

Town of Wellesley

Fiscal Year 2024
Budget Preparation Manual



Finance Department

October 18, 2022

Budget Preparation Overview

Boards and Committees

The Town of Wellesley strives to provide excellent services to its citizens through its numerous elected and volunteer Boards and departmental managers. Each board/department has a mission statement and work plan which forms the basis for its annual operating and five-year capital request.

The Town has long valued its fiscal strength, stability, and financial leadership, as evidenced by its continually maintained Aaa bond rating, multi-year financial awards, formal reserve and investment policies, and commitment to funding its past service liabilities (Pension, OPEB). The Select Board are charged with bringing forth a balanced annual town-wide budget (in addition to articulating a longer-term town-wide financial plan (TWFP) that maintains this fiscal strength. Guidelines are an important method of allocating the resources available after providing for long-term financial responsibilities.

The current method of allocating available resources begins with the Select Board's review and analysis of current revenues and revenue enhancement opportunities presented by the Finance Director. After factoring in fixed costs, such as issued debt and past service liabilities, the Select Board develops budget guidelines to help allocate remaining available funds to all of the departments. Each Board is expected to develop a budget within guideline. New initiatives and costs beyond guideline will be discussed and further evaluated by the Advisory Committee and the Select Board during the budget cycle. Other funding mechanisms (such as an override or debt exclusion) may ultimately be proposed if a critical initiative cannot be funded within the current year's resources.

Under the Town's bylaws, the Select Board is responsible for coordinating the annual budget submissions for all boards; coordinating the timing of capital requests and determining methods for financing capital needs; estimating available revenues; and developing the Town-Wide Financial Plan and Five-Year Capital Budget Program. In order to accurately create (1) the "Sources and Uses" format required by Article 19.16.1, (2) the Town-Wide Financial Plan, and (3) the Five-Year Capital Budget Program, the Finance Department, under the direction of the Select Board and Executive Director, has developed standard formats for receiving departmental requests. The format includes a departmental narrative outlining departmental responsibilities and current objectives with emphasis on current year needs, a revenue summary, and detailed operating budget requests showing a four-year history. The Finance Director, under Article 19.42 c of the bylaws, assists "in the development of budgets and reviewing all budgets for format, completeness, and accuracy before submission to the Advisory Committee".

Budgetary Fund Structure

The Town maintains 26 different funds, structured according to the Uniform Municipal Accounting System (UMAS) developed by the Department of Revenue of the Commonwealth of Massachusetts. The complete structure is described in the Town's Annual Comprehensive Financial Reports (ACFR), but the basic framework includes the general fund, ten special revenue funds, three Enterprise Funds, three capital project funds, a stabilization fund, three trust funds, three agency funds, a debt fund, and a fixed asset fund. The Retirement system is a separate entity governed by an independent board.

The internal general fund (versus the full accrual external financial statement general fund) is maintained on a budgetary basis and the annual budget process is generally one of creating and approving the Omnibus Budget (General Fund and Traffic & Parking Fund) and determining the amount of free Cash to

balance the Omnibus Budget. There are limited one-time revenue sources from other funds. More likely is the transfer of annual appropriation (expenditure) in the general fund budget to reserves such as to several stabilization funds, Other Post-Employment Benefits (OPEB) Fund, or Worker's Compensation reserve. There are minor transfers to offset general fund administrative costs in support of the three enterprise funds, but these funds are primarily funded through utility rates.

The Town has adopted legislation allowing an additional 1% community preservation surcharge and some of these funds are appropriated annually to fund capital projects specifically related to open space protection, historic preservation, affordable housing, and outdoor recreation. In addition, several of the major capital projects are funded by debt that is excluded from the constraints of Proposition 2 ½ tax limits, which acts as a wholly independent revenue source.

The detailed Sources and Uses budget document provides considerable detail about the components of the annual "Omnibus" budget.

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Application of Operating Budget Guidelines

Introduction

Operating budget guidelines are established by the Select Board generally in early Fall for the upcoming fiscal year. The Select Board makes the determination after evaluating the Town's financial position as presented by the Finance Director, and with input from other boards and committees regarding their anticipated priorities. In recent years there has been a separate budget guideline for school and non-school departments, but during the last three years the guideline is the same for both. Guidelines are provided for operating expenses and may or may not be the same as for personal services.

All departments must create budgets that meet the stated guidelines after all factors (contracts, steps, longevity, merit pay, etc.) are taken into consideration. For FY24 the Select Board have set the operating budget guideline at **a 3% increase** for all departments. Departmental initiatives that would exceed the guideline should be detailed and quantified. Individual requests over guideline will be reviewed and vetted during the budget cycle discussions. The Select Board may or may not support initiatives that cannot fit within the guidelines.

1.0 Personal Services

1.1 Overview

There are five types of employees to consider when calculating wage increases for the upcoming year.

