000 sinking fund to pay the cost of replacing the synthetic turf at the end of its useful life.

The remaining capital projects included in the five-year capital plan, but not proposed for funding this year, require further planning and deliberation, and the exact timing of these projects is not yet certain.

**Reserves**

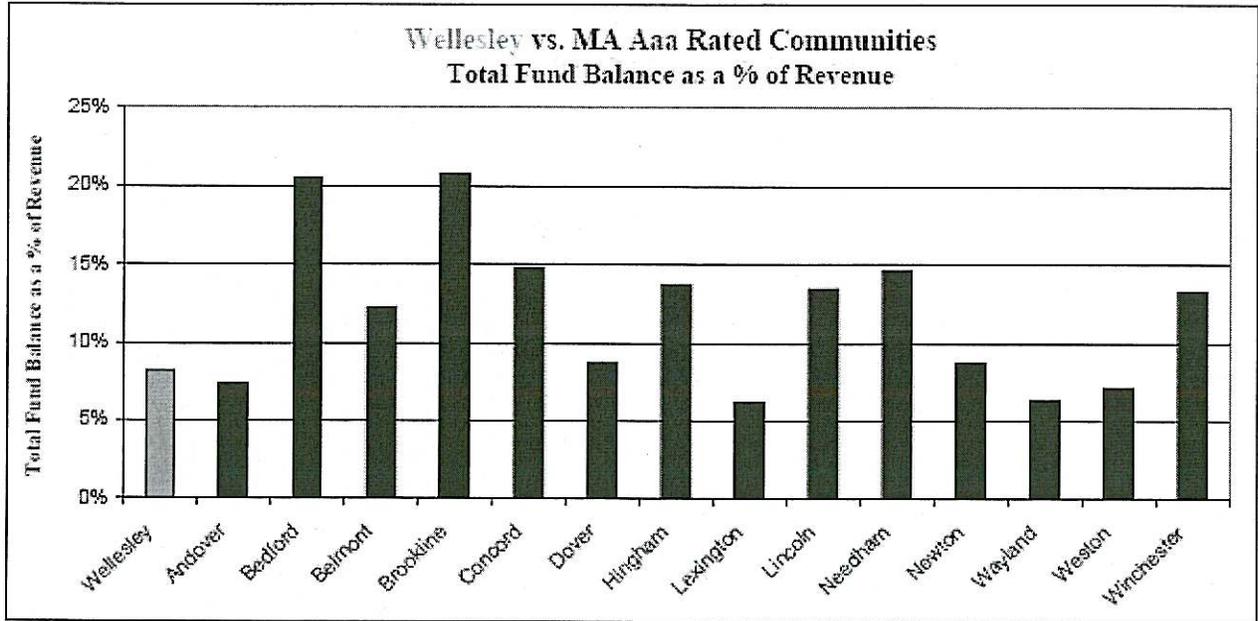
A major objective in the Town’s financial plan is to continue the upward trend of reserve levels. The following graph shows the continuing improvement in reserve levels, as expressed in terms of unreserved fund balance and total fund balance:



We expect these balances to continue to grow in FY07.

The FY08 budget includes a \$500,000 transfer from Free Cash to the Stabilization Fund. Appropriations from the Stabilization Fund require a two-thirds vote by Town Meeting and interest earnings accrue to the fund. Thus, this transfer further emphasizes the reserve nature of these funds.

The following chart compares Wellesley's reserve position at July 1, 2005 to other Aaa rated communities and illustrates the opportunity to continue to improve our reserve levels:



The proactive funding of the Town's pension and OPEB liabilities further evidence the Town's commitment to prudent fiscal management. The Town's pension fund remains fully funded. The Town began funding this liability in 1978, with annual payments projected to fully fund the liability in 30 years. Excellent investment results helped to fund the full amount of the Town's obligation in 19 years. Thus, no pension contributions by the Town have been required since 1997.

In FY07 the Town made its first \$600,000 appropriation to the Group Insurance Liability Trust, the segregated fund set aside to fund the Town's liability for retiree health insurance costs. The second payment, \$1.2 Million, is included in the FY08 budget.

### Health Insurance Initiatives

As further background for the Selectmen's health insurance initiatives and the proposed OPEB funding exclusion, the following table illustrates the impact the growth in health insurance costs is having on the overall Town budget:

| <u>Fiscal</u> | <u>Retiree Health Costs</u> | <u>Total Health Costs</u><br>\$ | <u>As % of Levy Limit</u> |
|---------------|-----------------------------|---------------------------------|---------------------------|
| 1984          | < \$200K                    | \$ .7M                          | 2.9%                      |
| 1995          | < \$1M                      | \$3.6M                          | 9.9%                      |
| 2007          | \$ 5.8M                     | \$11.4M                         | 15.1%                     |
| 2011          | \$ 10.1M                    | \$20M                           | 22.3%                     |

As seen in the above table, health insurance costs are consuming an increasing share of the Town budget, and the portion attributable to retirees is growing at an even faster pace. Thus, in 2011 health insurance is projected to account for nearly 20% more of the Town budget than it did in 1984. Moreover, health insurance costs for retirees will soon exceed the cost for active employees. Initiatives to address this ongoing challenge include:

- The Section 18 election approved at last year's Town Meeting, which requires eligible retirees to enroll in Medicare, thereby reducing the Town's share of retiree health insurance costs;
- The introduction of alternative health insurance plans by WSHG, offering premium savings of 10%. As noted earlier, the Town's ability to take advantage of these savings is contingent on collective bargaining;
- The adoption of Group Health Insurance Rules & Regulations; and
- Funding of the OPEB liability. Because the liability is interest bearing, the sooner it is funded, the lower the ultimate cost to the Town.

The benefit of these initiatives is twofold. They reduce the health insurance premium costs for active employees and retirees, and diminish the unfunded OPEB liability.

### Looking Ahead

The decision to avoid an operating budget override this year has been made in the context of the longer-term financial outlook. The assumptions on which the longer-term plan is based results in ongoing shortfalls to be funded either through operating overrides or through cuts in programs and services. The critical assumptions include \$1 Million new growth annually; minimal increases (2%) in State and Local receipts; Non-School Personal Services & Expenses – 3%, 2.5% increase; School Personal Services & Expenses – 5%, 3.5% increase; Group Insurance increases held to 12%; \$600,000 incremental OPEB funding each year; small annual contribution to Stabilization Fund; and no SBA reimbursement for the Middle School. The projected sources and uses of funds through FY10 are summarized in the following table:

|  | <u>FY07</u><br><u>Budget</u> | <u>FY08</u><br><u>Projected</u> | <u>FY09</u><br><u>Projected</u> | <u>FY10</u><br><u>Projected</u> |
|--|------------------------------|---------------------------------|---------------------------------|---------------------------------|
| <b>*** SOURCES OF FUNDS ***</b>            |                              |                                 |                                 |                                 |
| Tax & Other Current Revenues               | \$ 91,133,165                | \$ 95,603,992                   | \$ 98,928,615                   | \$ 105,952,259                  |
| Property Tax (Outside Levy)                | 3,794,401                    | 3,791,434                       | 3,702,459                       | 3,606,746                       |
| Available Funds                            | 2,203,489                    | 4,557,733                       | 1,721,254                       | 1,721,254                       |
| MLP Contribution                           | 1,000,000                    | 1,000,000                       | 1,000,000                       | 1,000,000                       |
| <b>TOTAL SOURCES OF FUNDS</b>              | <b>98,131,055</b>            | <b>104,953,159</b>              | <b>105,352,328</b>              | <b>112,280,259</b>              |
| <b>*** USE OF FUNDS ***</b>                |                              |                                 |                                 |                                 |
| Personal Services & Expenses (Schools)     | 47,032,871                   | 49,619,071                      | 51,991,285                      | 54,478,305                      |
| Personal Services & Expenses (Non-Schools) | 24,084,615                   | 25,391,763                      | 26,114,638                      | 26,858,227                      |
| Capital & Debt (Inside Levy)               | 6,432,066                    | 6,793,099                       | 6,505,819                       | 6,400,181                       |
| Debt Service (Outside Levy)                | 5,141,500                    | 4,412,688                       | 4,323,713                       | 4,228,000                       |
| Employee Benefits                          | 12,396,795                   | 13,934,241                      | 15,606,350                      | 17,479,112                      |
| OPEB                                       | 600,000                      | 1,200,000                       | 1,800,000                       | 2,400,000                       |
| Special Items                              | 2,443,208                    | 3,602,297                       | 2,540,001                       | 2,565,376                       |
| <b>TOTAL USES OF FUNDS</b>                 | <b>98,131,055</b>            | <b>104,953,159</b>              | <b>108,881,807</b>              | <b>114,409,201</b>              |
| <b>Override Required to balance budget</b> | <b>\$ -</b>                  | <b>\$ -</b>                     | <b>\$ (3,529,479)</b>           | <b>\$ (2,128,942)</b>           |

The above projections do not reflect any assumption regarding future funding for the High School project. The projected deficits in FY09 and FY10 are largely due to a structural deficit inherent in the projected growth of the Town's revenues and expenses. This deficit is largely due to the fact that the allowed 2½% increase in the levy (\$2.0m in FY09) is exceeded by both the projected increases in School spending (\$2.4m) and the projected increase in health insurance costs (\$2.3m in FY09). This underscores the need for additional revenues, lower spending, efficiency gains, or reduced service levels. Additional revenues have been derived from a number of development projects, most notably in the form of contributions to existing

capital infrastructure needs. Efforts to constrain the growth in spending include the health insurance and centralized maintenance initiatives, as well as ongoing systems initiatives. In addition, a number of department managers and other personnel are involved in a series of re-engineering projects arising from a training program at the Babson Center for Executive Education.

In December, 32 employees and 6 current or former board members participated in a two-day seminar at Babson focused on the Town's performance in terms of customer service, business processes, communications, and the use of technology. Six teams are now working on projects to improve the Town's performance in these regards, and the teams will be returning to Babson in May to report their results. As part of the Babson projects and as part of the Town's website initiative, we are soliciting input from residents regarding their level of satisfaction with Town services. Collectively, these efforts represent a new approach to evaluating the Town's services and processes, and for making related improvements.

### High School Project

As noted previously, the projected Sources and Uses presented earlier does not reflect any assumption regarding future funding for the High School project, which is projected to be the biggest financial commitment in the Town's history.

While the scope and cost of the project are not yet known, the following table illustrates the potential long-term impact of this project on taxpayers:

**Assumptions:**

|                                   |                  |
|-----------------------------------|------------------|
| <i>Interest rate</i>              | 5.0%             |
| <i>Amortization period (yrs.)</i> | 25               |
| <i>Median home value</i>          | \$ 824,000       |
| <i>Total assessed value</i>       | \$ 8,941,927,000 |

| Cost          | No reimbursement    |                         | 40% Reimbursement   |                         |
|---------------|---------------------|-------------------------|---------------------|-------------------------|
|               | Annual Debt Service | Median Tax Bill Impact* | Annual Debt Service | Median Tax Bill Impact* |
| \$ 75,000,000 | \$ 5,321,434        | \$ 490                  | \$ 3,192,861        | \$ 294                  |
| 100,000,000   | 7,095,246           | 654                     | 4,257,147           | 392                     |
| 125,000,000   | 8,869,057           | 817                     | 5,321,434           | 490                     |
| 150,000,000   | 10,642,869          | 981                     | 6,385,721           | 588                     |

\* Excluding impact of CPA surcharge.

We are looking forward to providing Town Meeting with additional information regarding the Town-Wide Financial Plan at this year's Town Meeting and having an opportunity to respond to any questions that you might have.

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 fiscal health of our community. We would also like to offer special thanks to the staff in the Selectmen's Office and Financial Services for their energetic leadership, skill, and hard work.

Sincerely yours,

Katherine L. Babson, Jr., Chair

Owen H. Dugan, Vice-Chair

Harriet S. Warshaw, Secretary

David J. Himmelberger

Vincent Juliani, Jr.

