



## SELECT BOARD

TOWN HALL • 525 WASHINGTON STREET • WELLESLEY, MA 02482-5992

COLETTE E. AUFRANC, CHAIR  
 MARJORIE R. FREIMAN, Vice Chair  
 THOMAS H. ULFELDER, Secretary  
 ELIZABETH SULLIVAN WOODS  
 LISE M. OLNEY

FACSIMILE: (781) 239-1043  
 TELEPHONE: (781) 431-1019 x2201  
[WWW.WELLESLEYMA.GOV](http://WWW.WELLESLEYMA.GOV)  
 MEGHAN C. JOP  
 EXECUTIVE DIRECTOR OF GENERAL GOVERNMENT SERVICES

### SELECT BOARD MEETING AGENDA

6:00 pm Tuesday, December 17, 2024

ALL REMOTE MEETING

<https://www.wellesleymedia.org/live-streaming.html>

View on TV on Comcast 8/Verizon 40

1. 6:00 Call to Order – Open Session **REVISED**
2. 6:01 Citizen Speak
3. 6:05 Consent Agenda
  - Discuss and Vote 2024 License Renewals
    - Common Victualler Licenses through 12/31/25
    - Alcohol Licenses through 12/31/25
    - Class I and Class II Auto Dealers through 1/1/26
    - Entertainment through 12/31/25
    - Club (Town License) 12/31/25
    - Lodging Houses through 12/31/25
  - Discuss and Vote New Year's Eve Extensions
4. 6:10 Executive Director's Report
5. 6:15 Tax Classification Public Hearing **and Vote**
6. 6:30 Audit Committee Annual Update
7. 7:00 Annual Town Meeting Preparation
  - Discuss Potential Special Act for Police and Fire Living Distance
  - Discuss Potential Special Act for Digital Posting of Legal Notices
  - Discuss Adoption of Heros Act
  - Discuss New Cultural Council Town Bylaw
  - Discuss and Vote Co-Sponsorship of Affordable Housing Trust Proposal
  - Discuss and Vote Co-Sponsorship of Rezoning Proposal of 156 Weston Road
  - Discuss and Vote Co-Sponsorship of "Skip the Stuff"
8. 7:45 Discuss FY26 Budget Updates
9. 8:15 Discuss Town Hall Art Working Group Charge
10. 8:30 Administrative Matters
  - Discuss and Vote Minutes
11. 8:40 Chairs Report
12. 8:45 Executive Session:
  - M.G.L. c. 30A §21A, exemption #3 to conduct strategy with respect to collective bargaining with all unions on health insurance
  - M.G.L. c. 30A§21A, exemption # to conduct strategy regarding contract negotiations with non-union personnel (Finance Director)

2025 Annual Town Meeting Budget Documents for Fiscal Year 2026 can be found at:  
[www.wellesleyma.gov/2025budgetbook](http://www.wellesleyma.gov/2025budgetbook)

**This page will be updated throughout the budget season**

**Next Select Board Meeting:**

**January 7, 2025 – Remote**  
**January 14, 2025**

[Please see the Select Board Public Comment Policy](#)

**REMOTE CITIZEN SPEAK PROTOCOL**

Residents seeking to participate in Citizen Speak should email [sel@wellesleyma.gov](mailto:sel@wellesleyma.gov) prior to the meeting and a number will be assigned for speakers. All residents seeking to participate in Citizen Speak shall call into **1 -781-489-7525**, (Conference Line) and await the announcement of your assigned number to speak. Individuals wishing to participate who have not received a number shall be asked at the end of the agenda item if they would like to speak before the Board moves on to the next agenda item.