- 40-series employees who typically receive a set percentage increase, recommended by the HR Board, which is based upon analysis of market conditions.
- 50/60 series employees this year will be compensated with a cost of living adjustment and will be eligible for additional compensation through a merit pay plan which is administered and appropriated by the Human Resources Department.
- Unionized employees – there are 14 town and school unions which have agreements that specify the percentage Cost of Living Adjustment (COLA) received by these groups each year.
- Contract employees – Executive level positions whose compensation is set by their respective Board.
- Non-union unclassified positions – positions are generally part-time, temporary and/or seasonal positions. Wage increases for these positions are developed through a request made by a department head to Human Resources to set a wage schedule for the ensuing fiscal year.

1.1.1 Budget templates

Locate the department's operating budget template. Each year, Finance updates the basic information on the templates and places them on the H-drive under the "FIN" folder. This allows department heads and their boards to spend more time budgeting for the fiscal year instead of changing formatting details and entering previous year actuals. From there, find the folder labeled "FY24 Operating Budgets" and locate the department's template under either the "Select Board" or "Non-Select Board" sub-folder. Please make a copy of that excel file and save it to your personal F or G drive. The template is made up of three tabs: Salaries, Personal Services & Expenses, and Summary. In these three tabs, the salary tabs links to the PS&E tab, which links to the summary tab. Updating the salaries on the salary tab and the expenses on the PS&E should be enough to link your items correctly. It is important to check the template and calculations to ensure all the

items are linking correctly once you have finished working. Do not forget to periodically save the template while updating it. This will prevent any changes from being lost.

1.2 Pay Weeks

Please keep in mind that you must budget for a varying number of work weeks each year. In FY24, you will need to budget 52 weeks of pay in your operating budget. From year to year this number changes, so please ensure that your operating template reflects the correct number of weeks. To the right you will see the work weeks that will be used in the operating budgets for the next two years. In the operating templates that Finance updates initially, this calculation should already be completed. However, it is the responsibility of department heads to ensure that this is correct before submitting the budget. If you wish to check that the formula in your template is correct, you can view the work week multiplier in the total column on the salary tab of your operating budget document.

| | |
|------|------|
| FY22 | 52.2 |
| FY23 | 52.2 |
| FY24 | 52.0 |
| FY25 | 52.2 |

1.3 Employee Job Classes

As outlined in the overview, there are five main types of employees in the Town and each group has special budgeting requirements. The requirements are detailed below:

- 40-series employees are the hourly clerical “town” staff. The amount of increase for these employees is determined by the Human Resources Board and for FY24 will be 3%. This salary increase amount remains in department operating budgets throughout the budget process and is never removed. These employees may be eligible for longevity increases as well. Please consult the (40 Series) longevity table to the right and add longevity increases to the budget where appropriate.
- 50/60-series employees are salaried “town” staff. In FY24 the percentage increase will be 2%, plus staff will be eligible for increased compensation through the merit pay plan, based upon the result of their annual performance review. The 2% increase shall remain in the department operating budgets throughout this budget process and will not be removed. The HR Board will recommend a pool of funds for fiscal-year merit bonuses.
- Unionized employees receive their compensation based upon their respective union agreement with the Town and Schools. All COLA, steps, lanes, certifications, stipends, longevity, and any other benefits associated with the contracts must be calculated in the operating budget submission. Some bargaining agreements also have mid-year steps that departments will have to budget for as well. These amounts remain in the operating budget through the process and are not accounted for separately.
- Contracted employees There are six “town” employees under contract (Executive Director, Finance Director, Police Chief, Deputy Police Chief, Fire Chief and Assistant Fire Chief) as well as a number of School department personnel. Estimated increases for these positions must be built into the operating budget and the increase does not get removed. Departments must include monies for this purpose based either on the language of the employee’s contract, or on what the Board estimates might be an increase in compensation for the ensuing year.
- Non-Union Unclassified Positions are generally hourly part-time, seasonal or temporary hires. Examples of such positions include recreation seasonal staff, crossing guards, part-time “on call” staff and per diem employees. Department heads should contact the Human Resource Director to discuss hourly rates and wage schedules as part of the budget development process.

| Years of Service | Amount |
|------------------|-----------|
| 30 or more | \$ 800.00 |
| 25-29 years | \$ 700.00 |
| 20-24 years | \$ 600.00 |
| 15-19 years | \$ 500.00 |
| 10-14 years | \$ 300.00 |

There are several other points to consider in budgeting for personal services:

- Unsettled union contracts: The School contracts for FY2023 and FY2024 have not yet been settled. Hopefully the contracts will be settled in time to be included in the balanced 2024 budget.
- All other contracts have not been settled for FY24. Union contracts are typically three years in length, and because they expire on a fiscal-year basis, it is very likely that they will not be settled and the COLA will not be determined prior to development of the next year's budget. To account for this, the department must estimate an increase to show the potential impact of a settled contract to that department's budget. Department staff must work with the Executive Director, Finance Director, and Human Resource Director to determine what this estimated amount should be. That amount for all applicable employees must be calculated into the department's budget so they can fully assess whether they have met the budget guideline or exceeded it. Prior to Town Meeting that salary estimate will be removed and appropriated separately in another warrant article so as to not impact the Town's bargaining position with its unions. When the new fiscal year begins, the Finance Department will make the adjustment to add the needed funds to that department's operating budget. In an unsettled contract year, the guideline for COLA increases is zero. Only existing step progressions or longevity terms should be budgeted.