TOWN OF WELLESLEY - PRELIMINARY SOURCES AND USES OF FUNDS

|  | FY2007<br>Tax Rate | FY2008<br>Request  | %<br>Change    |
|--|--------------------|--------------------|----------------|
| <b>*** SOURCES OF FUNDS ***</b>            |                    |                    |                |
| Tax & Other Current Revenues               |                    |                    |                |
| Within Levy Limits                         |                    |                    |                |
| Real Estate & Per. Prop. Tax               | 75,520,495         | 78,508,507         | 3.96%          |
| From the Commonwealth                      |                    |                    |                |
| Local Aid                                  | 5,791,120          | 5,934,768          | 2.48%          |
| Local Revenue                              | 10,821,550         | 12,160,717         | 12.38%         |
| <b>Sub-Total (Tax &amp; Cur. Rev.)</b>     | <b>92,133,165</b>  | <b>96,603,992</b>  | <b>4.85%</b>   |
| Outside Levy Limits                        |                    |                    |                |
| Real Estate & Pers.Prop.Tax                | 3,794,401          | 3,791,434          | -0.08%         |
| Available Funds                            |                    |                    |                |
| Parking Meter Receipts                     | 570,802            | 563,224            | -1.33%         |
| Appropriated/Reserved CPA Surcharge        | 460,500            | 1,298,378          | 181.95%        |
| Appropriated Free Cash                     | -                  | 1,687,415          |                |
| School Construction Aid & Set-Asides       | 621,843            | 621,254            | -0.09%         |
| School Construction Aid & Set-Asides       | 365,128            | -                  | -100.00%       |
| Unencumbered Funds                         | 185,216            | 387,462            | 109.19%        |
| <b>Sub-Total (Available Funds)</b>         | <b>2,203,489</b>   | <b>4,557,733</b>   | <b>106.84%</b> |
| <b>TOTAL SOURCES OF FUNDS</b>              | <b>98,131,055</b>  | <b>104,953,159</b> | <b>6.95%</b>   |
| <b>*** USE OF FUNDS ***</b>                |                    |                    |                |
| Personal Services (Non-School)             |                    |                    |                |
| Expenses (Non-School)                      | 16,778,759         | 17,616,162         | 4.99%          |
| Subtotal (Non-School)                      | 7,305,856          | 7,775,601          | 6.43%          |
| Subtotal (Non-School)                      | 24,084,615         | 25,391,763         | 5.43%          |
| Personal Services (School)                 |                    |                    |                |
| Expenses (School)                          | 39,364,780         | 42,369,793         | 7.63%          |
| Subtotal (School)                          | 7,668,091          | 7,249,278          | -5.46%         |
| <b>Sub-Total (Pers. Svcs. &amp; Exp)</b>   | <b>47,032,871</b>  | <b>49,619,071</b>  | <b>5.50%</b>   |
| Capital & Debt:                            |                    |                    |                |
| Within Levy Limits                         |                    |                    |                |
| Capital/Extraord./Spec.Items               | 2,399,191          | 2,782,919          | 15.99%         |
| Debt Service - Issued                      | 4,007,875          | 3,663,969          | -8.08%         |
| Debt Service - New Auth/Unissued - In      | 25,000             | 326,211            |                |
| <b>Sub-Total (Within Levy Limits)</b>      | <b>6,432,066</b>   | <b>6,793,099</b>   | <b>5.61%</b>   |
| Outside Levy Limits                        |                    |                    |                |
| Debt Service Issued                        | 4,028,064          | 3,932,688          | -2.37%         |
| Debt Service Temporary                     | 444,975            | 480,000            | 7.87%          |
| Debt service unissued (interest rate est)  | -                  | -                  |                |
| Debt Service - New Auth/Unissued - Out     | -                  | -                  |                |
| Unused                                     | 668,461            | -                  |                |
| <b>SUB-TOTAL (CAPITAL &amp; DEBT)</b>      | <b>11,573,566</b>  | <b>11,205,787</b>  | <b>-3.18%</b>  |
| Employee Benefits (formerly Shared Costs): |                    |                    |                |
| Ins./Grp Ins./Pensions, etc.               | 12,396,795         | 13,934,241         | 12.40%         |
| OPEB Liability Fund                        | 600,000            | 1,200,000          | 100.00%        |
| <b>Sub-Total (Shared Costs)</b>            | <b>12,996,795</b>  | <b>15,134,241</b>  | <b>16.45%</b>  |
| <b>SUB-TOTAL (OPERATIONS)</b>              | <b>95,687,847</b>  | <b>101,350,862</b> | <b>5.92%</b>   |
| Special Items:                             |                    |                    |                |
| Traffic & Parking Management               | 493,977            | 488,674            | -1.07%         |
| Appropriated/Reserved CPC                  | 460,500            | 1,298,378          | 181.95%        |
| State & County Assessments                 | 990,245            | 990,245            | 0.00%          |
| Prior or Current Period Exp.               | 200,000            | -                  | -100.00%       |
| Property Tax Abatements                    | 298,486            | 325,000            | 8.88%          |
| Union Contracts                            | -                  | -                  |                |
| Stabilization Fund                         | -                  | 500,000            |                |
| <b>Sub-Total (Special Items)</b>           | <b>2,443,208</b>   | <b>3,602,297</b>   | <b>47.44%</b>  |
| <b>TOTAL USE OF FUNDS</b>                  | <b>98,131,055</b>  | <b>104,953,159</b> | <b>6.95%</b>   |
| <b>TOTAL SOURCE OF FUNDS</b>               | <b>98,131,055</b>  | <b>104,953,159</b> | <b>6.95%</b>   |
| <b>SURPLUS&lt;DEFICIT&gt;</b>              | <b>-</b>           | <b>0</b>           |                |

TOWN OF WELLESLEY - TOWN MEETING APPROVED ALLOCATION OF FUNDS

02/27/07

| <b>SOURCES OF FUNDS</b>                        | <b>FY 2007</b>    | <b>FY 2008</b>     | <b>\$ Change</b>  | <b>% Change</b> |
|--|-------------------|--------------------|-------------------|-----------------|
| <b>Real Estate &amp; Personal Property Tax</b> |                   |                    |                   |                 |
| Within the Levy Limit                          | 75,520,495        | 78,508,507         | 2,988,012         | 3.96%           |
| Outside the Levy Limit                         | <u>3,794,401</u>  | <u>3,791,434</u>   | <u>(2,967)</u>    | <u>-0.08%</u>   |
| Subtotal                                       | 79,314,896        | 82,299,941         | 2,985,045         | 3.76%           |
| <b>From the Commonwealth</b>                   |                   |                    |                   |                 |
| Chapter 70 Aid                                 | 3,765,942         | 3,841,261          | 75,319            | 2.00%           |
| Lottery Aid                                    | 1,494,079         | 1,523,961          | 29,882            | 2.00%           |
| Regional Public Libraries                      | 217,186           | 205,502            | (11,684)          | -5.38%          |
| Quinn Bill                                     | 149,644           | 194,248            |                   |                 |
| Other Aid                                      | 164,269           | 169,797            | 5,528             | 3.37%           |
| School Construction                            | 621,843           | 621,254            |                   |                 |
| School Construction (Closed Project)           | 365,128           | -                  |                   |                 |
| <b>Local Revenue</b>                           |                   |                    |                   |                 |
| Motor Vehicle Excise                           | 3,852,500         | 4,200,000          | 347,500           | 9.02%           |
| Licenses and Permits                           | 1,491,000         | 1,491,000          | 0                 | 0.00%           |
| MLP Payment In Lieu of Taxes                   | 1,000,000         | 1,000,000          | 0                 | 0.00%           |
| Interest Earnings                              | 1,175,000         | 1,800,000          | 625,000           | 53.19%          |
| RDF Revenue                                    | 600,000           | 725,000            | 125,000           | 20.83%          |
| Parking Fines                                  | 394,500           | 394,500            | 0                 | 0.00%           |
| Recreation Programs                            | 957,735           | 1,274,402          |                   |                 |
| Water/Sewer                                    | 0                 | 0                  |                   |                 |
| Other Local Revenues                           | 1,350,815         | 1,275,815          | (75,000)          | -5.55%          |
| <b>Other Sources</b>                           |                   |                    |                   |                 |
| Parking Meter Receipts                         | 570,802           | 563,224            | (7,578)           | -1.33%          |
| Transfer Free Cash to Stabilization            | -                 | 500,000            | 500,000           |                 |
| Free Cash to balance budget                    | -                 | 1,187,414          | 1,187,414         |                 |
| Appropriated CPA Surcharge                     | 460,500           | 1,298,378          | 837,878           | 181.95%         |
| Previous encumbrances                          | <u>185,216</u>    | <u>387,462</u>     | <u>202,246</u>    | <u>109.19%</u>  |
|  | <b>98,131,055</b> | <b>104,953,159</b> | <b>15,911,518</b> | <b>16.21%</b>   |

**USES OF FUNDS**

| Funding Item  | FY07 USE OF FUNDS (Tax Rate) |                  |                  | FY08 USE OF FUNDS (Request) |                  |                  | CHANGE - FY07 to FY08 |               |               |              |
|---|------------------------------|------------------|------------------|-----------------------------|------------------|------------------|-----------------------|---------------|---------------|--------------|
|   | FY07                         | FY07             | FY07             | FY08                        | FY08             | FY08             | Variance              | Variance      | Variance      | Variance     |
|   | Pers Srvs                    | Expenses         | Total Ops        | Pers Srvs                   | Expenses         | Total Ops        | Pers Srvs             | Expenses      | Total - \$    | Total - %    |
| <b>GENERAL GOVERNMENT</b>                                 |                              |                  |                  |                             |                  |                  |                       |               |               |              |
| <i>Board of Selectmen - Administration</i>                |                              |                  |                  |                             |                  |                  |                       |               |               |              |
| Executive Director's Office                               | 641,387                      | 41,325           | 682,712          | 656,173                     | 41,425           | 697,598          | 14,786                | 100           | 14,886        | 2.18%        |
| Central Administrative Services                           | 0                            | 21,000           | 21,000           | 0                           | 21,000           | 21,000           | 0                     | 0             | 0             | 0.00%        |
| Network & Information Systems                             | 396,049                      | 191,426          | 587,475          | 408,942                     | 196,356          | 605,298          | 12,893                | 4,930         | 17,823        | 3.03%        |
| Treasurer & Collector                                     | 216,265                      | 124,150          | 340,415          | 222,047                     | 126,900          | 348,947          | 5,782                 | 2,750         | 8,532         | 2.51%        |
| Parking Fines Processing                                  | 40,000                       | 45,525           | 85,525           | 41,158                      | 55,200           | 96,358           | 1,158                 | 9,675         | 10,833        | 12.67%       |
| Training & Development                                    | 0                            | 1,500            | 1,500            | 0                           | 1,500            | 1,500            | 0                     | 0             | 0             | 0.00%        |
| Town Report   | 0                            | 5,000            | 5,000            | 0                           | 5,000            | 5,000            | 0                     | 0             | 0             | 0.00%        |
| <i>Board of Selectmen - Facilities</i>                    |                              |                  |                  |                             |                  |                  |                       |               |               |              |
| Facilities Maintenance                                    | 173,680                      | 80,142           | 253,822          | 177,000                     | 85,307           | 262,307          | 3,320                 | 5,165         | 8,485         | 3.34%        |
| Building Maintenance Operations                           | 0                            | 99,750           | 99,750           | 0                           | 102,244          | 102,244          | 0                     | 2,494         | 2,494         | 2.50%        |
| Building Maintenance Projects                             | 0                            | 156,100          | 156,100          | 0                           | 159,800          | 159,800          | 0                     | 3,700         | 3,700         | 2.37%        |
| <i>Board of Selectmen - Human Services</i>                |                              |                  |                  |                             |                  |                  |                       |               |               |              |
| Council on Aging  | 93,731                       | 62,950           | 156,681          | 102,707                     | 63,150           | 165,857          | 8,976                 | 200           | 9,176         | 5.86%        |
| Prior year error  |                              | 27,000           | 27,000           | 0                           | 0                | 0                |                       |               |               |              |
| Fair Housing Committee                                    | 0                            | 475              | 475              | 0                           | 400              | 400              | 0                     | (75)          | (75)          | -15.79%      |
| Veterans' Services  | 49,386                       | 2,140            | 51,526           | 50,814                      | 2,140            | 52,954           | 1,428                 | 0             | 1,428         | 2.77%        |
| Veterans' Benefits  | 0                            | 4,500            | 4,500            | 0                           | 4,500            | 4,500            | 0                     | 0             | 0             | 0.00%        |
| Youth Commission  | 54,365                       | 21,848           | 76,213           | 55,732                      | 21,848           | 77,580           | 1,367                 | 0             | 1,367         | 1.79%        |
| <i>Board of Selectmen - Other Services</i>                |                              |                  |                  |                             |                  |                  |                       |               |               |              |
| Housing Development Corporation                           | 3,000                        | 500              | 3,500            | 0                           | 3,500            | 3,500            | (3,000)               | 3,000         | 0             | 0.00%        |
| MetroWest Planning  | 0                            | 5,250            | 5,250            | 0                           | 5,043            | 5,043            | 0                     | (207)         | (207)         | NA           |
| Historical Commission                                     | 0                            | 250              | 250              | 0                           | 250              | 250              | 0                     | 0             | 0             | 0.00%        |
| Historical District Commission                            | 0                            | 250              | 250              | 0                           | 250              | 250              | 0                     | 0             | 0             | 0.00%        |
| Human Relations Committee                                 | 0                            | 200              | 200              | 0                           | 200              | 200              | 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                                   | 42,260                       | 8,465            | 50,725           | 43,483                      | 8,465            | 51,948           | 1,223                 | 0             | 1,223         | 2.41%        |
| <i>Board of Selectmen - Shared Services</i>               |                              |                  |                  |                             |                  |                  |                       |               |               |              |
| Law   | 0                            | 259,770          | 259,770          | 0                           | 266,264          | 266,264          | 0                     | 6,494         | 6,494         | 2.50%        |
| Risk Management   | 0                            | 372,058          | 372,058          | 0                           | 381,359          | 381,359          | 0                     | 9,301         | 9,301         | 2.50%        |
| <b>Subtotal - Board of Selectmen - General Government</b> | <b>1,710,123</b>             | <b>1,538,774</b> | <b>3,248,897</b> | <b>1,758,056</b>            | <b>1,559,301</b> | <b>3,317,357</b> | <b>47,933</b>         | <b>20,527</b> | <b>68,460</b> | <b>2.11%</b> |

