

Approved March 8, 2023

**Advisory Committee Meeting  
Zoom Video Conference  
Wednesday, March 1, 2023, 6:30 p.m.**

Those present from Advisory Committee included Shawn Baker, Doug Smith, Madison Riley, Rani Elwy, Gail Sullivan, David Prock, Bill Schauffler, Pete Pedersen, Al Ferrer, Jenn Fallon, Christina Dougherty, Wendy Paul, Susan Clapham, Neal Goins, and Andrea Ward.

The meeting video can be found here. [March 1, 2023, meeting](#)

Chair, Shawn Baker called the meeting to order at 6:30 pm and Vice Chair Doug Smith took roll call of Advisory members in attendance.

**Citizen Speak**

There was no one present for Citizen Speak.

**Department of Public Works (DPW) Update**

Dave Cohen, Director, DPW; Jeff Azano-Brown, Assistant Director, DPW, were present and provided an update to Article 13 and answered Advisory's questions about Article 29 for the Stormwater Enterprise Fund.

**Questions**

- A request was made to explain the overall increase in the water budget this year.
  - The largest cost driver is the cost of water purchased from the MWRA. The water bill is based on calendar year usage; in calendar year 2022 the Town needed to purchase water from the MWRA. The \$1.1 million is for the additional water purchased.
- A question was asked about the Stormwater Utility Fund. Since the current stormwater treatment and management costs are paid from the general tax fund, if this article passes, then individuals are charged, based on their impervious area, which creates an additional charge to each house. What happens to the previous tax that is no longer applied to these stormwater treatment and management costs?
  - If the Stormwater Utility Fund is adopted, DPW will implement the charges; it is unknown when that will happen. As it is currently structured, DPW would still seek an appropriation in FY24. Funds would build up in the fund for use in subsequent years and DPW would no longer need to seek an appropriation.
- Where would the money that is no longer needed as an appropriation go?
  - That is up to someone else to decide. As far as DPW is concerned, those tax dollars will no longer be appropriated to DPW's budget. Approximately \$1 million of tax impact operating dollars would no longer be requested by DPW.
- If DPW did appropriate funds, would this reduce the amount of money individuals would have to pay?
  - It could be done that way but that is not what DPW is recommending. DPW thinks that the user charge is a more equitable way to do this because it assigns costs to all users, not just to the taxpayers. It includes all the colleges and other nonprofit users; DPW estimates the user fees from these users at about \$500,000.
- A suggestion was made to include this information for Town Meeting as people will want to understand the relationship between what they were paying before and what they would be paying as a user fee and the benefit of a user fee.
- Is DPW trading Rosemary well for the Longfellow well or vice versa?