1.4 Vacant Positions

In consideration of declining school enrollment, the potential reduction of one elementary school, and operational changes related to the global pandemic across all departments, all boards should re-evaluate their ongoing staffing needs. If it is determined that a vacant position is still needed, Departments are encouraged to budget vacant positions at the **mid-point** of the salary range. If a department had a long-time employee who was at the top of the range in their job class and has recently retired, replacing the position with a less senior employee may generate a savings. As the salary tables are created by the Human Resources Department, based on comparable industry standards, this method of budgeting allows for fair compensation of employees while helping control the growth rate in a department's budget.

1.5 Salary Tab

The salary tab of the operating budget is where all the personal services calculations will be entered.

Please list all employees by name and title. Then show each employee's current year weekly salary followed by his/her starting weekly salary amount in the budget request year. Itemize any additional stipends and add to a total weekly pay amount. For union or 40 series employees who have a mid-year step, list their new weekly mid-year amount, followed by their stipends and add to a total weekly amount. For those who do not have mid-year steps, simply take the weekly amount and multiply that by the number of the pay weeks for that fiscal year. If there is a mid-year step, it will be necessary to calculate how many weeks the employee will be at the first weekly salary and how many weeks at the second weekly salary to come to a grand total for the fiscal year. The examples below show a regular 60-series employee with no stipends or steps followed by a union employee with an education stipend and a mid-year step increase. Please also keep in mind that 40-series employees are eligible for a step increase six months after they begin working for the Town. This six-month anniversary then becomes the one-year anniversary for subsequent step increases. Union employees on steps should follow contract provisions.

| Job Title Employee Name | FY19 Rate as of 6/30/19 | Group - Step | FY20 Starting Rate 7/1/2019 | Ed. Stipend | Weekly | Group-Step | Step Rate | Ed. Stipend | New Weekly | Total Budget Request |
|---|-------------------------------|-----------------|--------------------------------|-------------|------------|------------|-----------|-------------|------------|-------------------------|
| Municipal Zoo Director Don Duquette | \$ 2,200.00 | 62 | \$ 2,244.00 | N/A | N/A | N/A | N/A | N/A | N/A | 117,586 |
| Municipal Zoo Coordinator Anthony Tigre Date of hire 6-1-18 | \$ 1,000.00 | Z50-1 7-1-18 | \$ 1,020.00 | \$ 15.00 | \$1,035.00 | B40-2 | 1,040.40 | 15.00 | 1,055.40 | 54,764 |

1.6 New Employees

Requests to add new employees generate additional costs and therefore require additional procedures. First, the Human Resources Board must approve any new position by December 1st. This process allows enough lead time for HR to evaluate the position, prepare job descriptions and go through its internal process. The Human Resources Board encourages any department contemplating a new position to begin the process as early as possible in the budget season. The **Human Resources Board's process** includes discussing the need for the position and approval of the final job description; by doing so, the Board sets the grade for the position which dictates the salary range to which it is assigned. Second, the Advisory Committee must be provided sufficient time to review the new position request. Lastly, once the new position is approved, the position must be added to the operating budget with an extra \$20,000 to show the true cost of a full-time benefited employee. The \$20,000 budget was developed several years ago to account for all the benefits provided to a full-time position. The assumptions include various insurances: (family health plan, long-term disability, life, dental insurance and worker's compensation) as well as Medicare taxes. For employees less than full-time, please provide a prorated benefits cost. The benefited amount, along with merit pay, **will be removed from the department budget** prior to Town Meeting and budgeted with other benefit costs. However, operating budgets must be evaluated versus guideline with benefits included in the department total.

To assist departments with planning for a new position, a new form has been included (Appendix B on page 15) which should be used to project workspace and tools needed by a new employee. Examples of this include: a new computer, phone, office supplies, and anything else relevant for that employee to complete his/her specific job. This form should be completed, signed by the department head or board chair, and submitted with the operating budget. It is pre-populated with typical items and average costs. The items listed on the new employee form should also appear in the operating budget in both the personal services and expense part of the budget request. This form can be found in the H-Drive under the "FIN" folder then "Forms" subfolder.