	Select Board	Other
<b>Tuesday, December 17</b>	<b>Remote Meeting</b> LICENSE RENEWALS & NYE EXTENSIONS Tax Classification Hearing Audit Committee Annual Update WSHG Update Art Working Group Charge	Move back to Town Hall this week
<b>Tuesday, December 24</b>	<b>Christmas Eve - Town Hall 1/2 Day</b>	
<b>Wednesday, December 25</b>	<b>Town Hall Closed</b>	
<b>Tuesday, December 31</b>	<b>New Years Eve - Town Hall 1/2 Day</b>	
<b>Wednesday, January 1</b>	<b>Town Hall Closed</b>	
<b>Tuesday, January 7</b>	Meeting	
<b>Tuesday, January 14</b>	Meeting	
<b>Monday, January 20</b>	Town Hall Closed - MLK	
<b>Tuesday, January 28</b>	Meeting	
<b>Wednesday, January 29</b>		<b>Present SB Budgets to Advisory</b>
<b>Wednesday, February 5</b>		<b>Present TWFP to Advisory</b>
<b>Tuesday, February 11</b>	Meeting	
<b>Monday, February 17</b>	Town Hall Closed - Presidents Day Start of February Vacation Week	
<b>Tuesday, February 25</b>	Meeting	
<b>Tuesday, March 4</b>	Annual Town Election	
<b>Tuesday, March 11</b>	Meeting	
<b>Monday, March 17</b>		<b>Wellesley Club - Town Affairs</b>
<b>Monday, March 24</b>	Meeting (If Needed)	



TOWN OF WELLESLEY



MASSACHUSETTS

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EXECUTIVE DIRECTOR OF GENERAL GOVERNMENT SERVICES

The Select Board will be meeting on Tuesday, December 17 at 6:00 pm via zoom.

1. 6:00 Call to Order – Open Session
2. 6:01 Citizen Speak
3. 6:05 Consent Agenda

Please find materials regarding the consent agenda item. Requests for removal from the consent agenda should be sent to the Executive Director or Chair by Monday. Should items not be removed from the Consent Agenda, here is a motion for acceptance:

### MOTION

**MOVE to approve the Consent Agenda items.**

- Discuss and Vote 2024 License Renewals
  - o Common Victualler Licenses through 12/31/25
  - o Alcohol Licenses through 12/31/25
  - o Class I and Class II Auto Dealers through 1/1/26
  - o Entertainment through 12/31/25
  - o Club (Town License) 12/31/25
  - o Lodging Houses through 12/31/25

Cay Meagher, Support Services Manager, has prepared a memo for the Board and a spreadsheet of the licenses to be renewed. She has worked closely with the Health and Building Departments as well as the Treasurer's Office to ensure that licensees are up to date and ready to receive the renewed licenses before being mailed out. Cay's memo also noted several licensees that did not renew. Cay will be available at the meeting to answer questions should you have any.

### MOTION

**Move to approve the annual renewed licenses for Common Victuallers, On Premises Alcohol, Off Premises Alcohol, Class I Auto, Class II Auto, Lodging, Club, and Entertainment licenses as outlined in the memo from Cathryn Meagher dated December 13, 2024 and attached spreadsheet.**

**As noted in Cay's annual licensing memo several establishments have asked the Board to allow an extension of hours on New Year's Eve as permitted by the ABCC. Please note that**

**approval of an extension of hours allows a restaurant or off premises licensee to remain open past their license allowance but does not demand they stay open should the Board approve the extension. Extensions for on premises allows for a late closing hour of 1a.m. and for off premises the extension allows for an 11:30pm closure on New Year's Eve.**

**MOTION**

**Move to approve the New Year's Eve Extension of Hours for the restaurants as outlined in the memo from Cathryn Meagher dated December 13, 2024.**