- In the fall, the DPW put out a bid for rehab for both wells, and the work on Longfellow was delayed because of the uncertainty of the PFAS situation. Once there was clarity about that, the Longfellow well seemed to be more of the culprit as far as PFAS. Rehabbing the Rosemary well will effectively triple the yield of that well. DPW will leave the Longfellow well for now. To rehabilitate the Rosemary well, the treatment plant will be offline for several months, depending on supply chain and construction. This will buy time to see what happens with the PFAS regulations. Tripling the yield from Rosemary will result in a very quick payback of probably a year and a half to two years. The bids are out now on the Rosemary well and the BPW will look at the price and determine if it still makes sense to do this.
- Appreciation for Jeff Azano-Brown was expressed by Advisory.
- Is the 4% increase for the increased use of the MWRA water enough of an increase?
  - DPW typically has conservative rates and projections. Actual revenue is very high--higher than projected--so DPW is confident of the 4% increase on sewer; on water it is conservative, and the increase might be less.
- A comment was made that with the stormwater utility fund, the taxpayers will pay for the costs one way or the other either through taxes or a user fee. But bringing in the colleges should help reduce what the taxpayer pays.
  - Yes, there is \$500,000 coming from a source that hasn't been contributing under the current structure.
- A suggestion was made to elicit free assistance from colleges from students to help with the analysis of the PFAS situation in the Longfellow and Rosemary wells. It was further suggested that a good hydrologist should be able to advise the town on what is happening.
  - The reason one well differs from the other is because the Longfellow source is more under the influence of surface water whereas Rosemary has different geology which is likely creating a filtering effect.
- Will there be users who will be impacted more than others with the stormwater utility fee?
  - The large commercial properties and the educational institutions will see the greatest impact; DPW had stakeholder meetings last summer with the colleges and large property owners. Credits and abatements are built into the program and the colleges jumped on this and felt they could add it to the curriculum and use their resources to help educate the community. Large property owners can do some infiltration and possibly green infrastructure to reduce their impact on the Town's stormwater system.
- Has the Town joined a PFAS lawsuit as other towns have done?
  - DPW has thought about it and plans to join into a class action lawsuit which is expected to happen in the next couple of months. DPW will consider the appropriate way to announce this.
- How will residents be billed for the stormwater user fee?
  - It will be a monthly charge on the water and sewer bill.
- When will the PFAS regulations be released?
  - They were expected in December. The sense is that they are several months and possibly a year or so away from being completed. The EPA wants to get the regulations correct. But it is believed these are going to be more stringent than what now exists. DPW does not want to propose a PFAS treatment based on a standard that changes later.

### **Town Wide Financial Plan (TWFP) and FY24 Budget**

Meghan Jop, Executive Director; Sheryl Strother, Finance Director; Lise Olney, Chair, Select Board (SB); Tom Ulfelder, Vice Chair, SB; Ann Mara Lanza, SB, were present. Meghan Jop provided a presentation on the TWFP and the FY24 town budget. The final TWFP will be voted by the SB at their next meeting, March 6, 2023.

## Questions

- Why is the tax increase 3.8% when it is only supposed to be 2.5%?
  - It is the overall tax rate and includes new growth. New growth is based on new construction. It also reflects the tax revenue increase from the 40R projects and 40B projects as they come online.
- Into which buckets in the financial plan does free cash fall?
  - The term “free cash” is the Town’s reserve. Free cash is defined by the Department of Revenue and is money that has been appropriated but was not spent and was rolled back to the Town. In addition, the Town has a general stabilization fund and special stabilization funds in which a percentage of funds is placed each year. These funds have a specific purpose and can only be expended with specific approvals. Any expenditure of free cash must be approved by Town Meeting. All of this is reflected in the TWFP in the use of funds. Free cash is reflected in the sources and uses.
  - The Town has a range for maintaining the balance in free cash of 8 to 12% of the previous year’s revenues. This is so the Town can continue to maintain the Moody’s AAA credit rating. In the last few years there has been more free cash, and the Town has been judiciously working it down towards the higher end of the SB’s policy. The TWFP reflects where the Town stands with respect to that policy.
- A comment was made that prudent management of the Town budget through COVID has allowed the Town to reap the benefits now.
- A comment was made that the total budget is up only 1% in part because the free cash items are down.
  - It also looks better because there are no borrowing offsets, so there is a reduction in overall exclusions and exemptions. In 2023-24 there is a \$2.8 million dollar decline because the Town is waiting on the second borrowing for Hardy. Therefore, it is an artificial decrease and makes it look good year over year. The overall operating increases are about 4.67%.
- A comment was made that in looking at the median tax bill there are existing debt exclusions and HHU is decreasing but there are no more exclusions according to the capital plan for that period.
  - Right now, there is no project. There is one likely projected for 2028 or 2029 with the PAWS building. Other projects are unknown. The Town works to try to keep the projects inside the levy and free cash can be used to offset some of the costs for projects. Borrowing is paid on a level principal so there will be a declining amount for all borrowings.
- Is any more borrowing planned for HHU?
  - Yes, in FY25 and FY26, the chart shows the borrowing increases slightly as the remainder of the borrowing for HHU is added. There is a decrease again in the later years. The Town does not want to borrow all at once for projects because the Town does not want to overborrow; if costs for the project are less than budgeted, the funds do not need to be borrowed.
- Is there anything in the numbers that might change?
  - We think the numbers are finalized but any change will impact all the tables. Budgets have been verified with departments over the past several days.
- What is the PILOT payment?
  - This is from Babson and is in the budget.
- Why is debt service dropping \$600,000 in FY24?
  - The fire truck and Warren HVAC were included in our original estimates, but those projects will now be funded with free cash so borrowing is not needed.
- What assumptions are made for the normal increases in property value to account for what is over the 2 ½%?