1.7 Combining Positions

Requests to combine part-time non-benefits eligible positions into a full-time position (benefits eligible) position will require the same additional \$20,000 as a new employee in the departmental budget to show the true cost of the benefits. That cost will be removed prior to Town Meeting and budgeted with other benefit costs.

2.0 Expenses

2.1 Overview

The expense part of the budget can be found on the middle tab of the operating budget template titled "Personal Services & Expenses." On this tab, please add all the necessary items that are not related to salaries. This section includes office supplies, conferences, training and development,

travel and anything else the department might need to fulfil its mission. The expense part of the operating budget has four parts in addition to the price for any line item: Munis Org, Munis Object, the account title, and the explanation. All these pieces should be filled in for each item in the expense budget. Please research costs by calling vendors and evaluating past expenditures to develop a defensible budget. Departments should also be prepared to answer questions from Advisory and provide calculations and backup for specific line items.

2.2 Categorizing Expenses

Expenses should be placed with the corresponding account title and explanation. The account title relates to the Munis Org and Object. For most departments, generic expenses have been set up in Munis and many of the account titles will already be there. However, some departments may have unique expenses that do not fit in with existing Munis codes. For example, a department may have to purchase paper bags for an initiative. Such an item would not appropriately go under office supplies or any other Munis code description. Therefore, it is recommended that departments work with Finance to determine when it is appropriate to have new accounts created. Finance will create new Munis codes if the situation merits it. Please see Appendix A on page 14 for a list of commonly used expense charge codes. When adding a new expense line, please refer to this list to see what is available. The Explanation part of the budget is more of a free-text field where details can be given about the specifics of a line-item request. The Munis description “Conferences” can list specific conferences that the staff of a department is planning to attend in the coming year. Please provide as much specificity as possible to better inform those who review the departmental budgets.

2.3 Centralized Expenses

Gas and Utility costs are centrally managed and budgeted by the Facilities Management Department. Fuel costs are managed by the Department of Public Works. The Executive Director’s office prepares centralized Legal, Liability Insurance, and Compensated Absences budgets. Each year, Human Resources will disseminate the updated IRS per-mile employee reimbursement rate to be used when estimating annual mileage. Employee benefit costs such as Health Insurance, the \$20,000 “benefit assessment “for adding a position, Unemployment, Medicare, Pension, and OPEB are budgeted centrally.

2.4 Budgeting for IT Equipment and Services

The IT Department (ITD) budgets for maintenance and upgrades to enterprise systems used town-wide (e.g. MUNIS, MS Office, and GIS). Following conversion to a new VoIP telephone network in 2015, budgets for basic telephone service were also consolidated into the ITD operating budget. In FY18, the ITD developed a preventative maintenance schedule and now budgets centrally for the replacement of all existing PCs physically connected to the Town’s data network. Laptops, printers, scanners, phones, and other software or equipment that are specific to a department’s mission should be budgeted by those departments in the account numbers listed below. Specific consideration should be given to laptop and remote work capabilities. The ITD will work with your department during the budget planning process to establish an appropriate equipment replacement schedule for those items and discuss future needs. All new software and equipment purchases for non-School departments must be made through/by the ITD to ensure compatibility

with existing systems, and to establish a single point of contact with vendors for billing and technical support.

- **530800** (Computer Software Services), **534080** (Software Licenses), **542060** (Software) – Include licensing, subscription, and maintenance/support contracts for software used exclusively by your department (e.g. AutoCAD, RecTrac, MySeniorCenter, Quickbooks, etc.)
- **534020** (Telephone), **534050** (Telecommunications), **534055** (Cable and Internet) – Include monthly charges for internet or wire-line telephone service from Comcast, Verizon, or another provider. Also include any expenses related to wireless/cellular phone service.
- **543030** (Computers Maintenance), **543040** (Equipment Maintenance), **583030** (Technology Equipment) – Include new printers, laptops, tablets, scanners, projectors, routers and other accessory devices that support your department's mission. Costs will vary greatly by use/configuration and ITD will work with you to obtain quotes for budgeting purposes.

2.5 Encumbrances

When updating the column on the expense tab that represents the most recently completed year, please update the encumbrance amount at the bottom of that column. The total encumbrance amount for the most recent completed year should be what was actually spent the following year, not the grand total that was encumbered. For example, for the FY24 budget request submission, the most recently completed year would be FY22. The total encumbrance to be updated in FY22 would then be what was actually spent in FY23, not the total amount that was originally encumbered. Therefore, if \$500 was originally encumbered from FY22 but only \$400 was spent, \$400 would be recorded in the FY23 column.