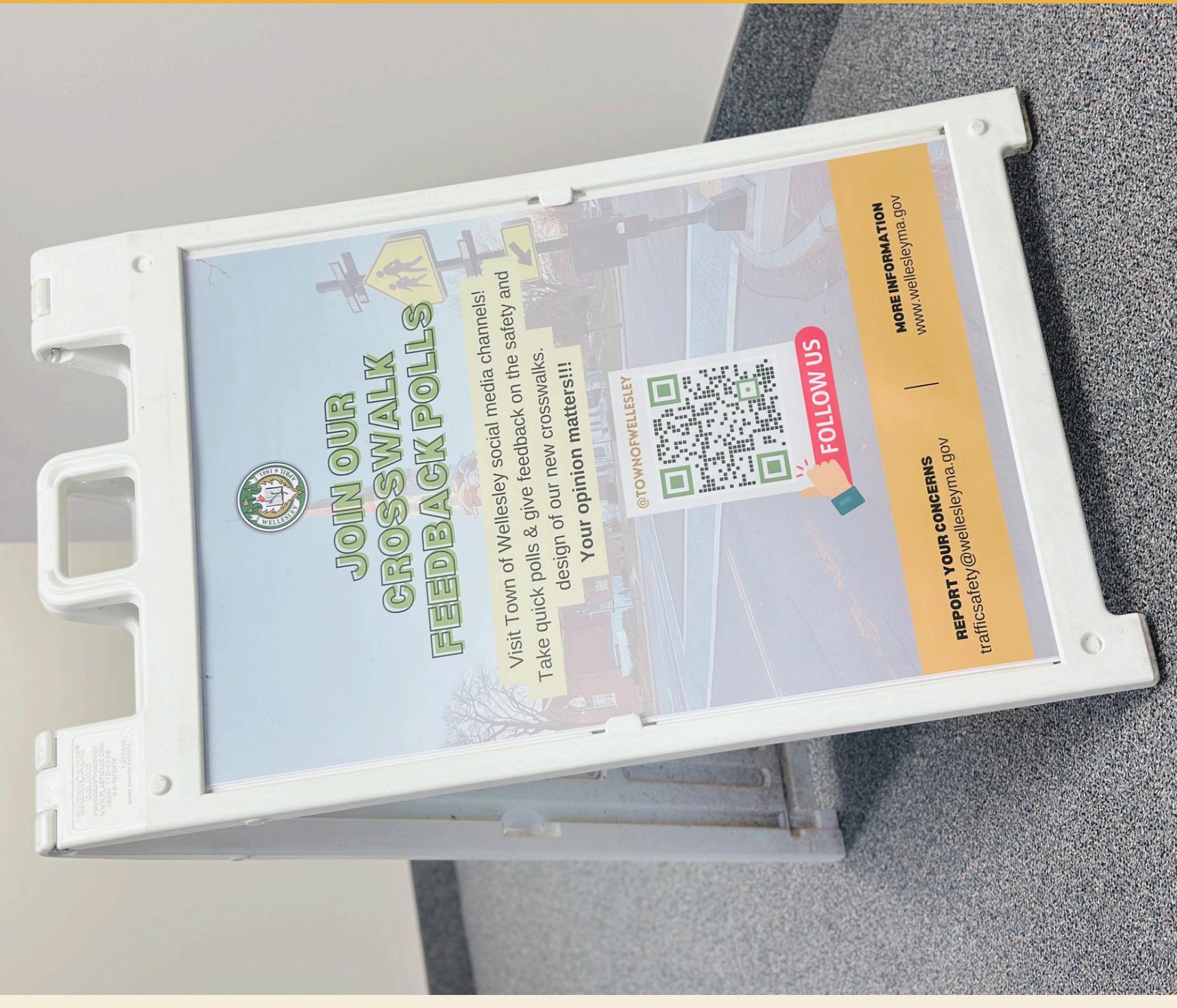


# CROSSWALK POLLS SOCIAL MEDIA CAMPAIGN



# OVERVIEW

- **Campaign Objective:** Gather feedback on crosswalk design and safety from residents.
- **Timeline:** November 29 - December 6, 2024
- **Platforms Used:** Instagram utilizing the polls feature, and Facebook for cross posting.
- **Key Message:** “Your opinion matters! We are asking for feedback on our newest crosswalk’s safety, style, and satisfaction. Keep an eye on our posts to participate!”