- Simplistically, it is \$1.5 million of new growth. The Sisters of Charity property is not assumed. It is a very simple and conservative estimate.
  - Growth can fluctuate dramatically from year to year, so we use an average growth estimate when putting together the budget.
- A question was asked about the Federal Funding Assistance of \$5,401,746 distributed through Norfolk County.
  - When the Federal government created the American Rescue Plan Act (ARPA), funds were distributed based on a community's population and funds were received in two ways – directly as a locality and other funds went to Norfolk County. Communities then received funds from the county funds. There is a rigorous application process because the county is the reporting agent back to the federal government. There are only a few things for which the funds can be used, and the Town dedicates the funds to larger projects because of federal funding reporting requirements. But all the funds are part of ARPA, received in two buckets. The Norfolk County funds also require local approval. Wellesley brings these as a project to Town Meeting for approval to make certain the projects are approved.
- There was a discussion and review of the information presented on the use of the ARPA funds.
- A question was asked if it is as simple as looking at free cash and going to Town Meeting for approval to use free cash instead of debt?
  - We pick off projects for potential free cash use as we go. We also must consider what has been done. The plan is modified going forward as funds are returned. It is doubtful that large amounts of free cash will be used to reduce inside the levy debt, but it will be used where there are opportunities to take projects out of the mix. There is always a larger wish list than available funds.
  - In addition, there is the reserve policy and the stabilization funds. There are always unknowns and unanticipated or emergency needs that might require funds.
- Is there a 50/50 target for cash capital?
  - Some departments are heavier users of the capital funds than others. The “town departments” are little departments with small capital expenditures. Over the last 12 years, with the formation of the Facilities Management Department, the Town is working to get them to the point that they could handle \$2 million in capital projects. The fluctuation in DPW work is considered and some of those funds will go to the Stormwater Enterprise Fund.
  - As revenues grow, the reserves at 6.8% are growing too but are inside the levy, and the inside the levy will fluctuate.
  - The Town looks strategically and has engaged legislators in the House and Senate at the state level in terms of earmarks. If funds are received and the item was a capital project, then it can be taken off the plan. These little things help with the big projects.
- A comment was made that in a high inflation year it seems that the \$2.5 million in free cash might have been higher.
  - That's the number the Town strives for every year. Sometimes it's a little over.
- Clarification was requested on the 50/60 series COLA increase and merit pay and if there is an estimate on the overall percent on the merit pay plan?
  - It will be based on an individual's standing in range. The 2% COLA is factored into all department budgets. The estimated delta depends upon the individual and their performance with a 2-3% range. This was also factored into the Town Clerk's salary increase.
- Is the estimate for local receipts low?
  - There will be overages in motor vehicle excise tax and a continued growth in permits.
- Are the projections for borrowing reflective of the higher interest rate environment?

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- Borrowing rates are projected at 4%, which is still conservative with a AAA rating. The Town will wait as long as possible to get the most favorable rate it can. If the length of borrowing needs to be considered, then the Town will do what it needs to do for the most favorable rate.