3.0 Narratives

3.1 Narrative Overview

All departments must submit narratives and updated organization charges for the Budget Book which is reviewed by the Advisory Committee and the Finance Department with the budget requests. The narrative is a department's opportunity to discuss the mission of the Board or Department, past initiatives, current initiatives, future goals, benchmarking, relevant statistical data, and any other aspects that might be of interest to Advisory and the public. The department narrative is where a department should outline current challenges, identified efficiencies, operational changes and, in this year's budget climate, demonstrate why any funding above the guideline is necessary, if applicable. **The narrative of each department should be formatted to include the following sections: Mission, department overview/organizational structure, highlights from the past year, upcoming year goals/initiatives, long-term goals/initiatives, personal service budget summary, expense budget summary, revenue chart, if applicable, and a section explaining why a department needs more resources or cannot comply with guidelines (if necessary).**

3.2 Mission Statement

The Mission Statement section of the departmental narrative should describe the department's purpose, the services it provides, and the manner in which services are to be delivered. Well-crafted Mission Statements can be communicated at a high level and don't necessarily need to be lengthy.

3.3 Organizational Structure

The department overview/organizational structure will describe the leadership and reporting structure of the department, responsibilities of the various positions, and will include the number of employees.

3.4 Previous Accomplishments

In this section, the department should discuss goals and initiatives completed during the past year and how those achievements have benefitted the Town. This space can be used to describe completed projects and their impact, studies that were completed, new programs that were rolled out, and any other relevant statistics or items of interest.

3.5 Department Goals

The next section should describe what the department wishes to accomplish in the coming year. This should include new programs, projects, initiatives, and goals along with how these items will benefit the Town. Please specify if the goals are achieving action items in a community plan including the Unified Plan, Sustainable Mobility Plan, Climate Action Plan, Open Space and Recreation Plan, Housing Production Plan, Municipal Vulnerability Plan, or departmental strategic plan. Should any of your goals result in a financial impact to another board or department, please be specific about the operational and financial impacts.

3.6 Warrant Article Requests

Please consider other initiatives that are not typically included in an operating budget or the capital budget for which you are considering making a request. These might either be cross-departmental projects, or isolated items for which funds are needed next year. Please include a list of the items and the project budget required so that they can be included as we determine the total amount of funds to be requested at Town Meeting and the ability to finance them.

3.7 Operating Budget Summary

The next two sections should be summaries of the personal service and expense budgets. Departments should describe any special situations that make up their personal service budget (contract employees, union agreements, mid-year steps, etc.) and provide detail on any new staffing requirements. The expense budget section is the opportunity to speak about initiatives that are driving costs and any other details that might raise questions from Advisory or the Select Board (conferences, mileage, new expense items, etc.). Additionally, Departments should explain what is driving their expense budget if the expense budget is not within guideline.

Since fiscal year 2021, budget requests break the budget into several components so that Town Budgets are characterized similar to Schools: The **Base Budget** is the budget for existing staff, including contractual increases, and existing expenses with expected escalation. The **Level Service Budget** would include any services associated with a new law or mandate. **Strategic Plan Budget** items are new costs to help achieve that plan. **Unified Plan** items are new operating costs to implement programs that have been prioritized in the Unified Plan as a multi-departmental effort. **Critical needs** costs encompass new operating costs that benefit the departmental operation and do not fall in other categories but are deemed by the department to be essential for operation.

3.8 Revenue Explanation

As part of departmental operations, some departments collect payments for various services or programs. All departments that take in revenue of any kind should create a section in their narratives devoted to an explanation of those activities and a revenue chart showing the total amount of money collected for the last three completed years, a year-to-date total for the current year, and an estimate for the coming year.

Existing departmental revolving funds should be listed and considered this year as a source of revenue to offset costs.

3.9 Out of Guideline

The final section of the operating budget narrative provides the opportunity, if necessary, for the department to request more resources and explain in further detail why it cannot comply with guidelines. To clarify, out of guideline is defined as the percentage increase in a budget being higher than a 3% increase from what was approved for FY23.

The total financial impact of this 'over guideline' initiative should be clearly quantified. Much consideration should be given to this section so that the requests being made by the department are clear. All sections of the narratives should be written so that a person who has no familiarity with municipal government can understand what is being described. This reduces the number of questions relevant parties might have and makes for a much less complicated request process.

Capital Budget Process

Boards submit a detailed five-year capital plan annually, and they should take care to include all of their anticipated capital needs, for that timeframe, including cash capital and projects financed by debt or any other source. Capital requests should support the Department's strategic direction, and the financial and operational impact of each requested capital purchase should be quantified. Because financial resources are limited, boards are asked to internally prioritize capital needs and should fully research the cost of each item to better inform the discussion of which projects should be funded in a given year. Doing a thorough job of analyzing capital needs can help avoid sudden unanticipated requests in the current budget cycle, and greatly aids the financial planning process. With a rise in the inside the levy borrowing, available funding for cash capital projects is restricted.