**USES OF FUNDS**

| Funding Item                                     | FY07 USE OF FUNDS (Tax Rate) |                  |                  | FY08 USE OF FUNDS (Request) |                  |                  | CHANGE - FY07 to FY08 |               |                |               |
|--|------------------------------|------------------|------------------|-----------------------------|------------------|------------------|-----------------------|---------------|----------------|---------------|
|  | FY07                         | FY07             | FY07             | FY08                        | FY08             | FY08             | Variance              | Variance      | Variance       | Variance      |
|  | Pers Srvs                    | Expenses         | Total Ops        | Pers Srvs                   | Expenses         | Total Ops        | Pers Srvs             | Expenses      | Total - \$     | Total - %     |
| <b>Other General Government</b>                  |                              |                  |                  |                             |                  |                  |                       |               |                |               |
| Town Clerk/Election & Registration               | 237,974                      | 47,800           | 285,774          | 218,305                     | 46,141           | 264,446          | (19,669)              | (1,659)       | (21,328)       | -7.46%        |
| Board of Assessors                               | 215,355                      | 81,200           | 296,555          | 222,246                     | 79,150           | 301,396          | 6,891                 | (2,050)       | 4,841          | 1.63%         |
| Planning Board                                   | 149,371                      | 25,575           | 174,946          | 153,688                     | 25,425           | 179,113          | 4,317                 | (150)         | 4,167          | 2.38%         |
| Advisory Committee                               | 5,280                        | 24,780           | 30,060           | 5,412                       | 25,718           | 31,130           | 132                   | 938           | 1,070          | 3.56%         |
| Reserve Fund                                     | 0                            | 175,000          | 175,000          | 0                           | 175,000          | 175,000          | 0                     | 0             | 0              | 0.00%         |
| Audit Committee                                  | 0                            | 62,000           | 62,000           | 0                           | 65,100           | 65,100           | 0                     | 3,100         | 3,100          | 5.00%         |
| Permanent Building Committee                     | 7,268                        | 7,200            | 14,468           | 7,450                       | 7,200            | 14,650           | 182                   | 0             | 182            | 1.26%         |
| Human Resources Board                            | 216,990                      | 20,820           | 237,810          | 245,113                     | 20,670           | 265,783          | 28,123                | (150)         | 27,973         | 11.76%        |
| Merit Pay Plan Balance (2007 trf to departments) | 11,490                       | 0                | 11,490           | 150,000                     | 0                | 150,000          |                       | 0             | 138,510        | N/A           |
| <b>Subtotal - Other General Government</b>       | <b>843,728</b>               | <b>444,375</b>   | <b>1,288,103</b> | <b>1,002,214</b>            | <b>444,404</b>   | <b>1,446,618</b> | <b>19,976</b>         | <b>29</b>     | <b>158,515</b> | <b>12.31%</b> |
| <b>GENERAL GOVERNMENT TOTAL</b>                  | <b>2,553,851</b>             | <b>1,983,149</b> | <b>4,537,000</b> | <b>2,760,270</b>            | <b>2,003,705</b> | <b>4,763,975</b> | <b>67,909</b>         | <b>20,556</b> | <b>226,975</b> | <b>5.00%</b>  |
| <b>PUBLIC SAFETY - BOARD OF SELECTMEN</b>        |                              |                  |                  |                             |                  |                  |                       |               |                |               |
| Police Department                                | 4,088,743                    | 676,325          | 4,765,068        | 4,174,196                   | 691,684          | 4,865,880        | 85,453                | 15,359        | 100,812        | 2.12%         |
| Special School Police                            | 91,449                       | 2,652            | 94,101           | 92,720                      | 2,718            | 95,438           | 1,271                 | 66            | 1,337          | 1.42%         |
| Fire Department                                  | 3,688,037                    | 308,192          | 3,996,229        | 3,785,770                   | 314,363          | 4,100,133        | 97,733                | 6,171         | 103,904        | 2.60%         |
| Building Department                              | 281,389                      | 21,505           | 302,894          | 285,657                     | 21,605           | 307,262          | 4,268                 | 100           | 4,368          | 1.44%         |
| Emergency Medical Services                       |                              | 115,400          | 115,400          | 0                           | 119,000          | 119,000          | 0                     | 3,600         | 3,600          | 3.12%         |
| Sealer of Weights & Measures                     | 14,741                       | 3,500            | 18,241           | 14,741                      | 3,500            | 18,241           | 0                     | 0             | 0              | 0.00%         |
| <b>PUBLIC SAFETY TOTAL - BOARD OF SELECTMEN</b>  | <b>8,164,359</b>             | <b>1,127,574</b> | <b>9,291,933</b> | <b>8,353,084</b>            | <b>1,152,870</b> | <b>9,505,954</b> | <b>188,725</b>        | <b>25,296</b> | <b>214,021</b> | <b>2.30%</b>  |
| <b>DEPARTMENT OF PUBLIC WORKS</b>                |                              |                  |                  |                             |                  |                  |                       |               |                |               |
| Engineering                                      | 441,176                      | 77,615           | 518,791          | 441,361                     | 77,615           | 518,976          | 185                   | 0             | 185            | 0.04%         |
| Highway  | 853,550                      | 396,622          | 1,250,172        | 855,830                     | 396,622          | 1,252,452        | 2,280                 | 0             | 2,280          | 0.18%         |
| Fleet Maintenance                                | 98,985                       | 53,807           | 152,792          | 101,689                     | 53,807           | 155,496          | 2,704                 | 0             | 2,704          | 1.77%         |
| Park   | 850,818                      | 224,159          | 1,074,977        | 851,802                     | 253,775          | 1,105,577        | 984                   | 29,616        | 30,600         | 2.85%         |
| Recycling & Disposal                             | 652,727                      | 1,266,566        | 1,919,293        | 733,607                     | 1,261,666        | 1,995,273        | 80,880                | (4,900)       | 75,980         | 3.96%         |
| Management                                       | 274,369                      | 40,096           | 314,465          | 294,203                     | 46,396           | 340,599          | 19,834                | 6,300         | 26,134         | 8.31%         |
| Street Lighting                                  | 0                            | 186,447          | 186,447          | 0                           | 209,550          | 209,550          | 0                     | 23,103        | 23,103         | 12.39%        |
| Winter Maintenance                               | 0                            | 334,561          | 334,561          | 0                           | 344,599          | 344,599          | 0                     | 10,038        | 10,038         | 3.00%         |
| <b>PUBLIC WORKS TOTAL</b>                        | <b>3,171,625</b>             | <b>2,579,873</b> | <b>5,751,498</b> | <b>3,278,492</b>            | <b>2,644,030</b> | <b>5,922,522</b> | <b>106,867</b>        | <b>64,157</b> | <b>171,024</b> | <b>2.97%</b>  |
| <b>WELLESLEY FREE LIBRARY</b>                    |                              |                  |                  |                             |                  |                  |                       |               |                |               |
| Library Trustees                                 | 1,484,613                    | 579,670          | 2,064,283        | 1,526,404                   | 597,753          | 2,124,157        | 41,791                | 18,083        | 59,874         | 2.90%         |
| Regional Services (Non-Tax Impact)               | 149,450                      | 67,736           | 217,186          | 138,631                     | 66,871           | 205,502          | (10,819)              | (865)         | (11,684)       | -5.38%        |
| <b>LIBRARY TOTAL</b>                             | <b>1,634,063</b>             | <b>647,406</b>   | <b>2,281,469</b> | <b>1,665,035</b>            | <b>664,624</b>   | <b>2,329,659</b> | <b>30,972</b>         | <b>17,218</b> | <b>48,190</b>  | <b>2.11%</b>  |

**USES OF FUNDS**

| Funding Item                             | FY07 USE OF FUNDS (Tax Rate) |                   |                   | FY08 USE OF FUNDS (Request) |                   |                   | CHANGE - FY07 to FY08 |                  |                  |               |
|--|------------------------------|-------------------|-------------------|-----------------------------|-------------------|-------------------|-----------------------|------------------|------------------|---------------|
|  | FY07                         | FY07              | FY07              | FY08                        | FY08              | FY08              | Variance              | Variance         | Variance         | Variance      |
|  | Pers Srvs                    | Expenses          | Total Ops         | Pers Srvs                   | Expenses          | Total Ops         | Pers Srvs             | Expenses         | Total - \$       | Total - %     |
| <b>RECREATION</b>                        |                              |                   |                   |                             |                   |                   |                       |                  |                  |               |
| Recreation Commission                    | 301,012                      | 96,525            | 397,537           | 309,389                     | 78,900            | 388,289           | 8,377                 | (17,625)         | (9,248)          | -2.33%        |
| Recreation Programs - (Non-Tax Impact)   | 448,523                      | 509,212           | 957,735           | 513,890                     | 760,512           | 1,274,402         | 65,367                | 251,300          | 316,667          | 33.06%        |
| Teen Center                              | 0                            | 7,500             | 7,500             | 0                           | 0                 | 0                 | 0                     | (7,500)          | (7,500)          | -100.00%      |
| <b>RECREATION TOTAL</b>                  | <b>749,535</b>               | <b>613,237</b>    | <b>1,362,772</b>  | <b>823,279</b>              | <b>839,412</b>    | <b>1,662,691</b>  | <b>73,744</b>         | <b>226,175</b>   | <b>299,919</b>   | <b>22.01%</b> |
| <b>HEALTH</b>                            |                              |                   |                   |                             |                   |                   |                       |                  |                  |               |
| Board of Health                          | 297,160                      | 80,899            | 378,059           | 314,665                     | 82,917            | 397,582           | 17,505                | 2,018            | 19,523           | 5.16%         |
| Mental Health Services                   | 0                            | 157,808           | 157,808           | 0                           | 178,923           | 178,923           | 0                     | 21,115           | 21,115           | 13.38%        |
| <b>HEALTH TOTAL</b>                      | <b>297,160</b>               | <b>238,707</b>    | <b>535,867</b>    | <b>314,665</b>              | <b>261,840</b>    | <b>576,505</b>    | <b>17,505</b>         | <b>23,133</b>    | <b>40,638</b>    | <b>7.58%</b>  |
| <b>NATURAL RESOURCES</b>                 |                              |                   |                   |                             |                   |                   |                       |                  |                  |               |
| Natural Resources Commission             | 149,886                      | 15,440            | 165,326           | 163,152                     | 15,650            | 178,802           | 13,266                | 210              | 13,476           | 8.15%         |
| Morses Pond Project - (NRC, DPW, Rec)    | 0                            | 75,000            | 75,000            | 0                           | 166,500           | 166,500           | 0                     | 91,500           | 91,500           | NA            |
| <b>NATURAL RESOURCES TOTAL</b>           | <b>149,886</b>               | <b>90,440</b>     | <b>240,326</b>    | <b>163,152</b>              | <b>182,150</b>    | <b>345,302</b>    | <b>13,266</b>         | <b>91,710</b>    | <b>104,976</b>   | <b>43.68%</b> |
| <b>MLP - TAX IMPACT</b>                  |                              |                   |                   |                             |                   |                   |                       |                  |                  |               |
| Fire & Traffic Signal Systems            | 58,280                       | 25,470            | 83,750            | 58,185                      | 26,970            | 85,155            | (95)                  | 1,500            | 1,405            | 1.68%         |
| <b>MLP - TAX IMPACT TOTAL</b>            | <b>58,280</b>                | <b>25,470</b>     | <b>83,750</b>     | <b>58,185</b>               | <b>26,970</b>     | <b>85,155</b>     | <b>(95)</b>           | <b>1,500</b>     | <b>1,405</b>     | <b>1.68%</b>  |
| <b>NON-SCHOOL TOTAL</b>                  | <b>16,778,759</b>            | <b>7,305,856</b>  | <b>24,084,615</b> | <b>17,416,162</b>           | <b>7,775,601</b>  | <b>25,191,763</b> | <b>498,893</b>        | <b>469,745</b>   | <b>1,107,148</b> | <b>4.60%</b>  |
| <b>WELLESLEY PUBLIC SCHOOLS</b>          |                              |                   |                   |                             |                   |                   |                       |                  |                  |               |
| Instruction                              | 33,797,309                   | 1,418,857         | 35,216,166        | 36,302,950                  | 1,361,824         | 37,664,774        | 2,505,641             | (57,033)         | 2,448,608        | 6.95%         |
| Administration                           | 797,003                      | 186,990           | 983,993           | 827,388                     | 186,875           | 1,014,263         | 30,385                | (115)            | 30,270           | 3.08%         |
| Operations                               | 2,156,300                    | 2,246,853         | 4,403,153         | 2,276,296                   | 2,208,263         | 4,484,559         | 119,996               | (38,590)         | 81,406           | 1.85%         |
| Community Service                        | 5,000                        |                   | 5,000             | 5,000                       | 0                 | 5,000             | 0                     | 0                | 0                | 0.00%         |
| Special Tuition/Transportation/Inclusion | 2,609,168                    | 3,815,391         | 6,424,559         | 2,958,159                   | 3,492,316         | 6,450,475         | 348,991               | (323,075)        | 25,916           | 0.40%         |
| <b>SCHOOL TOTAL</b>                      | <b>39,364,780</b>            | <b>7,668,091</b>  | <b>47,032,871</b> | <b>42,369,793</b>           | <b>7,249,278</b>  | <b>49,619,071</b> | <b>3,005,013</b>      | <b>(418,813)</b> | <b>2,586,200</b> | <b>5.50%</b>  |
| <b>EMPLOYEE BENEFITS</b>                 |                              |                   |                   |                             |                   |                   |                       |                  |                  |               |
| Group Insurance                          | 0                            | 11,873,100        | 11,873,100        | 0                           | 13,297,872        | 13,297,872        |                       | 1,424,772        | 1,424,772        | 12.00%        |
| OPEB Liability Fund                      | 0                            | 600,000           | 600,000           | 0                           | 1,200,000         | 1,200,000         |                       | 600,000          | 600,000          | NA            |
| Workers' Compensation                    | 0                            | 261,476           | 261,476           | 0                           | 386,736           | 386,736           |                       | 125,260          | 125,260          | 47.90%        |
| Unemployment Compensation                | 0                            | 100,000           | 100,000           | 0                           | 100,000           | 100,000           |                       | 0                | 0                | 0.00%         |
| Compensated Absences                     | 0                            | 90,000            | 90,000            | 0                           | 90,000            | 90,000            |                       | 0                | 0                | 0.00%         |
| Non-Contributory Pensions                | 0                            | 72,219            | 72,219            | 0                           | 59,633            | 59,633            |                       | (12,586)         | (12,586)         | -17.43%       |
| <b>EMPLOYEE BENEFITS TOTAL</b>           | <b>0</b>                     | <b>12,996,795</b> | <b>12,996,795</b> | <b>0</b>                    | <b>15,134,241</b> | <b>15,134,241</b> | <b>0</b>              | <b>2,137,446</b> | <b>2,137,446</b> | <b>16.45%</b> |