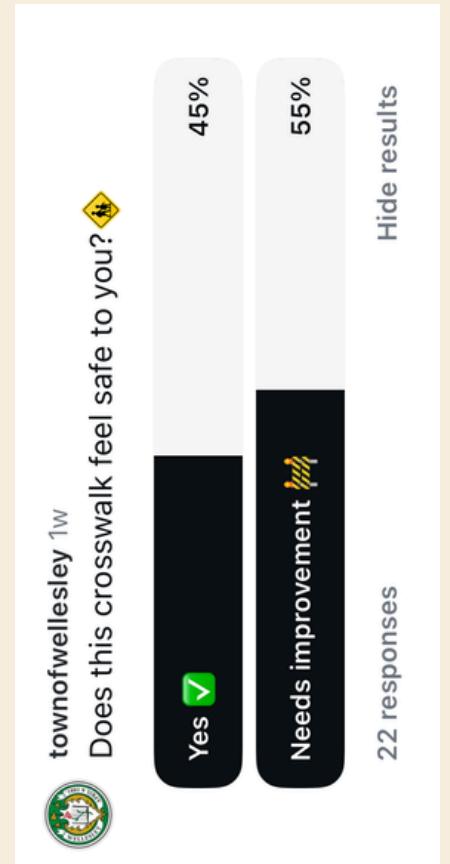


# ENGAGEMENT METRICS

- **Poll Participation:** A total of 62 people participated in the polls, including both posts and stories.