The Select Board has adopted a policy allocating between 6.2% - 6.8% of budgeted (inside the levy) revenues, for combined capital and debt service expenditures, as the appropriate level for maintaining assets, while avoiding operating overrides or compromising operating budgets. Several meetings were held to evaluate different methods of prioritizing capital projects. In the end, Department Heads were comfortable with discussing their needs with the Executive Director and Finance Director and accepting guidance as to the timing of projects - making reductions or deferring projects as requested.

In review of past five-year capital plans the total cost is rising far in excess of the 6.2%-6.8% debt policy range and is hovering around the 8.4% range for FY24. With this gap, Departments annually feel their capital requests are being "cut", but the reality is that the Town is working to bring capital requests into alignment with the adopted policy range of 6.2%-6.8%. Departments must re-prioritize their capital needs annually to help the Select Board bring annual spending within the range of the policy. In FY24 there is a maximum of \$7.2M available for all cash capital projects. Capital requests should be submitted accordingly. **The Select Board has established a 6.8% target range for Capital requests in FY24.**

The threshold for cash capital items is \$10,000. Capital requests for the five-year capital plan shall be prioritized and itemized as follows:

1. Federal or State Mandate
2. Impact on Service to the Public
 - a. Service addresses an immediate public health, safety, accreditation, or maintenance need
 - b. Service is improved and addresses a public health, safety, accreditation or maintenance need
 - c. Service is greatly improved
3. Urgency of Maintenance/Replacement Need
 - a. Whether service or replacement is currently interrupted
 - b. Whether project/expense/replacement requested will result in full restoration of service
 - c. Whether project/expense/replacement is the most cost-effective method of providing or maintaining service
 - d. Where service is not currently interrupted, the likelihood that it will be in the next five years if the project/expense/replacement is not funded
 - e. Will costs increase (beyond inflation) if the project/purchase/replacement is delayed
 - f. Project/expense/replacement is being requested to meet existing replacement schedule
4. Proportion of project/expense funded previously
 - a. Request will complete project
 - b. Request will move project to Feasibility
 - c. Request will move project to Schematic Design
 - d. Request will move project to construction
5. Proposed capital expenditure meets a goal or initiative of the Unified Plan
6. Proposed capital expenditure a goal or initiative of the Municipal Vulnerability Study
7. Proposed capital expenditure a goal or initiative of the department, board, or committee

For Departments that include vehicle purchases in their capital requests, the SEC asks that you consult the Town's [Fuel Efficient Vehicle Policy \(FEVP\)](#). For "non-exempt" vehicles, as defined in the FEVP, all departments/divisions shall purchase only fuel-efficient vehicles for municipal use whenever such vehicles are commercially available and practicable.

Capital request forms have been included and prioritization is mandated. Quotes and pictures are extremely helpful.

As of October 26, 2020, Town Meeting has adopted a Climate Action Resolution that requires the Town to proactively consider the impacts of Town funded projects and programs by including in any capital request a rationale for how the project or programs may influence greenhouse gas emissions and the Town's climate resiliency overall. As part of your capital request narrative, please include the information below.

Full Resolution Here:

That the Town adopt the following resolution to address the serious impact of climate change:

Whereas, the Town of Wellesley has undertaken a number of steps to address climate change and the reduction of greenhouse gas emissions, and Town Meeting recognizes the urgent need to accelerate those efforts,

Whereas, the Town is already experiencing the detrimental effects of climate change from invasive species, increased heavy rainfall events, flooding, prolonged drought in the summer, loss of trees, and the expenditure of resources to prepare for and counter those effects,

Whereas, the Town has not achieved the goal approved by Town Meeting in 2014 to reduce town-wide greenhouse gas emissions 25 percent below 2007 levels by the year 2020,

Whereas, the Town Sustainable Energy Committee is in the process of developing a climate action plan that will engage town government and the broader community in setting new greenhouse gas emissions reduction goals for the future, and developing a road map for meeting these goals,

Therefore, be it resolved that all boards, committees, and departments:

- a. Proactively consider actions to reduce greenhouse gas emissions associated with Town supported projects and programs;
- b. Implement measures such as those identified in the Unified Plan to increase resiliency to the detrimental effects of climate change on our Town, region, Commonwealth, nation, and the world;
- c. Document in the Town Annual Report efforts undertaken to combat climate change;
- d. Proactively consider the impacts of Town funded projects and programs by including in any capital request a rationale for how the project or programs may influence greenhouse gas emissions and the Town's climate resiliency overall; and
- e. Coordinate with the Sustainable Energy Committee to develop and implement a comprehensive climate action plan for the Town.