**USES OF FUNDS**

| Funding Item                                | FY07 USE OF FUNDS (Tax Rate) |                   |                   | FY08 USE OF FUNDS (Request) |                   |                   | CHANGE - FY07 to FY08 |                  |                  |               |
|---|------------------------------|-------------------|-------------------|-----------------------------|-------------------|-------------------|-----------------------|------------------|------------------|---------------|
|   | FY07                         | FY07              | FY07              | FY08                        | FY08              | FY08              | Variance              | Variance         | Variance         | Variance      |
|   | Pers Svcs                    | Expenses          | Total Ops         | Pers Svcs                   | Expenses          | Total Ops         | Pers Svcs             | Expenses         | Total - \$       | Total - %     |
| <b>ALL PERSONAL SERVICES &amp; EXPENSES</b> | <b>56,143,539</b>            | <b>27,970,742</b> | <b>84,114,281</b> | <b>59,785,955</b>           | <b>30,159,120</b> | <b>89,945,075</b> | <b>3,642,416</b>      | <b>2,188,378</b> | <b>5,830,794</b> | <b>6.93%</b>  |
| <b>CAPITAL &amp; DEBT</b>                   |                              |                   |                   |                             |                   |                   |                       |                  |                  |               |
| <i>Departmental Cash Capital</i>            |                              |                   |                   |                             |                   |                   |                       |                  |                  |               |
| Public Works Capital                        | 0                            | 1,107,500         | 1,107,500         |                             | 1,303,500         | 1,303,500         |                       | 196,000          | 196,000          | 17.70%        |
| Public Works - Site remediation             | 0                            | 0                 | 0                 |                             | 200,000           | 200,000           |                       | 200,000          | 200,000          | NA            |
| School Capital                              | 0                            | 1,165,319         | 1,165,319         |                             | 982,811           | 982,811           |                       | (182,508)        | (182,508)        | -15.66%       |
| Selectmen Capital                           | 0                            | 35,272            | 35,272            |                             | 132,104           | 132,104           |                       | 96,832           | 96,832           | 274.53%       |
| Library Capital                             | 0                            | 23,700            | 23,700            |                             | 42,504            | 42,504            |                       | 18,804           | 18,804           | NA            |
| NRC Capital                                 | 0                            | 25,000            | 25,000            |                             | 56,000            | 56,000            |                       | 31,000           | 31,000           | 124.00%       |
| Planning Capital                            | 0                            | 20,000            | 20,000            |                             | 50,000            | 50,000            |                       | 30,000           | 30,000           | 150.00%       |
| Town Clerk                                  | 0                            | 16,000            | 16,000            |                             | 16,000            | 16,000            |                       | 0                | 0                | 0.00%         |
| Recreation Capital                          | 0                            | 6,400             | 6,400             |                             | 0                 | 0                 |                       | (6,400)          | (6,400)          | -100.00%      |
| Morses Pond Project                         | 0                            | 0                 | 0                 |                             | 0                 | 0                 |                       | 0                | 0                | NA            |
| <b>Subtotal - Cash Capital</b>              | <b>0</b>                     | <b>2,399,191</b>  | <b>2,399,191</b>  |                             | <b>2,782,919</b>  | <b>2,782,919</b>  | <b>0</b>              | <b>383,728</b>   | <b>383,728</b>   | <b>15.99%</b> |
| <i>Debt Service</i>                         |                              |                   |                   |                             |                   |                   |                       |                  |                  |               |
| Current Inside Levy Debt Service - Issued   | 0                            | 4,007,875         | 4,007,875         |                             | 3,683,969         | 3,683,969         |                       | (323,906)        | (323,906)        | -8.08%        |
| Current Outside Levy Debt Service - Issued  | 0                            | 4,028,064         | 4,028,064         |                             | 3,932,688         | 3,932,688         |                       | (95,376)         | (95,376)         | -2.37%        |
| New Debt Service - Inside Levy              | 0                            | 25,000            | 25,000            |                             | 326,211           | 326,211           |                       | 301,211          | 301,211          | NA            |
| New Debt Service - Issued Outside Levy      | 0                            | 444,975           | 444,975           |                             | 480,000           | 480,000           |                       | 35,025           | 35,025           | NA            |
| Outside Not used                            |                              | 668,461           | 668,461           |                             | 0                 | 0                 |                       | (668,461)        | (668,461)        |               |
| <b>Subtotal - Debt Service</b>              |                              | <b>9,174,375</b>  | <b>9,174,375</b>  |                             | <b>8,422,868</b>  | <b>8,422,868</b>  | <b>0</b>              | <b>(751,507)</b> | <b>(751,507)</b> | <b>-8.19%</b> |
| <b>CAPITAL &amp; DEBT TOTAL</b>             |                              | <b>11,573,566</b> | <b>11,573,566</b> |                             | <b>11,205,787</b> | <b>11,205,787</b> | <b>0</b>              | <b>(367,779)</b> | <b>(367,779)</b> | <b>-3.18%</b> |

**USES OF FUNDS**

| Funding Item                               | FY07 USE OF FUNDS (Tax Rate) |                  |                   | FY08 USE OF FUNDS (Request) |                  |                  | CHANGE - FY07 to FY08 |                  |                  |               |
|--|------------------------------|------------------|-------------------|-----------------------------|------------------|------------------|-----------------------|------------------|------------------|---------------|
|  | FY07                         | FY07             | FY07              | FY08                        | FY08             | FY08             | Variance              | Variance         | Variance         | Variance      |
|  | Pers Srvs                    | Expenses         | Total Ops         | Pers Srvs                   | Expenses         | Total Ops        | Pers Srvs             | Expenses         | Total - \$       | Total - %     |
| <b>SPECIAL ITEMS</b>                       |                              |                  |                   |                             |                  |                  |                       |                  |                  |               |
| <i>Receipts Reserved for Appropriation</i> |                              |                  |                   |                             |                  |                  |                       |                  |                  |               |
| Traffic & Parking Operations               | 103,527                      | 281,450          | 384,977           | 114,524                     | 287,650          | 402,174          | 10,997                | 6,200            | 17,197           | 4.47%         |
| Traffic & Parking Maintenance Capital      | 0                            | 109,000          | 109,000           | 0                           | 86,500           | 86,500           | 0                     | (22,500)         | (22,500)         | -20.64%       |
| Community Preservation Appropriated        | 0                            | 460,500          | 460,500           | 0                           | 1,298,378        | 1,298,378        | 0                     | 837,878          | 837,878          | 181.95%       |
| <i>Prior or Current Period Expenses</i>    |                              |                  |                   |                             |                  |                  |                       |                  |                  |               |
| Selectmen                                  | 0                            | 0                | 0                 | 0                           | 0                | 0                | 0                     | 0                | 0                | NA            |
| Union Contracts                            | 0                            | 0                | 0                 | 200,000                     | 0                | 200,000          | 200,000               | 0                | 200,000          | NA            |
| DPW  | 0                            | 200,000          | 200,000           | 0                           | 0                | 0                | 0                     | (200,000)        | (200,000)        | NA            |
| <i>Other Special Items</i>                 |                              |                  |                   |                             |                  |                  |                       |                  |                  |               |
| Stabilization Fund                         | 0                            | 0                | 0                 | 0                           | 500,000          | 500,000          | 0                     | 500,000          | 500,000          | NA            |
| Property Tax Abatements                    | 0                            | 298,486          | 298,486           | 0                           | 325,000          | 325,000          | 0                     | 26,514           | 26,514           | 8.88%         |
| State & County Assessments                 | 0                            | 990,245          | 990,245           | 0                           | 990,245          | 990,245          | 0                     | 0                | 0                | 0.00%         |
| <b>SPECIAL ITEMS TOTAL</b>                 | <b>103,527</b>               | <b>2,339,681</b> | <b>2,443,208</b>  | <b>314,524</b>              | <b>3,487,773</b> | <b>3,802,297</b> | <b>210,997</b>        | <b>1,148,092</b> | <b>1,359,089</b> | <b>55.63%</b> |
| <b>TOTAL USES OF FUNDS</b>                 |                              |                  | <b>98,131,055</b> | <b>104,953,159</b>          |                  |                  | <b>6,822,104</b>      | <b>6.95%</b>     |                  |               |
| <b>TOTAL SOURCES OF FUNDS</b>              |                              |                  | <b>98,131,055</b> | <b>104,953,159</b>          |                  |                  | <b>6,822,104</b>      | <b>6.95%</b>     |                  |               |
| <b>SURPLUS (DEFICIT)</b>                   |                              |                  | <b>0</b>          | <b>(0)</b>                  |                  |                  |                       |                  |                  |               |

## Report of the Board of Selectmen on Capital Budgeting Schedule



Article 31, adopted by the 2004 Annual Town Meeting, requires the Board of Selectmen to compile and present to the Annual Town Meeting a Five Year Capital Budget Program. Each Town Board and Department is required annually to provide to the Selectmen information on its proposed capital requests and anticipated capital needs.

The purpose of the Program is not to fix priorities or appropriations for various projects in specified amounts, but to facilitate long range planning so that the Town may, in an orderly fashion, prepare for major capital expenditures over a five-year period. Whereas one Town Meeting may not bind any future Town Meeting, the Program does not commit the Town to future action. The budget is revised annually in order to reflect current information.