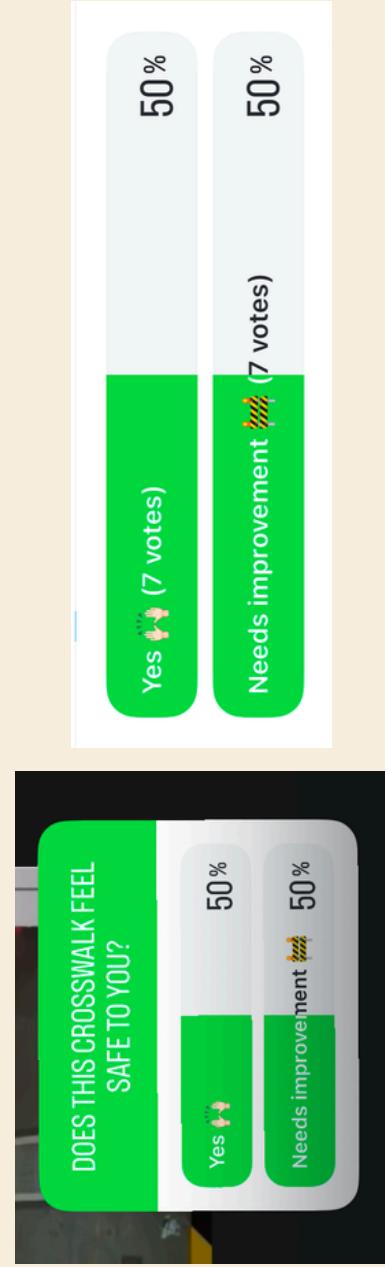
## POLL INTERACTION POST

### SAFETY

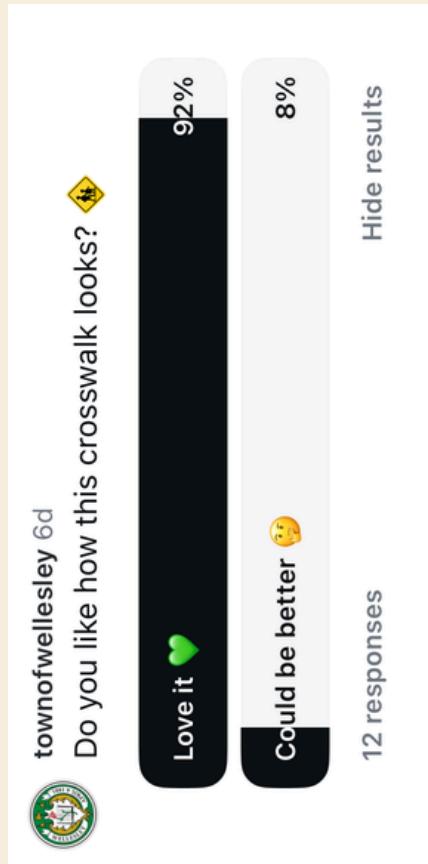


## POLL INTERACTION STORY

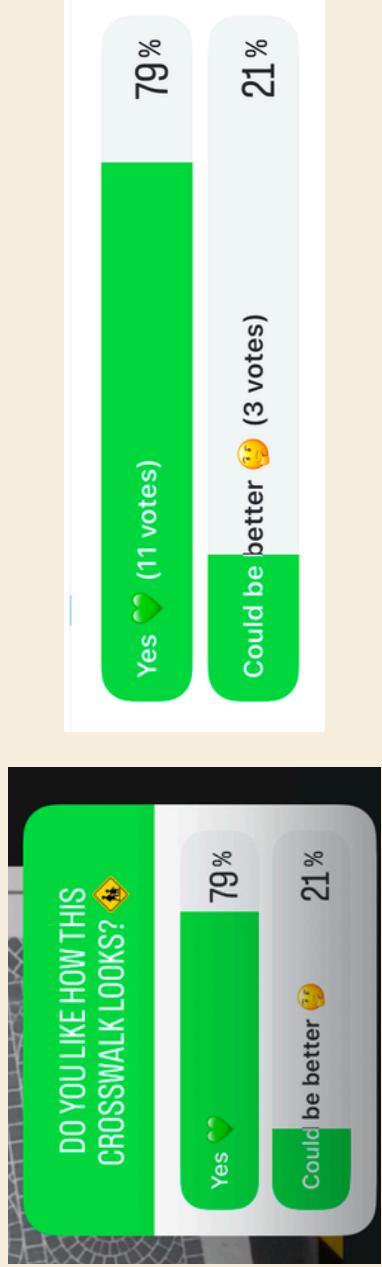
### SAFETY



### DESIGN



### DESIGN



# ENGAGEMENT METRICS

**OPEN FEEDBACK COMMENTS**



**lbrownmack** 5d  
Yes. Better than Denton Road & Weston.  
Better than Crest & Central.



**lbrownmack** 5d

**betseyweintraub** 6d  
I remember a few years ago the town put in  
beautiful brick crosswalks and even  
trimmed the sidewalks with it....just to have  
them removed and filled with concrete a  
year later?!



**giulia\_cambieri**  
It's hard to see it since  
there's not much contrast  
between it and the road.  
[Reply](#) >

I love the look of the crosswalk but  
found it extremely slippery the other  
morning when we had our first frost.  
I had to walk on the road as it was  
like each brick was covered in a thin  
layer of ice. I hope there is a way to  
keep the beauty but perhaps rough  
it up a bit!



# CONCLUSIONS

- This First-of-Its-Kind campaign not only engaged residents meaningfully but also demonstrated how social media can serve as a powerful tool for gauging public opinion and fostering community involvement.
- A recommendation is to analyze how participants' suggested improvements can be addressed based on these results.
- This campaign helped us increase our Instagram audience by about 10 followers in one week.
- Moving forward, incorporating this initiative with similar efforts could effectively address additional community concerns and enhance the Town's online and social media presence, providing residents with another communication channel.



THANK YOU!!





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December 13, 2024

To: Meghan Jop  
 From: Cathryn Meagher

The annual license renewal process has been completed. Please accept the attachment and updated expiration dates for submission to the Board for the following license types:

- CV – Food Only/Take Out/Mobile Food – through 12/31/2025
- Alcohol Licenses – All Alcohol/Beer & Malt Only/Dining Halls/Club/Off Premises Specialty Stores - through 12/31/25
- Class I & Class II Auto Dealers – through 1/1/2026
- Entertainment – through 12/31/2025
- Club (Town License) – through 12/31/2025
- Lodging House – through 12/31/2025

The following have applied for extension of hours for New Year's Eve.