### Schools

Leda Eizenberg, Chair, School Committee (SC), and Catherine Mirick, SC, were present to review the answers to Advisory's questions from a previous meeting. See meeting documents listed below. A brief overview of the contract negotiations was also provided.

### Questions

- A question was asked about the number of open positions and if that number will decrease once the contract is signed.
  - Some of the positions being hired for are not currently vacant but are anticipated. It was felt that the unsettled contract is not a factor in the number of vacant positions. Some of these are more challenging positions to fill across the state. It is a labor shortage problem and not a Wellesley-specific problem.
- If positions are not filled, will there be significant turnback? Might these open positions over time put significant pressure on the budget rather than less?
  - These vacant positions have led to turnback but have not put an extraordinary strain on the budget.
  - Even without a contract, WPS salaries are very competitive with neighboring communities for both teachers and other educators.
- A comment was made that many letters had been received from concerned parents about a teaching assistant who had left and there was a recent Boston Globe article on this. How is appropriate compensation achieved or is this a difficult and larger problem?
  - When people leave those roles, it is often not for the same role in another community. It's because they become full-time teachers in other districts.
  - People in educational support professional positions are in those positions for many reasons; many of these positions do not require a degree. But these positions are crucial to the work WPS does with all students in all schools. However, they are positions that are working 10 months a year and 6 ½ hours per day. It is not a 2,000 hour per year job. Pay for these positions on an hourly basis is comparable to neighboring communities.
- A comment was made about discretionary and non-discretionary budget items and that the discretionary items are about \$300,000, or about 10%. It could be inferred then that the School Committee would then have a short list of discretionary items to discuss and perhaps there is not a lot of flexibility for the Schools or the Town.
- A question was asked about data on the number of full-time employees from the website <https://cleargov.com/massachusetts/school/wellesley> which indicated that the number of Wellesley Public School employees were 33% higher than similar districts.
  - The "Cleargov" website is a good place to get an overview. Because the district has a robust in-district special education program, there is a sizeable population of teaching assistants supporting students which could cause the reported employee number to be high.
  - Another number to consider is the per pupil expenditure; this is in line with comparable districts. The district is also in line with other districts in overall spending.
- A comment was made about the presentation on enrollment and that dips in enrollment are expected. It was further commented that a decrease of 2 sections does not correlate to a large drop in employees. If there is a dip in full-time equivalency, it is not actually a dip in head count.

- Wellesley has committed to neighborhood schools; that means when there are general enrollment fluctuations at the elementary level, there is not necessarily a reduction in head count. However, there will be reductions next year when moving from 7 to 6 schools. Fewer classrooms will be running below guideline and there may be some contraction in staffing.
- The district makes its estimates based on how many students are in a given school. It is anticipated that inconsistencies will be mitigated with the consolidation of 7 schools to 6. COVID declines were not anticipated. The decline in enrollment was anticipated and is part of the planning.
- It is different at the secondary level because students take different classes. This year there is a reduction in core subject teachers.
- A comment was made that the Cleargov website is a bit behind, so it is not reflective of current employee numbers.
- A comment was made that it was felt that all commentary and narrative in the budget document were unnecessary for a budget.
- Additional comments were made about contracts and compensation.
- Comments were made about the amount of information: it was felt that there is limited time available to review and understand the information.
- A comment was made about the enrollment information and declining enrollment.
  - Positions were added even with the brief precipitous drop in enrollment during the pandemic because adjustment counselors were felt to be needed at every school.
  - Staff positions are not eliminated in lockstep with enrollment.
  - The school budget is first presented to the School Committee on January 10; it's not sent to Advisory at that point because it hasn't been approved yet. But it is available on the website. The commentary might get in the way for people who understand budgets but is helpful for people who do not understand budgets. Every year the Schools try to balance providing the most information in the most transparent manner.
- Additional questions were asked, and additional comments were made about consultants, professional development, the budget, contracts, and vacation time. (see Meeting Video for specifics). [March 1, 2023, meeting](#)
- Advisory's role and process for voting favorable or unfavorable action on Article 8, Motion 2 – the Omnibus budget and the supportive/unsupportive votes on individual out of guideline budgets was explained as this will be the basis for Advisory's recommendations to Town Meeting. Town Meeting who will ultimately vote on approving the FY24 Omnibus budget.
- A comment was made that it would be helpful to have a chart of consultants.
  - It is understood that the way it is structured follows the State requirements, and contracted services don't encompass out of district placements or busing. The list of consultants provided are mostly centered around professional development and various other items. There is no special account for consultants.
- A comment was made that the recently posted "Frequently Asked Questions" document on the School Committee website regarding the status of contract negotiations was very well done, and shows why both "communication" and "community engagement" are important.
- A comment was made that because the Schools have two Advisory liaisons, the liaisons are considered a subcommittee of Advisory and therefore cannot deliberate or discuss questions or School information outside of a publicly posted meeting. Obtaining information is complicated and if questions were omitted from the list provided to the Schools, it was not intentional.
- Future and additional questions should be sent to Advisory Committee's assistant who will send them to the liaisons.
- Advisory thanked School Committee members and the district for providing answers and attending the meeting to answer additional questions.