Budget Submission Timeline

- July 1, 2022 Fiscal Year begins
- August 10 -- Finance Director presents Financial Orientation to Advisory Committee
- August 16 -- Finance Director updates SB on FY2022 results
- September 12 – SB Begins FY 2024 Budget guideline discussions
- September 27 - SB continues guideline discussions
- September 28-October 6 – Inter-Board Meeting
- October 11 – FY 2024 Operating and Capital Budget guideline finalized
- October 11 – HR Board provides guidelines for 40/50/60 series
- October 18 – FY 2024 Operating and Capital Budget guideline finalized if needed
- October 20 –Operating budget manual & operating and capital forms distributed
- November 22 – Town-wide FMD Capital update
- November 22 – Open Annual Town Meeting Warrant
- December 1 – Capital budget requests submitted to Finance from all departments
- December 1 – Operating budgets due from Select Board departments. Finance begins budget compilation
- December 6 – Tax Classification Hearing
- December 13 - Select Board's Budget Workshop (Day)
- December 20 – **(Or at date of submission to Advisory, if earlier)** Operating budgets due to Finance from non-school departments (early submissions encouraged)
- December 22– Warrant Closes for Annual Town Meeting
- January 10 – Superintendent's operating budget presented to School Committee
- January 23– Select Board to review budget roll up and determine budget gap & begin closing process
- February 7– School Committee votes School Department operating budget
- Annual Town Election – March 7, 2023
- Annual Town Meeting to begin March 27, 2023

• Operating Budget Checklist

| | |
|----|--|
| 1 | Review Guidelines |
| 2 | Obtain template from the H Drive under Finance |
| 3 | Save template to personal F or G drive |
| 4 | Save your template periodically as you work |
| 5 | Confirm that salaries are correct in the current year column on the salaries tab |
| 6 | Confirm that union employees and 40-series employees have the agreed to increases in the budget request year on the salaries tab |
| 7 | Confirm that the 50/60 series has the correct estimate for the merit pay increase in the budget request year on the salaries tab |
| 8 | Confirm that the "Total Salary Request" column on the salary tab is multiplying all employee salaries by the correct amount of pay weeks |
| 9 | Confirm that all employees who are eligible for longevity by July 1st of the current fiscal year have their longevity budgeted on the salary tab |
| 10 | Confirm that the actuals are correct in the previous fiscal years on the Personal Services and Expense tab (PSE) |
| 11 | Confirm that the current year budget column is correct on the PSE tab |
| 12 | Confirm that the formulas are correctly pulling the salaries from the salaries tab into the budget request column on the PSE tab |
| 13 | Confirm that the "Variance" columns are correct for personal services on the PSE tab |
| 14 | Confirm that the personal service subtotals are correct on the PSE tab |
| 15 | Enter expense requests in the budget request year column on the PSE tab |
| 16 | Confirm that the "Variance" columns are correct for Expenses on the PSE tab |
| 17 | Confirm that the Expense subtotals are correct on the PSE tab |
| 18 | Confirm that the encumbrance request amounts are correctly in the years they were spent in on the PSE tab |
| 19 | Confirm that the "Department Total" are correct on the PSE tab |
| 20 | Confirm that all totals on the "Summary Schedule" tab are correctly flowing from the PSE tab by the descriptions on the left side of the page |
| 21 | Confirm that the Subtotal for Personal Services and Expenses is correctly adding from the information above it on the Summary Schedule tab |
| 22 | Confirm the "Total" at the bottom of the Summary Schedule tab is correctly adding the two subtotals on that page |
| 23 | Confirm the Permanent Staffing totals at the bottom of the Summary Schedule tab |

Capital Budget Checklist

| | |
|----|---|
| 1 | Review Procedures |
| 2 | Obtain template from the H Drive under Finance if template was not sent to you directly |
| 3 | Inform Finance if you need assistance adding additional project tabs to your template |
| 4 | Save template to personal F or G drive |
| 5 | Save your template periodically as you work |
| 6 | Confirm that projects and dollar amounts from the previous fiscal years are the same and change them where necessary on the individual project tabs |
| 7 | Confirm that all project reference numbers and descriptions on the Summary tab match the project reference numbers and project descriptions on the individual tabs of your template |
| 8 | Confirm that all descriptions of current projects are still relevant on all project tabs of your template |
| 9 | Create and fill in any new project tabs on your template |
| 10 | Check that all the fiscal year total columns on all your project tabs link to the summary page in the matching fiscal year |
| 11 | Confirm that the formulas in the Total Capital Requests row and the 5 Year Total column are adding correctly on the Summary tab |