The Exhibits within this report present the five-year capital projects and needs budget within an overall financial context. Exhibit A provides the summary and detail of the Program. The amount of the Town's existing debt and estimates of the impact of proposed debt is shown in Exhibit B. At the Spring 2007 Annual Town Meeting, a debt exclusion for several capital projects will be proposed, which are described in the narrative of the Town-Wide Financial Plan (TWFP).

The following sections provide a brief description for some of the more notable projects included in the capital plan. A list of all departmental General Fund requests appears in Exhibit A.

### **PROPOSED FY08 DEBT EXCLUSIONS**

#### **School Building Infrastructure (\$11,207,054)**

*See TWFP*

#### **Surface Drainage Master Plan (\$1,306,000)**

*See TWFP*

#### **Morses Pond Management Plan (\$850,000)**

*See TWFP*

#### **Sprague Field (\$1,204,900)**

*See TWFP*

## FUTURE CAPITAL NEEDS

### Board of Selectmen

#### **Washington Street Cold Planing and Resurfacing - \$385,000 (FY09)**

The Washington Street Reconstruction Project ended with the completion of the final segment of work between Service Drive at Wellesley College and Wiswall Circle. The initial full depth (base and wearing course) reconstruction work on Washington Street goes back to the mid-1990's. The reconstruction work was designed to last for up to 15 to 20 years provided that routine maintenance was performed and a resurfacing of the roadway was completed approximately ten years out. The Town's traffic engineering consultant inspected the roadway and recommended that Washington Street from Route 9 (Wellesley Hills) to Grove Street be cold planed and resurfaced. Cold planing involves the removal of the top section of a roadway (sometimes referred to as the 'wearing course') and its replacement with new asphalt cover. This work should extend the life of this segment of road for up to 10 years.

#### **Engine #1 - \$375,000 (FY09)**

The Fire Department requires a new fire engine to replace the 1991 Pierce Pumper, which is nearing the end of its lifecycle.

### Natural Resource Commission (NRC)

#### **Fuller Brook Park Restoration Master Plan - \$572,000 (FY10)**

The Fuller Brook Park Restoration project encompasses the Town's popular Brook Path and Caroline Brook Path and the immediate surrounding parkland. The Park is victim to years of neglect. Erosion, dead and decaying trees, spreading of invasive plant species, decrepit infrastructure, including bridges, sidewalks, brook channel and culverts in disrepair are a danger to public safety. An outside consultant drafted a new master plan.

### Board of Public Works

#### **Street Improvements – \$445,000 (FY08); \$2,200,000 (FY09-FY12)**

This annual budget item enables the Town to resurface 4 – 6 miles of street each year. The Town's yearly commitment to this work has prevented Wellesley streets from falling into a state of disrepair, the situation facing many of our neighboring communities where major expenditures of money and time are needed to recover from inadequate maintenance.

#### **Sidewalk Restoration - \$65,000(FY08); \$475,000 (FY09-FY12)**

DPW is responsible for the maintenance of 116 miles of sidewalk. Due mostly to the impact of tree roots lifting sections of pavement; there is a continuous need for full or partial restoration work throughout town especially to eliminate safety hazards to pedestrians.

#### **Equipment Procurement – \$378,000 (FY08); \$2,520,370 (FY09-FY12)**

This budget provides for the ongoing replacement or major refurbishment of the Department's 121 vehicles.

## **School Committee**

### **High School Project**

There has been much discussion regarding a plan for a major high school project. It is unclear at this time what form such a project will take. However, it is clear that it will be the largest capital undertaking in Town history in terms of cost. It is unclear at this time when a proposal will be put before Town Meeting for schematic design.

### **Technology - \$2,717,816 (FY08–FY12)**

Capital items in the Technology category are defined as computer hardware and peripherals included in the School Department's five year Technology Plan. On an annual basis, these items are reviewed/updated by School Department Administration. Both new and replacement purchases are included. The request for FY08 is \$522,049.

### **Projects from Enterprise Funds:**

## **Board of Public Works**

### **Sewer Fund – Rehabilitation of Sewer Mains - \$1,330,000 (FY08-FY12)**

The biggest obstacles to the smooth operations of the Town's 130-mile sewer system are blockages and overloading of the system from infiltration and inflow. On an annual basis under this portion of the Sewer capital program, 10 miles of sewer are television inspected for leaks, breaks and blockages, the sewers are cleaned of roots or other blockages, joints are tested and sealed, and major breaks or collapses are repaired. A portion of this work is reimbursable from the MWRA's Infiltration and Inflow Financial Assistance Program

### **Sewer Fund – Sewer Lift Stations - \$545,600 (FY08-FY12)**

The Sewer program operates 19 small sewer lift stations. These stations serve small neighborhoods (typically less than two dozen homes). Many of these stations are approaching 40 years in age. A study of the rehabilitation and/or replacement of sewer lift stations, which was completed in FY03, prioritized the need to replace these stations. Shore road is scheduled for replacement in FY08 and Stoneclave Road is scheduled for replacement in FY10.

### **Water Fund – Distribution System - \$1,016,785 (FY08-FY12)**

The Water Distribution Study has identified a program of water main additions (loop closings), replacements, and relinings necessary to maintaining water quality and pressure throughout the Town's 150-mile distribution system, much of which is over 80 years old. The FY08 project involves the cleaning and lining of existing water mains in the Upland area and on Grantland Road. Additional cleaning and lining and/or replacement projects are planned for later years in accordance with the study.

### **Water Fund – Remote Read Meter Program - \$260,000 (FY08-FY11)**

The new remote read water meters were installed in 1998 and 1999. Although the meters have an expected life of at least 20 years (so would not need to be changed until 2018), the batteries on the ERT (signal sending device) on each meter have an expected life of 12 to 15 years (so

they will need to be replaced beginning in 2011, and will need to be replaced quickly once they start to fail). Under this program all ERT batteries will be replaced on a planned basis at an estimated cost of \$65,000 per year. This will allow a full meter change out to be put off until 2018, which will put it after the Water Treatment Plant debt is paid off and will also enable the program to take advantage of any technology improvements that may be available by then.

**Water Fund – Vehicle/Equipment Replacement - \$768,000 (FY08-FY12)**

This request provides funding for the replacement of various vehicles in accordance with a phased replacement schedule. The Water Division maintains 22 vehicles and 12 pieces of major equipment.

**Water & Sewer Garage/Office Construction - \$8,000,000 (FY08)**

The Municipal Light Plant (MLP) has completed a building needs/evaluation study that indicates that the MLP's buildings, including those that currently house Water/Sewer personnel and equipment, have outlived their useful lives and need to be replaced. MLP plans to demolish the existing MLP/Water/Sewer garage and construct new MLP garage and office space in the approximate location of the existing MLP garage. The DPW Water and Sewer Division plans to construct new /Water/Sewer garage and office space adjacent to the existing Park/Highway garage. The DPW is coordinating this project with the Permanent Building Committee. The Water and Sewer Enterprise Funds will provide the funding for this project.

**Municipal Light Board**

**FY2008 Capital Request - \$10,277,238**

The request for FY2008 does not include any tax impact items. By far the most noteworthy item in the MLP's capital program is a new building project. At the time of this drafting, the presentation of the financial component of this project is to take place at this year's Annual Town Meeting. MLP has allocated \$6.2 million in FY08 for this project. Other highlights include \$1.7 million for Station #41 Reliability, \$519,599 for Stepdown area conversions, and \$258,362 for the continuing oil filled "G&W" cutout replacement program.

**Five year Capital Forecast - \$13,084,490 (FY08-FY12)**

Aside from the aforementioned building project, items of note in the FY09-FY12 forecast are \$1,466,259 in FY2010 for a new supply line from Station 148 to Station 378. MLP is forecasting \$693,895 for 378-89 Line Reconductoring in FY10, and \$1,100,000 for Station 41 replacement in FY011.

## **Non-Tax Impact – Selectmen**

### **Weston Road Parking Lot at Electric Substation - \$200,000 (FY12)**

In response to numerous concerns regarding the availability of parking and studies that show the need for additional parking, the Town contracted with TAMS Consultants to develop a plan to add 60 new Town Parking Lot on Weston Road at the Electric Sub-Station location. The resulting plan describes the lot and costs associated with the construction (\$162,000). The plan was presented to the Selectmen, but because of unresolved safety issues the plan was not adopted. Those issues involve the pedestrian and vehicular traffic entering and exiting the site at the very congested intersection of Weston Road and Linden Street. If the intersection were to be signalized, then this additional Parking Lot becomes very viable. Traffic & Parking revenues will fund the project if it should proceed.

### **Cedar, Hastings and Hunnewell Intersection Improvements - \$336,000 (FY12)**

The Town's traffic engineer has identified this intersection as one that potentially warrants the installation of a traffic signal. Some elements of the intersection operate at a Level of Service "F," which is the lowest level possible designation on the scale. Attempts to improve the intersections designation have failed at previous Town Meetings. To date, the traffic engineer's safety concerns remain.

**TOWN OF WELLESLEY - ALL BOARDS  
FY2008-2012 CAPITAL BUDGET PROGRAMS  
FY2008-2012 GENERAL FUND CAPITAL REQUESTS - EXPENDITURE SUMMARY**

**CASH CAPITAL**

| <b>Department</b>            | <b>FY08</b>      | <b>FY09</b>      | <b>FY10</b>      | <b>FY11</b>      | <b>FY12</b>      | <b>5 Yr TOTAL</b> |
|------------------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| Board of Selectmen (BoS)     | \$ 132,104       | \$ 184,611       | \$ 166,719       | \$ 84,619        | \$ 39,119        | \$ 607,172        |
| Clerk, Town                  | 16,000           | 16,000           | 16,000           | -                | -                | 48,000            |
| Library, Wellesley Free      | 42,504           | 48,000           | 70,500           | 350,000          | 35,000           | 546,004           |
| Morses Pond Project          | -                | 250,000          | 600,000          | -                | -                | 850,000           |
| Natural Resources Commission | 56,000           | 46,000           | 46,000           | 186,000          | 131,000          | 465,000           |
| NIS (Network Info Sys.)      | -                | 85,000           | 77,000           | 71,000           | 17,000           | 250,000           |
| Planning Board               | 50,000           | 45,000           | 20,000           | 10,000           | 5,000            | 130,000           |
| Public Works                 | 1,303,500        | 1,689,500        | 1,712,500        | 1,667,870        | 1,548,500        | 7,921,870         |
| Recreation Commission        | -                | 23,000           | -                | -                | -                | 23,000            |
| Schools                      | 982,811          | 820,299          | 860,955          | 842,246          | 967,212          | 4,473,523         |
| Site Remediation             | 200,000          | -                | -                | -                | -                | 200,000           |
| <b>Subtotal</b>              | <b>2,782,919</b> | <b>3,207,410</b> | <b>3,569,674</b> | <b>3,211,735</b> | <b>2,742,831</b> | <b>15,514,569</b> |

**DEBT FINANCING**

|                              |                  |                  |                   |                  |                  |                   |
|------------------------------|------------------|------------------|-------------------|------------------|------------------|-------------------|
| Board of Selectmen (BoS)     | -                | 760,000          | -                 | -                | 536,000          | 1,296,000         |
| Morses Pond Project          | -                | 250,000          | 600,000           | -                | -                | 850,000           |
| Natural Resources Commission | -                | -                | 572,000           | -                | -                | 572,000           |
| Public Works                 | 300,000          | 423,500          | 5,050,000         | 3,970,000        | 2,902,000        | 12,645,500        |
| Recreation Commission        | -                | -                | 870,000           | -                | -                | 870,000           |
| School - Infrastructure      | 1,559,244        | 5,014,585        | 4,633,225         | 659,240          | 3,146,500        | 15,012,794        |
| School - Sprague Field       | 1,204,900        | -                | -                 | -                | -                | 1,204,900         |
| <b>Subtotal</b>              | <b>3,064,144</b> | <b>6,448,085</b> | <b>11,725,225</b> | <b>4,629,240</b> | <b>6,584,500</b> | <b>32,451,194</b> |

|                    |                     |                     |                      |                     |                     |                      |
|--------------------|---------------------|---------------------|----------------------|---------------------|---------------------|----------------------|
| <b>GRAND TOTAL</b> | <b>\$ 5,847,063</b> | <b>\$ 9,655,495</b> | <b>\$ 15,294,899</b> | <b>\$ 7,840,975</b> | <b>\$ 9,327,331</b> | <b>\$ 47,965,763</b> |
|--------------------|---------------------|---------------------|----------------------|---------------------|---------------------|----------------------|