Jin's Fine Asian Cuisine	11 Washington Street
Laughing Monk Café	90 Central Street
The Local	11 Forest Street
Lockheart Restaurant	102 Central Street
The Cottage	190 Linden Street
Black & Blue	65 Central Street
Italo American Educational Club	75 Pleasant Street
Juniper	13 Central Street
Great Wok	180 Worcester Street
Dryft Wellesley	165 Linden Street
Smith & Wollensky	283 Washington Street

For restaurants the extension allows for an extension up to 1a.m.; for off premises the extension allows for extension up to 11:30pm. Approval of extension does not guarantee the requestor will remain open to the latest hour allowed, but allows for the option should they like.

Licensees did not renew:

B/Spoke – CV take out only. Coffee has been available inside the cycling studio located at 50 Central Street. They may reopen/reapply in the future using an outside company to manage the coffee. The studio remains open and operational.

Lemon Thai Restaurant located at 555 Washington Street – CV only. Sad to see such good neighbors and community members close their doors. We wish them well.

Wellesley Variety located at 5 Forest Street – CV take out only. Licensee has stopped selling slushies therefore no longer requiring a CV license, the business remains open and operational.

We expect several businesses licensed in 2024 to open in the near future including Mortadella Head located at 263 Washington Street and Karma located at 165 Linden Street. We have also been notified to expect alcohol license applications early in the new year. Currently the Town has available: 8 All Alcohol Licenses (on premises), 2 Wine and Malt Only licenses (on premises), and 1 Specialty Store license.

Thank you  
Cathryn  
Meagher

Licensing renewals - prepared for submission December 10, 2024

Business Name	Street	Town	Expiration Date	License No.	License Type
Ace Sushi Babson College	25 Babson College Drive	Wellesley	12/31/2025	92	Common Victualler Food Only
Alta Strada	92 Central St	Wellesley	12/31/2025	30	Common Victualler Food only
Amarin II	27 Grove Street	Wellesley	12/31/2025	20	Common Victualler Food only
Asian Wellesley; Jin's Fine Cuisine	11-13 Washington St.	Wellesley	12/31/2025	46	Common Victualler Food only
Babson College Dunkin	25 Babson College Drive	Wellesley	12/31/2025	88	Common Victualler Food Only
Babson College Olin Hall	25 Babson College Drive	Wellesley	12/31/2025	87	Common Victualler Food only
Babson College Reynolds Café	25 Babson College Drive	Wellesley	12/31/2025	89	Common Victualler Food only
Babson College Trim Dining Hall	25 Babson College Drive	Wellesley	12/31/2025	91	Common Victualler Food only
Babson College Village Coffee House	25 Babson College Drive	Wellesley	12/31/2025	90	Common Victualler Food Only
BB Wellesley LLC	65 Central Street	Wellesley	12/31/2025	78	Common Victualler Food only
Bocado Tapas & Wine	45 Church Street	Wellesley	12/31/2025	58	Common Victualler Food only
Café Hoop	106 Central Street unit 7315	Wellesley	12/31/2025	74	Common Victualler Food only
Café Mangal	555 Washington St.	Wellesley	12/31/2025	38	Common Victualler Food only
Café Nero	339 Washington Street	Wellesley	12/31/2025	60	Common Victualler Food only
Café Services Inc. d/b/a 55 William Café	55 William St. Wellesley Office Park	Wellesley	12/31/2025	53	Common Victualler Food only
Captain Marden's Seafoods	279 Linden St.	Wellesley	12/31/2025	13	Common Victualler Food only
Centennial Café Starbucks at Babson College	25 Babson College Drive	Wellesley	12/31/2025	65	Common Victualler Food only
Cheesy St. Grill	900 Worcester Street	Wellesley	12/31/2025	6	Common Victualler Food only - TAKE OUT
CK Shanghai	17 Washington St.	Wellesley	12/31/2025	47	Common Victualler Food only
Cocobee Reroot	57 Central Street	Wellesley	12/31/2025	15	Common Victualler Food Only
Coconut Thai Café	257 Washington St.	Wellesley	12/31/2025	42	Common Victualler Food only
Collins Café Davis Museum	Wellesley College 106 Central St.	Wellesley	12/31/2025	33	Common Victualler Food only
Comella's	288 Washington St.	Wellesley	12/31/2025	41	Common Victualler Food only
Cook's Window Pizza	19 Washington St.	Wellesley	12/31/2025	8	Common Victualler Food only
Craft Food Halls	93 Worcester Street	Wellesley	12/31/2025	39	Common Victualler Food only
Craft Food Halls	100 Worcester Street	Wellesley	12/31/2025	66	Common Victualler Food only
Delux Pizza	1 Forest Street	Wellesley	12/31/2025	23	Common Victualler Food only
DM Hospitality d/b/a Lockheart	102 Central Street	Wellesley	12/31/2025	67	Common Victualler Food only
Domino's Pizza	868 Worcester Street	Wellesley	12/31/2025	3	Common Victualler Take-Out License
Dryft Wellesley	165 Linden Street	Wellesley	12/31/2025	82	Common Victualler all alcohol
Dunkin Donuts 12 Washington St.	12 Washington Street	Wellesley	12/31/2025	34	Common Victualler Food only
Dunkin Donuts 277 Linden	277 Linden Street	Wellesley	12/31/2025	1	Common Victualler Take-Out License
Dunkin Donuts 951 Worcester Street	951 Worcester Street	Wellesley	12/31/2025	4	Common Victualler Food only