Appendix A

Common Munis Expense Accounts

| Object | Description |
|--------|---------------------------------------|
| 521030 | FUEL OIL |
| 524010 | BUILDING MAINTENANCE |
| 524020 | VEHICLE MAINTENANCE |
| 524030 | EQUIPMENT MAINTENANCE |
| 524040 | OFFICE EQUIPMENT MAINTENANCE |
| 524045 | COPIER MAINTENANCE |
| 524050 | COMPUTER EQUIPMENT MAINTENANCE |
| 524060 | COMMUNICATIONS MAINTENANCE |
| 524090 | OTHER CONTRACTUAL SERVICES |
| 527010 | BUILDING RENTAL/LEASE |
| 527030 | EQUIPMENT RENTAL/LEASE |
| 527050 | COPIER MACHINES RENTAL/LEASE |
| 527090 | OTHER RENTALS/LEASES |
| 530100 | LEGAL SERVICES |
| 530500 | TRAINING AND DEVELOPMENT |
| 530600 | APPRaisALS AND SURVEYS |
| 530700 | ARCHITECTS AND ENGINEERS |
| 530750 | PROJECT MANAGEMENT SERVICES |
| 530800 | COMPUTER SOFTWARE SERVICES |
| 530900 | OTHER PROFESSIONAL SERVICES |
| 534010 | POSTAGE |
| 534020 | TELEPHONE |
| 534030 | ADVERTISING - GENERAL |
| 534035 | ADVERTISING - EMPLOYMENT |
| 534040 | PRINTING AND MAILING EXPENSE |
| 534050 | TELECOMMUNICATIONS |
| 534055 | CABLE AND INTERNET |
| 534060 | PHOTOCOPYING |
| 534080 | SOFTWARE LICENCES |
| 534090 | OTHER COMMUNICATIONS SERVICES |
| 538090 | OTHER PURCHASED SERVICES |
| 541010 | GASOLINE |
| 541020 | DIESEL FUEL |
| 542010 | OFFICE SUPPLIES |
| 542020 | COPIER SUPPLIES |
| 542060 | SOFTWARE |
| 542090 | OTHER GENERAL SUPPLIES |
| 542110 | UNIFORMS |
| 542130 | WORK CLOTHING |
| 543010 | BUILDING MAINTENANCE/REPAIR SUPPLIES |
| 543030 | COMPUTERS MAINTENANCE/REPAIR SUPPLIES |
| 543040 | EQUIPMENT MAINTENANCE/REPAIR SUPPLIES |
| 543060 | CUSTODIAL MAINTENANCE/REPAIR SUPPLIES |
| 543090 | OTHER MAINT/REPAIR SUPPLIES |
| 545000 | CUSTODIAL SUPPLIES |
| 549095 | PROMOTIONAL MATERIALS |
| 554200 | OTHER PURCHASED PRODUCTS |
| 555160 | SUPPLIES |
| 566010 | SALES TAX |
| 566020 | FUEL TAX |
| 566030 | MEALS TAX |
| 571010 | TRAVEL - MILEAGE |
| 571110 | CONF/MTGS - ADMINISTRATORS |
| 571120 | CONF/MTGS - PROFESSIONAL STAFF |
| 571130 | CONF/MTGS - SUPPORT STAFF |
| 571140 | CONF/MTGS - COMM/BOARD MEMBERS |
| 573090 | DUES - OTHER |
| 583030 | TECHNOLOGY EQUIPMENT |

Appendix B

New Position Form

This form to be used when a Department is requesting a new position. Positions must be approved by Human Resources by December 1st, so please allow adequate lead time (check with HR). Once this is done, use this form to calculate the true cost of a new position by entering all the information requested below. Have your Department Head or Board Chair Person sign off on the completed form and submit this form with your operating budget.

| 1. Employee Job Title | 2. Employee Job Class | 3. Hourly Rate | 4. Hours Per Week | 5. Pay Weeks | Personal Services |
|---|--------------------------|--------------------------|-------------------|-----------------------------|-------------------|
| | | | | | \$ - |
| <i>New positions require \$20,000 standard benefit assessment</i> | | | | | n/a |
| Subtotal Personal Services | | | | | #VALUE! |
| | Y | N | Amount | | |
| 6. Work Space for new Employee? | <input type="checkbox"/> | <input type="checkbox"/> | _____ | Consult IT for wiring costs | |
| 7. New Computer for Employee? | <input type="checkbox"/> | <input type="checkbox"/> | _____ | - | |
| 8. New Telephone for Employee? | <input type="checkbox"/> | <input type="checkbox"/> | _____ | - | |
| 9. New Chair for Employee? | <input type="checkbox"/> | <input type="checkbox"/> | _____ | Enter cost manually | |
| 10. Conferences | <input type="checkbox"/> | <input type="checkbox"/> | _____ | Enter cost manually | |
| 11. Dues | <input type="checkbox"/> | <input type="checkbox"/> | _____ | Enter cost manually | |
| 12. Travel/Mileage | <input type="checkbox"/> | <input type="checkbox"/> | _____ | Enter cost manually | |
| 13. Misc Office Supplies for Employee? | <input type="checkbox"/> | <input type="checkbox"/> | _____ | Enter cost manually | |
| New Employee Grand Total | | | | | #VALUE! |