**BOARD OF SELECTMEN  
SUMMARY OF FY08 - FY12 CAPITAL BUDGET PROGRAM**

| <b>DEPARTMENT</b>     | <b>ITEM/PROJECT</b>              | <b><u>FY08</u></b> | <b><u>FY09</u></b> | <b><u>FY10</u></b> | <b><u>FY11</u></b> | <b><u>FY12</u></b> | <b><u>TOTAL</u></b> |
|-----------------------|----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| <b>CASH CAPITAL</b>   |                                  |                    |                    |                    |                    |                    |                     |
| Director's Office     | Customer Serv. Tracking Software | \$ 10,000          | \$ -               | \$ -               | \$ -               | \$ -               | \$ 10,000           |
| Director's Office     | Town Hall Parking Improvements   | -                  | 77,079             | -                  | -                  | -                  | 77,079              |
| Fire Department       | Vehicles                         | 41,000             | 31,000             | -                  | 45,500             | -                  | 117,500             |
| Fire Department       | Radio System Installation        | 5,000              | -                  | -                  | -                  | -                  | 5,000               |
| Fire Department       | Turnout Gear                     | -                  | -                  | 90,000             | -                  | -                  | 90,000              |
| Fire Department       | Defibrillator Replacement        | -                  | 37,600             | 37,600             | -                  | -                  | 75,200              |
| Police Department     | Radio Replacement                | 38,556             | 38,932             | 39,119             | 39,119             | 39,119             | 194,845             |
| Police Department     | Telephone System                 | 23,440             | -                  | -                  | -                  | -                  | 23,440              |
| Police Department     | Exterior Security Cameras        | 14,108             | -                  | -                  | -                  | -                  | 14,108              |
| <b>Subtotal</b>       |                                  | <b>132,104</b>     | <b>184,611</b>     | <b>166,719</b>     | <b>84,619</b>      | <b>39,119</b>      | <b>607,172</b>      |
| <b>DEBT FINANCING</b> |                                  |                    |                    |                    |                    |                    |                     |
| Director's Office     | Washington St Cold Planing       | -                  | 385,000            | -                  | -                  | -                  | 385,000             |
| Fire Department       | Fire engine 1 replacement        | -                  | 375,000            | -                  | -                  | -                  | 375,000             |
| Traffic & Parking     | Cedar & Hastings Intersection    | -                  | -                  | -                  | -                  | 336,000            | 336,000             |
| Traffic & Parking     | Weston Rd Parking Lot            | -                  | -                  | -                  | -                  | 200,000            | 200,000             |
| <b>Subtotal</b>       |                                  | <b>-</b>           | <b>760,000</b>     | <b>-</b>           | <b>-</b>           | <b>536,000</b>     | <b>1,296,000</b>    |
| <b>Grand Total</b>    |                                  | <b>\$ 132,104</b>  | <b>\$ 944,611</b>  | <b>\$ 166,719</b>  | <b>\$ 84,619</b>   | <b>\$ 575,119</b>  | <b>\$ 1,903,172</b> |

Exhibit A

**TOWN CLERK  
SUMMARY OF FY08 - FY12 CAPITAL BUDGET PROGRAM**

| <b>DEPARTMENT</b>   | <b>ITEM/PROJECT</b>        | <u><b>FY08</b></u> | <u><b>FY09</b></u> | <u><b>FY10</b></u> | <u><b>FY11</b></u> | <u><b>FY12</b></u> | <u><b>5 Yr TOTAL</b></u> |
|---------------------|----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------------|
| <b>CASH CAPITAL</b> |                            |                    |                    |                    |                    |                    |                          |
| Town Clerk          | Vital Records Preservation | \$ 16,000          | \$ 16,000          | \$ 16,000          | \$ -               | \$ -               | \$ 48,000                |
| <b>Subtotal</b>     |                            | <b>16,000</b>      | <b>16,000</b>      | <b>16,000</b>      | <b>-</b>           | <b>-</b>           | <b>48,000</b>            |
| <b>GRAND TOTAL</b>  |                            | <b>\$ 16,000</b>   | <b>\$ 16,000</b>   | <b>\$ 16,000</b>   | <b>\$ -</b>        | <b>\$ -</b>        | <b>\$ 48,000</b>         |

**WELLESLEY FREE LIBRARY  
SUMMARY OF FY08 - FY12 CAPITAL BUDGET PROGRAM**

| <b>DEPARTMENT</b>   | <b>ITEM/PROJECT</b>            | <b><u>FY08</u></b> | <b><u>FY09</u></b> | <b><u>FY10</u></b> | <b><u>FY11</u></b> | <b><u>FY12</u></b> | <b><u>5 Yr TOTAL</u></b> |
|---------------------|--------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------------|
| <b>CASH CAPITAL</b> |                                |                    |                    |                    |                    |                    |                          |
| Fells               | Replace Basement Windows       | \$ 4,706           | \$ -               | \$ -               | \$ -               | \$ -               | \$ 4,706                 |
| Fells               | Replace doors, frames/hardware | 5,798              | -                  | -                  | -                  | -                  | 5,798                    |
| Main                | Replace Indust. Vacuum         | -                  | 5,000              | -                  | -                  | -                  | 5,000                    |
| Main                | Replace Furniture/Carpet       | -                  | 10,000             | 10,000             | 10,000             | 10,000             | 40,000                   |
| Main                | Repaint and seal garage floor  | 8,000              | -                  | -                  | -                  | -                  | 8,000                    |
| Main                | RFID                           | -                  | -                  | -                  | 290,000            | -                  | 290,000                  |
| Main                | Replacement of Van             | -                  | -                  | -                  | 25,000             | -                  | 25,000                   |
| Main                | Self-Check Station             | -                  | -                  | 25,000             | -                  | -                  | 25,000                   |
| Main                | Servers                        | 4,000              | 5,000              | 5,000              | 5,000              | 5,000              | 24,000                   |
| Main                | Microfilm Machine              | -                  | -                  | 10,500             | -                  | -                  | 10,500                   |
| Main                | Servers, Wireless              | -                  | 8,000              | -                  | -                  | -                  | 8,000                    |
| Main                | Computers                      | 20,000             | 20,000             | 20,000             | 20,000             | 20,000             | 100,000                  |
| <b>Subtotal</b>     |                                | <b>42,504</b>      | <b>48,000</b>      | <b>70,500</b>      | <b>350,000</b>     | <b>35,000</b>      | <b>546,004</b>           |
| <b>GRAND TOTAL</b>  |                                | <b>\$ 42,504</b>   | <b>\$ 48,000</b>   | <b>\$ 70,500</b>   | <b>\$ 350,000</b>  | <b>\$ 35,000</b>   | <b>\$ 546,004</b>        |

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**MORSES POND - MANAGEMENT PLAN  
SUMMARY OF FY08 - FY12 CAPITAL BUDGET PROGRAM**

| DEPARTMENT ITEM/PROJECT  | <u>FY08</u> | <u>FY09</u>       | <u>FY10</u>       | <u>FY11</u> | <u>FY12</u> | <u>5 Yr TOTAL</u> |
|--|-------------|-------------------|-------------------|-------------|-------------|-------------------|
| <b>DEBT FINANCING</b>  |             |                   |                   |             |             |                   |
| Morses Pond Water Clarity - Design, Permitting, other support      | \$ -        | \$ -              | \$ -              | \$ -        | \$ -        | \$ -              |
| Morses Pond Water Clarity - Construction                           | -           | -                 | -                 | -           | -           | -                 |
| Morses Pond Dredging Area 1 - Design, Permitting, other support    | -           | 100,000           | -                 | -           | -           | 100,000           |
| Morses Pond Dredging Area 1 - Construction                         | -           | -                 | 500,000           | -           | -           | 500,000           |
| Morses Pond Dredging Area 1 - Monitoring                           | -           | -                 | 50,000            | -           | -           | 50,000            |
| Morses Pond Education - Website Design & Population                | -           | 20,000            | -                 | -           | -           | 20,000            |
| Morses Pond Education - Brochure                                   | -           | 30,000            | -                 | -           | -           | 30,000            |
| Morses Pond Bylaw review and enhancement                           | -           | 50,000            | 25,000            | -           | -           | 75,000            |
| Morses Pond Low Imp. Devl/Storm Water Mgt. Imprvmnt - Design       | -           | 50,000            | -                 | -           | -           | 50,000            |
| Morses Pond Low Imp. Devl/Storm Water Mgt. Imprvmnt - Construction | -           | -                 | 25,000            | -           | -           | 25,000            |
| <b>Subtotal</b>  | -           | <b>250,000</b>    | <b>600,000</b>    | -           | -           | <b>850,000</b>    |
| <b>Grand Total</b>   | <b>\$ -</b> | <b>\$ 250,000</b> | <b>\$ 600,000</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 850,000</b> |

**NATURAL RESOURCES COMMISSION  
SUMMARY OF FY08 - FY12 CAPITAL BUDGET PROGRAM**

| DEPARTMENT            | ITEM/PROJECT                         | FY08            | FY09            | FY10             | FY11             | FY12             | 5 Yr TOTAL          |
|-----------------------|--------------------------------------|-----------------|-----------------|------------------|------------------|------------------|---------------------|
| <b>CASH CAPITAL</b>   |                                      |                 |                 |                  |                  |                  |                     |
| NRC                   | Tree Planting Program                | \$ 25,000       | \$ 25,000       | \$ 25,000        | \$ 25,000        | \$ 25,000        | \$ 125,000          |
| NRC                   | Trails Systems Improvements          | 5,000           | 6,000           | 6,000            | 6,000            | 6,000            | 29,000              |
| NRC                   | Integrated Pest Mngt Turf Plan       | -               | 10,000          | 10,000           | 10,000           | 10,000           | 40,000              |
| NRC                   | Warren Park Basketball Court Improv. | 21,000          | -               | -                | -                | -                | 21,000              |
| NRC                   | Comprehensive Pond management Plan   | -               | -               | -                | 100,000          | -                | 100,000             |
| NRC                   | Morses Pond Erosion Control Project  | -               | -               | -                | -                | 45,000           | 45,000              |
| NRC                   | Abbott Pond Restoration Study        | -               | -               | -                | 40,000           | -                | 40,000              |
| NRC                   | State Street Pond Restoration Study  | -               | -               | -                | -                | 40,000           | 40,000              |
| NRC                   | Encroachmnt Perm. Boundry Markers    | 5,000           | 5,000           | 5,000            | 5,000            | 5,000            | 25,000              |
| <b>Subtotal</b>       |                                      | <b>56,000</b>   | <b>46,000</b>   | <b>46,000</b>    | <b>186,000</b>   | <b>131,000</b>   | <b>465,000</b>      |
| <b>DEBT FINANCING</b> |                                      |                 |                 |                  |                  |                  |                     |
| NRC                   | Fuller Brook Park Restoration        | -               | -               | 572,000          | -                | -                | 572,000             |
| <b>Subtotal</b>       |                                      | <b>-</b>        | <b>-</b>        | <b>572,000</b>   | <b>-</b>         | <b>-</b>         | <b>572,000</b>      |
| <b>Grand Total</b>    |                                      | <b>\$56,000</b> | <b>\$46,000</b> | <b>\$618,000</b> | <b>\$186,000</b> | <b>\$131,000</b> | <b>\$ 1,037,000</b> |

**BOARD OF SELECTMEN  
NETWORK & INFORMATION SYSTEMS DEPARTMENT  
SUMMARY OF FY08 - FY12 CAPITAL BUDGET PROGRAM**

| DEPARTMENT          | ITEM/PROJECT                 | <u>FY08</u> | <u>FY09</u>      | <u>FY10</u>      | <u>FY11</u>      | <u>FY12</u>      | <u>TOTAL</u>      |
|---------------------|------------------------------|-------------|------------------|------------------|------------------|------------------|-------------------|
| <b>CASH CAPITAL</b> |                              |             |                  |                  |                  |                  |                   |
| NIS                 | Microsoft Office 2007        | \$ -        | \$ 20,000        | \$ 20,000        | \$ 20,000        | \$ -             | \$ 60,000         |
| NIS                 | Windows Server 2007 Licenses | -           | 7,000            | 7,000            | 7,000            | 7,000            | 28,000            |
| NIS                 | Digital Orthophotos          | -           | -                | -                | -                | -                | -                 |
| NIS                 | Storage Area Network (SAN)   | -           | 10,000           | 10,000           | 14,000           | -                | 34,000            |
| NIS                 | System Management Software   | -           | 10,000           | -                | -                | -                | 10,000            |
| NIS                 | Network Switches             | -           | 20,000           | 20,000           | 20,000           | 10,000           | 70,000            |
| NIS                 | Tape Autoloader / Library    | -           | 6,000            | 8,000            | -                | -                | 14,000            |
| NIS                 | VMware                       | -           | 12,000           | 12,000           | 10,000           | -                | 34,000            |
| <b>Subtotal</b>     |                              | -           | <b>85,000</b>    | <b>77,000</b>    | <b>71,000</b>    | <b>17,000</b>    | <b>250,000</b>    |
| <b>Grand Total</b>  |                              | <b>\$ -</b> | <b>\$ 85,000</b> | <b>\$ 77,000</b> | <b>\$ 71,000</b> | <b>\$ 17,000</b> | <b>\$ 250,000</b> |