Dunkin Donuts 978 Worcester St.	978 Worcester Street	Wellesley	12/31/2025	57	Common Victualler Food only
El Table	106 Central Street unit 7315	Wellesley	12/31/2025	75	Common Victualler Food only
Express Gourmet	11 River Street	Wellesley	12/31/2025	17	Common Victualler Food only
Feng Wei Inc dba Karma	165A Linden Street	Wellesley	12/31/2025	77	Common Victualler Food only
Fiorella's	575 Washington	Wellesley	12/31/2025	64	Common Victualler Food only
Global Montello Group	453 Washington Street	Wellesley	12/31/2025	5	Common Victualler Take-Out License
Great Wok	180 Worcester St.	Wellesley	12/31/2025	9	Common Victualler Food only
JeJe's Coffeehouse	259 Washington Street	Wellesley	12/31/2025	71	Common Victualler Food only
JP Licks Wellesley Center	63 Central Street	Wellesley	12/31/2025	24	Common Victualler Food only
Juniper Restaurant Fork & Spoon Inc	13 Central St.	Wellesley	12/31/2025	14	Common Victualler Food only
Katara Japanese Restaurant	151 Linden Street	Wellesley	12/31/2025	26	Common Victualler Food only
La Toscana's Pizzeria	99 Central Street	Wellesley	12/31/2025	69	Common victualler Food only
Laughing Monk Café	90 Central Street	Wellesley	12/31/2025	68	Common Victualler Food only
Mark's Pizza & Subs	10B Washington St.	Wellesley	12/31/2025	11	Common Victualler Food only
Maugus Restaurant	300 Washington St.	Wellesley	12/31/2025	1	Common Victualler Food only
NexDine, LLC d/b/a NexDine at Sunlife	93 Worcester Street	Wellesley	12/31/2025	9	Common Victualler Food only - TAKE OUT
North End Pizza	7A Washington St.	Wellesley	12/31/2025	10	Common Victualler Food only
Oath Pizza	180 Linden Street	Wellesley	12/31/2025	73	Common Victualler Food only
Old School Pizzeria	552 Washington Street	Wellesley	12/31/2025	35	Common Victualler Food only
Papa Razzi	14-16 Washington Street	Wellesley	12/31/2025	12	Common Victualler Food only
Peter's Pizza	57 Washington St.	Wellesley	12/31/2025	4	Common Victualler Take-Out License
Pho Station	352 Washington St	Wellesley	12/31/2025	83	Common Victualler Food Only
Playa Bowls	180 Linden Street	Wellesley	12/31/2025	81	Common Victualler Food Only
Popovers at Church Square	16 Church Street	Wellesley	12/31/2025	80	Common Victualler Food Only
Punch's Alley	106 Central Street unit 7315	Wellesley	12/31/2025	76	Common Victualler Food only
Qdoba Mexican Eats #2410	185 Linden Street	Wellesley	12/31/2025	52	Common Victualler Food only
Quebrada Baking Co.	272 Washington Street	Wellesley	12/31/2025	31	Common Victualler Food only
Rice Burg	552 Washington Street	Wellesley	12/31/2025	63	Common Victualler Food only
Roche Brothers	184 Linden Street	Wellesley	12/31/2025	85	Common Victualler Food only
Science Center Café	Wellesley College 106 Central St.	Wellesley	12/31/2025	7	Common Victualler Food only
Shahs Halal Babson College	Babson College 4 Babson College Drive	Wellesley	12/31/2025	86	Common Victualler food only
Shake Shack Massachusetts LLC	74 Central Street	Wellesley	12/31/2025	79	Common Victualler Food only
Singh's Café	312 Washington St.	Wellesley	12/31/2025	44	Common Victualler Food only
Smith & Wollensky of Wellesley	583-589 Washington Street	Wellesley	12/31/2025	37	Common Victualler Food only
Starbucks Coffee 190A Linden	190 Linden Street	Wellesley	12/31/2025	50	Common Victualler Food only
Starbucks Coffee #868	68 Central Street	Wellesley	12/31/2025	19	Common Victualler Food only
Subway	268 Washington St	Wellesley	12/31/2025	16	Common Victualler Food only
Sweetgreen	180 Linden Street	Wellesley	12/31/2025	48	Common Victualler Food only
Tatte Bakery & Café	165 Linden Street	Wellesley	12/31/2025	70	Common Victualler Food only
The Cottage Wellesley	190 Linden Street	Wellesley	12/31/2025	51	Common Victualler Food only
The Linden Store, Inc.	162 Linden St.	Wellesley	12/31/2025	2	Common Victualler Food only
The Local Wellesley	11 Forest Street	Wellesley	12/31/2025	55	Common Victualler Food only