**Discuss and Vote ATM Warrant articles**

**Article 24 – Special legislation to authorize use of CPA funds for Housing Authority Properties**

*Susan Clapham made, and Wendy Paul seconded a motion for favorable action on Article 24, Motion 1, as proposed by the Community Preservation Committee and the Select Board, that the Town vote to authorize the Select Board to petition the General Court for special legislation authorizing the use of Community Preservation Act funds for certain community housing projects, as set forth in the Article and the Motion.*

**Discussion**

- Currently the Community Preservation Act (CPA) doesn't allow the town to spend CPC funds for rehabilitation or restoration of housing that wasn't created or acquired with CPA funding. The Wellesley Housing Authority (WHA) properties were built several decades prior to the CPA and thus they do not currently qualify for CPC funds. Town Counsel and CPC drafted legislation which will give the town of Wellesley permission to spend or to use CPC funds for the restoration and rehabilitation of WHA housing in the future. CPC is required to put aside 10% of revenues on community housing each year. Those set asides will not be used for any funding of WHA properties, nor going forward would any money spent for rehabilitation or restoration of WHA properties count towards the 10%. This is an attempt to stay within the spirit of the CPA which is forward-looking and wants the community housing funds spent on newly acquired properties. This article seeks a narrow exemption to allow use of undesignated reserves. This has been unanimously approved by CPC. There has been an early positive reaction by a legislator on Beacon Hill; the Select Board is co-sponsoring this.
- It was commented that this seems like a commonsense approach to get this change made.

Roll call vote was taken.

**Advisory recommends favorable action on Article 24, 14 to 0.**

**Supportive/Unsupportive vote Town Clerk budget**

*Wendy Paul made, and Madison Riley seconded a motion to express support for the proposed FY24 Town Clerk's operating budget, totaling \$458,679 which will result in a 1.94% decrease over FY23.*

**Discussion**

- Three Advisory members or family members of Advisory members work/volunteer during elections which are run by the Town Clerk's office therefore on advice from Town Counsel, the three Advisory members recused themselves from the vote on the Town Clerk's budget so they could vote on the entire budget in Article 8, Motion 2.

Roll call vote was taken.

**Advisory supports the Town Clerk's budget, 11 to 0 with 3 recusals.**

**Adjourn**

Bill Schaufler made, and Doug Smith seconded a motion to adjourn.

Roll call vote was taken and the meeting was adjourned at 10:02 p.m., 14 to 0.

**Meeting Documents Reviewed**

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[March 1 Meeting materials](#)

- Capital Plan FY24
- FY24 Sources and uses detail
- Article 24 CPC Special Act language
- Advisory questions to WPS
- WPS responses to Advisory questions