**PLANNING BOARD**  
**SUMMARY OF FY08 - FY12 CAPITAL BUDGET PROGRAM**

| <b>DEPARTMENT</b>   | <b>ITEM/PROJECT</b>             | <b>FY08</b>      | <b>FY09</b>      | <b>FY10</b>      | <b>FY11</b>      | <b>FY12</b>     | <b>5 Yr TOTAL</b> |
|---------------------|---------------------------------|------------------|------------------|------------------|------------------|-----------------|-------------------|
| <b>CASH CAPITAL</b> |                                 |                  |                  |                  |                  |                 |                   |
| Planning            | Re-Codification of Zoning Bylaw | \$ 25,000        | \$ 25,000        | \$ -             | \$ -             | \$ -            | \$ 50,000         |
| Planning            | State Street Study              | 10,000           | -                | -                | -                | -               | 10,000            |
| Planning            | Tailby/Railroad Station Plan    | -                | 10,000           | -                | -                | -               | 10,000            |
|                     | CP Implementation - Mixed Use   |                  |                  |                  |                  |                 |                   |
| Planning            | Zoning Study                    | -                | 10,000           | -                | -                | -               | 10,000            |
| Planning            | CP - Mandartory Cluster         | -                | -                | 10,000           | -                | -               | 10,000            |
|                     | CP - Neighborhood conservation  |                  |                  |                  |                  |                 |                   |
| Planning            | Dists.                          | 10,000           | -                | -                | -                | -               | 10,000            |
| Planning            | CP - Office Park Development    | -                | -                | -                | 10,000           | -               | 10,000            |
| Planning            | CP - Landmark Bylaw             | -                | -                | 10,000           | -                | -               | 10,000            |
| Planning            | CP - Sidewalk Plan              | 5,000            | -                | -                | -                | -               | 5,000             |
| Planning            | CP - Bicycle Plan               | -                | -                | -                | -                | 5,000           | 5,000             |
| <b>Subtotal</b>     |                                 | <b>50,000</b>    | <b>45,000</b>    | <b>20,000</b>    | <b>10,000</b>    | <b>5,000</b>    | <b>130,000</b>    |
| <b>GRAND TOTAL</b>  |                                 | <b>\$ 50,000</b> | <b>\$ 45,000</b> | <b>\$ 20,000</b> | <b>\$ 10,000</b> | <b>\$ 5,000</b> | <b>\$ 130,000</b> |

**BOARD OF PUBLIC WORKS  
SUMMARY OF FY08 - FY12 CAPITAL BUDGET PROGRAM**

| DEPARTMENT                  | ITEM/PROJECT                   | FY08       | FY09       | FY10       | FY11       | FY12       | TOTAL        |
|-----------------------------|--------------------------------|------------|------------|------------|------------|------------|--------------|
| <b>CASH CAPITAL</b>         |                                |            |            |            |            |            |              |
| Street Improvements         | Resurfacing                    | \$ 415,000 | \$ 465,000 | \$ 510,000 | \$ 510,000 | \$ 565,000 | \$ 2,465,000 |
| Street Improvements         | Crack Sealing                  | 30,000     | 35,000     | 35,000     | 40,000     | 40,000     | 180,000      |
| Sidewalk Restoration        | Sidewalk Restoration           | 65,000     | 115,000    | 120,000    | 120,000    | 120,000    | 540,000      |
| Private Ways                | Private Ways                   | 15,000     | 20,000     | 20,000     | 20,000     | 20,000     | 95,000       |
| Drainage Improvements       | Culvert & Headwall Rehab       | 6,000      | 6,000      | 6,000      | 6,000      | 6,000      | 30,000       |
| Drainage Improvements       | Catch Basin Reconstruction     | 6,000      | 6,000      | 6,000      | 6,000      | 6,000      | 30,000       |
| Prkwy/Hwy Facilities        | Garage Door replacement        | 50,000     | -          | -          | -          | -          | 50,000       |
| Prkwy/Hwy Facilities        | Brick Façade Sealing           | -          | 27,000     | -          | -          | -          | 27,000       |
| Prkwy/Hwy Facilities        | HVAC Study                     | -          | 20,000     | -          | -          | -          | 20,000       |
| RDF Facilities Improvements | RDF Container Replacement      | 19,500     | 19,500     | 19,500     | 19,500     | 19,500     | 97,500       |
| RDF Facility Improvements   | Resurface Paved Areas          | 107,000    | -          | -          | -          | -          | 107,000      |
| RDF Facility Improvements   | Baler Sorting Table            | -          | 27,000     | -          | -          | -          | 27,000       |
| RDF Facility Improvements   | Baler Storage Area Relocation  | -          | -          | 30,000     | -          | -          | 30,000       |
|                             | Wooden Recycling Area          |            |            |            |            |            |              |
| RDF Facility Improvements   | Structure                      | -          | -          | 175,000    | -          | -          | 175,000      |
| RDF Facility Improvements   | Reusables Area Reconfiguration | -          | -          | -          | -          | -          | -            |
| RDF Facility Improvements   | Recycling Education Area       | -          | -          | 40,000     | -          | -          | 40,000       |
| Other                       | Scanning of Engineering Plans  | -          | -          | -          | -          | -          | -            |
|                             | Public Shade Tree              |            |            |            |            |            |              |
| Other                       | Inventory/Maint.               | 5,000      | -          | -          | -          | -          | 5,000        |
| Other                       | Moth Control Project           | 20,000     | 20,000     | 20,000     | 20,000     | 20,000     | 100,000      |
|                             | Traffic Island and Streetscape |            |            |            |            |            |              |
| Other                       | Renov.                         | 5,000      | 5,000      | 5,000      | 5,000      | 5,000      | 25,000       |
|                             | Clock Tower Building           |            |            |            |            |            |              |
| Other                       | Improvements                   | -          | 25,000     | -          | -          | -          | 25,000       |
| Other                       | Washbay for Small Eqpt. Shop   | -          | -          | -          | 50,000     | -          | 50,000       |
|                             | Fleet Maintenance Welding      |            |            |            |            |            |              |
| Other                       | Shop - Iron Worker             | 20,000     | -          | -          | -          | -          | 20,000       |
|                             | Fleet Maintenance Repair Shop  |            |            |            |            |            |              |
| Other                       | Scan Tool                      | 10,000     | -          | -          | -          | -          | 10,000       |

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**BOARD OF PUBLIC WORKS  
SUMMARY OF FY08 - FY12 CAPITAL BUDGET PROGRAM**

| DEPARTMENT                       | ITEM/PROJECT   | FY08                | FY09                | FY10                | FY11                | FY12                | TOTAL                |
|----------------------------------|--|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| DPW - Equipment Procurement      | Vehicle Replacement  | 378,000             | 592,000             | 574,000             | 739,370             | 615,000             | 2,898,370            |
| DPW - Field/Playground Improv    | Sprague Field Rehabilitation 2                                       | 10,000              | 15,000              | 15,000              | 15,000              | 15,000              | 70,000               |
| DPW - Field/Playground Improv    | Elementary Field Improvements  | 90,000              | 60,000              | 50,000              | 40,000              | 40,000              | 280,000              |
| DPW - Field/Playground Improv    | High School/Hunnewell Field  | 30,000              | 50,000              | 50,000              | 50,000              | 50,000              | 230,000              |
| DPW - Field/Playground Improv    | Play Equipment Replacement   | 12,000              | 12,000              | 12,000              | 12,000              | 12,000              | 60,000               |
| DPW - Field/Playground Improv    | ADA Requirements<br>Tennis & Basketball Court                        | 5,000               | 5,000               | 5,000               | 5,000               | 5,000               | 25,000               |
| DPW - Field/Playground Improv    | Improv.  | -                   | 150,000             | 10,000              | 10,000              | 10,000              | 180,000              |
| DPW - Field/Playground Improv    | Water Fountain Replacements  | 5,000               | 15,000              | 10,000              | -                   | -                   | 30,000               |
| <b>Subtotal- Cash Capital</b>    |  | <b>\$ 1,303,500</b> | <b>\$ 1,689,500</b> | <b>\$ 1,712,500</b> | <b>\$ 1,667,870</b> | <b>\$ 1,548,500</b> | <b>\$ 7,921,870</b>  |
| <b>DEBT FINANCING</b>            |  |                     |                     |                     |                     |                     |                      |
| DPW - Street Rehabilitation      | Bacon St   | \$ -                | \$ -                | \$ 375,000          | \$ -                | \$ -                | \$ 375,000           |
| DPW - Street Rehabilitation      | Cliff Road   | -                   | -                   | -                   | 1,250,000           | -                   | 1,250,000            |
| DPW - Street Rehabilitation      | Grove Street   | -                   | -                   | -                   | -                   | 1,250,000           | 1,250,000            |
| DPW - Drainage Improvement       | Surface Drainage Master Plan   | 300,000             | 331,000             | 375,000             | 300,000             | -                   | 1,306,000            |
| DPW - Facilities                 | Garage/Office Construction   | -                   | -                   | 4,000,000           | 900,000             | 390,000             | 5,290,000            |
| Hunnewell Field Improvement      | Field Maintenance/Rest Room<br>Hunnewell/Football Field              | -                   | 22,500              | 150,000             | -                   | -                   | 172,500              |
| Hunnewell Field Improvement      | Fencing  | -                   | 70,000              | -                   | -                   | -                   | 70,000               |
| Hunnewell Field Improvement      | Football Field Artificial Surface<br>Renovation of Baseball/Softball | -                   | -                   | 150,000             | 1,500,000           | -                   | 1,650,000            |
| Hunnewell Field Improvement      | Fields<br>Renovation/Drainage Skating                                | -                   | -                   | -                   | 20,000              | 1,242,000           | 1,262,000            |
| Hunnewell Field Improvement      | Pond   | -                   | -                   | -                   | -                   | 20,000              | 20,000               |
| <b>Subtotal - Debt Financing</b> |  | <b>300,000</b>      | <b>423,500</b>      | <b>5,050,000</b>    | <b>3,970,000</b>    | <b>2,902,000</b>    | <b>12,645,500</b>    |
| <b>Grand Total</b>               |  | <b>\$ 1,603,500</b> | <b>\$ 2,113,000</b> | <b>\$ 6,762,500</b> | <b>\$ 5,637,870</b> | <b>\$ 4,450,500</b> | <b>\$ 20,567,370</b> |

**RECREATION COMMISSION  
SUMMARY OF FY08 - FY12 CAPITAL BUDGET PROGRAM**

| DEPARTMENT            | ITEM/PROJECT                | <u>FY08</u> | <u>FY09</u>      | <u>FY10</u>       | <u>FY11</u> | <u>FY12</u> | <u>TOTAL</u>      |
|-----------------------|-----------------------------|-------------|------------------|-------------------|-------------|-------------|-------------------|
| <b>CASH CAPITAL</b>   |                             |             |                  |                   |             |             |                   |
| Recreation            | Web Trac Software           | \$ -        | \$ 23,000        | \$ -              | \$ -        | \$ -        | \$ 23,000         |
| <b>Subtotal</b>       |                             | <b>-</b>    | <b>23,000</b>    | <b>-</b>          | <b>-</b>    | <b>-</b>    | <b>23,000</b>     |
| <b>DEBT FINANCING</b> |                             |             |                  |                   |             |             |                   |
| Recreation            | Morses Pond - New Bathhouse | -           | -                | 870,000           | -           | -           | 870,000           |
| <b>Subtotal</b>       |                             | <b>-</b>    | <b>-</b>         | <b>870,000</b>    | <b>-</b>    | <b>-</b>    | <b>870,000</b>    |
| <b>Grand Total</b>    |                             | <b>\$ -</b> | <b>\$ 23,000</b> | <b>\$ 870,000</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 893,000</b> |

**WELLESLEY PUBLIC SCHOOLS**  
**SUMMARY OF FY08 - FY12 CAPITAL BUDGET PROGRAM**

| DEPARTMENT                        | ITEM/PROJECT                                 | FY08                | FY09                 | FY10                | FY11                | FY12                | TOTAL                |
|-----------------------------------|--|---------------------|----------------------|---------------------|---------------------|---------------------|----------------------|
| <b>CAPITAL REQUEST</b>            |  |                     |                      |                     |                     |                     |                      |
| School                            | Equipment - Copiers                          | \$ 37,400           | \$ 40,382            | \$ 33,237           | \$ 73,360           | \$ 151,297          | \$ 335,676           |
| School                            | Equipment - General                          | 111,107             | 17,600               | 12,000              | 20,000              | 20,000              | 180,707              |
| School                            | Equipment - Vehicles                         | -                   | -                    | 35,000              | -                   | -                   | 35,000               |
| School                            | Furniture/Furnishings                        | 118,081             | 130,000              | 130,000             | 130,000             | 130,000             | 638,081              |
| School                            | Infra. - construction /interior impr         | 544,018             | 739,317              | 2,069,904           | 597,740             | 3,020,000           | 6,970,979            |
| School                            | Infra. - Electrical Panels/Outlets/l         | 13,200              | 19,000               | 22,000              | 15,000              | 15,000              | 84,200               |
| School                            | Infra. - Fire alarms/emergency lig           | -                   | 10,000               | 10,000              | 10,000              | 10,000              | 40,000               |
| School                            | Flooring                                     | 128,951             | 299,443              | 374,000             | -                   | 40,000              | 842,394              |
| School                            | Infra. - HS Modular classrooms               | 30,000              | 3,618,771            | -                   | -                   | -                   | 3,648,771            |
| School                            | Infra. - Plumbing/Heating/Ventilat           | 413,333             | 1,975,536            | 74,046              | -                   | 25,000              | 2,487,915            |
| School                            | Infra. - Roof Maintenance/Replac             | 524,099             | 3,841,489            | 2,173,725           | 36,500              | 36,500              | 6,612,313            |
| School                            | Maintenance                                  | 29,280              | 25,000               | 25,000              | 25,000              | 25,000              | 129,280              |
| School                            | Environmental Safety                         | 40,000              | 10,000               | 10,000              | 10,000              | 10,000              | 80,000               |
| School                            | Technology                                   | 522,049             | 524,738              | 536,228             | 543,886             | 590,915             | 2,717,816            |
| School                            | Instructional Equipment                      | 30,537              | 72,579               | 79,490              | 40,000              | 40,000              | 262,606              |
| <b>Subtotal - Capital Request</b> |  | <b>\$ 2,542,055</b> | <b>\$ 11,323,855</b> | <b>\$ 5,584,630</b> | <b>\$ 1,501,486</b> | <b>\$ 4,113,712</b> | <b>\$ 25,065,738</b> |
| <b>CASH CAPITAL</b>               |  |                     |                      |                     |                     |                     |                      |
| School                            | Equipment - Copiers                          | \$ 37,400           | \$ 40,382            | \$ 33,237           | \$ 73,360           | \$ 151,297          | \$ 335,676           |
| School                            | Equipment - General                          | 43,464              | 17,600               | 12,000              | 20,000              | 20,000              | 113,064              |
| School                            | Equipment - Vehicles                         | -                   | -                    | 35,000              | -                   | -                   | 35,000               |
| School                            | Furniture/Furnishings                        | 118,081             | 130,000              | 130,000             | 130,000             | 130,000             | 638,081              |
| School                            | Infra. - construction /interior improvements | 20,000              | -                    | -                   | -                   | -                   | 20,000               |
| School                            | Infra. - Electrical Panels/Outlets/fixtures  | -                   | -                    | -                   | -                   | -                   | -                    |
| School                            | Infra. - Fire alarms/emergency lights        | -                   | -                    | -                   | -                   | -                   | -                    |
| School                            | Infra. - Flooring                            | -                   | -                    | -                   | -                   | -                   | -                    |

**WELLESLEY PUBLIC SCHOOLS**  
**SUMMARY OF FY08 - FY12 CAPITAL BUDGET PROGRAM**

| DEPARTMENT                     | ITEM/PROJECT                          | FY08           | FY09           | FY10           | FY11           | FY12           | TOTAL            |
|--------------------------------|---------------------------------------|----------------|----------------|----------------|----------------|----------------|------------------|
| School                         | Infra. - HS Modular classroom study   | 30,000         | -              | -              | -              | -              | 30,000           |
| School                         | Infra. - Plumbing/Heating/Ventilation | 8,000          | -              | -              | -              | -              | 8,000            |
| School                         | Infra. - Roof Maintenance/Replacement | 104,000        | -              | -              | -              | -              | 104,000          |
| School                         | Maintenance                           | 29,280         | 25,000         | 25,000         | 25,000         | 25,000         | 129,280          |
| School                         | Environmental Safety                  | 40,000         | 10,000         | 10,000         | 10,000         | 10,000         | 80,000           |
| School                         | Technology                            | 522,049        | 524,738        | 536,228        | 543,886        | 590,915        | 2,717,816        |
| School                         | Instructional Equipment               | 30,537         | 72,579         | 79,490         | 40,000         | 40,000         | 262,606          |
| <b>Subtotal - Cash Capital</b> |                                       | <b>982,811</b> | <b>820,299</b> | <b>860,955</b> | <b>842,246</b> | <b>967,212</b> | <b>4,473,523</b> |

**DEBT FINANCING**

|  |  |                     |                       |                     |                     |                     |                       |
|--|--|---------------------|-----------------------|---------------------|---------------------|---------------------|-----------------------|
| School   | Equipment - General                          | 67,643              | -                     | -                   | -                   | -                   | 67,643                |
| School   | Infra. - construction /interior improvements | 524,018             | 719,317               | 2,049,904           | 597,740             | 3,020,000           | 6,910,979             |
| School   | Infra. - Electrical Panels/Outlets/fixtures  | 13,200              | 19,000                | 18,050              | 15,000              | 15,000              | 80,250                |
| School   | Infra. - Fire alarms/emergency lights        | -                   | -                     | -                   | 10,000              | 10,000              | -                     |
| School   | Infra. - Flooring                            | 128,951             | 299,443               | 374,000             | -                   | 40,000              | 842,394               |
| School   | Infra. - HS Modular classroom                | -                   | -                     | -                   | -                   | -                   | -                     |
| School   | Infra. - Plumbing/Heating/Ventilation        | 405,333             | 1,960,336             | 43,546              | -                   | 25,000              | 2,434,215             |
| School   | Infra. - Roof Maintenance/Replacement        | 420,099             | 2,016,489             | 2,147,725           | 36,500              | 36,500              | 4,657,313             |
| <b>Subtotal - Debt Financing</b>                     |  | <b>1,559,244</b>    | <b>5,014,585</b>      | <b>4,633,225</b>    | <b>659,240</b>      | <b>3,146,500</b>    | <b>15,012,794</b>     |
| School   | Sprague Field                                | 1,204,900           | -                     | -                   | -                   | -                   | 1,204,900             |
| <b>Subtotal</b>                                      |  | <b>1,204,900</b>    | <b>-</b>              | <b>-</b>            | <b>-</b>            | <b>-</b>            | <b>1,204,900</b>      |
| <b>Grand Total Funded Projects (Cash &amp; Debt)</b> |  | <b>\$ 3,746,955</b> | <b>\$ 5,834,884</b>   | <b>\$ 5,494,180</b> | <b>\$ 1,501,486</b> | <b>\$ 4,113,712</b> | <b>\$ 20,691,217</b>  |
| <b>Difference (Grand Total - Capital Request)</b>    |  | <b>\$ 1,204,900</b> | <b>\$ (5,488,971)</b> | <b>\$ (90,450)</b>  | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ (4,374,521)</b> |

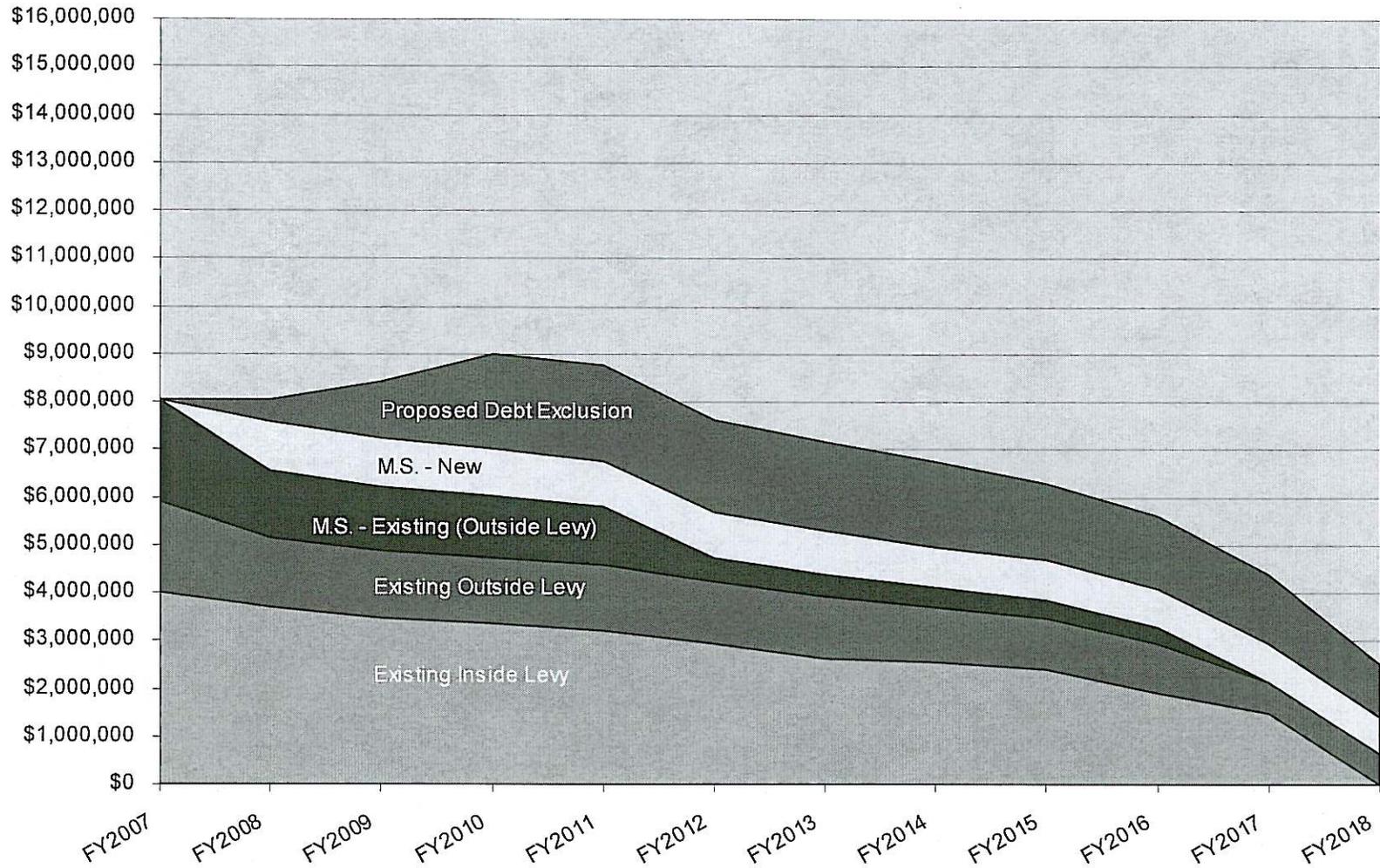
Notes: Cash Capital Funded in FY08

3-Year Debt Excluded Items Funded FY08-12

**MULTI-DEPARTMENT SITE REMEDIATION  
SUMMARY OF FY08 - FY12 CAPITAL BUDGET PROGRAM**

| DEPARTMENT          | ITEM/PROJECT                | <u>FY08</u>       | <u>FY09</u> | <u>FY10</u> | <u>FY11</u> | <u>FY12</u> | <u>TOTAL</u>      |
|---------------------|-----------------------------|-------------------|-------------|-------------|-------------|-------------|-------------------|
| <b>CASH CAPITAL</b> |                             |                   |             |             |             |             |                   |
| DPW/MLP/Water&Sewer | New Garage Site Remediation | \$ 200,000        | \$ -        | \$ -        | \$ -        | \$ -        | \$ 200,000        |
| <b>Subtotal</b>     |                             | <b>200,000</b>    | <b>-</b>    | <b>-</b>    | <b>-</b>    | <b>-</b>    | <b>200,000</b>    |
| <b>Grand Total</b>  |                             | <b>\$ 200,000</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 200,000</b> |

## Exhibit B – Current & Proposed Debt (Excluding Proposed High School Project)



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