Trulys of Wellesley LLC	35 Grove Street	Wellesley	12/31/2025	22	Common Victualler Food only
Trulys of Wellesley LLC	39 Grove Street	Wellesley	12/31/2025	72	Common Victualler Food only
Tutto Italiano	568A Washington St	Wellesley	12/31/2025	36	Common Victualler Food only
Wellesley Bakery	542 Washington St.	Wellesley	12/31/2025	27	Common Victualler Food only
Wellesley Sandwich Co Mortadella Head	263 Washington Street	Wellesley	12/31/2025	84	Common Victualler Food only
Whole Foods Market	442 Washington Street	Wellesley	12/31/2025	56	Common Victualler Food only
WR Café, Inc Weston Road Café	336 Weston Road	Wellesley	12/31/2025	3	Common Victualler Food only
Yama Japanese Restaurant	245 Washington St.	Wellesley	12/31/2025	29	Common Victualler Food only

Captain Marden's Seafoods dba Cod Squad	279 Linden St.	Wellesley	12/31/2025	3	Mobile Food Vendor License
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Alta Strada	92 Central Street	Wellesley	12/31/2025	00002-RS-1344	Common Victuallers - All Alcoholic Beverages
Amarin II	27 Grove St.	Wellesley	12/31/2025	00017-RS-1344	Common Victuallers - All Alcoholic Beverages
Asian Wellesley; Jin's Fine Cuisine	11-13 Washington St.	Wellesley	12/31/2025	00028-RS-1344	Common Victuallers - All Alcoholic Beverages
BB Wellesley LLC	65 Central Street	Wellesley	12/31/2025	07857-RS-1344	Common Victuallers -All Alcoholic Beverages with Function Room
Bocado Tapas & Wine	45 Church St.	Wellesley	12/31/2025	00036-RS-1344	Common Victuallers - All Alcoholic Beverages
CK's Restaurant	LS & LZ INC 15-17 Washington St.	Wellesley	12/31/2025	00023-RS-1344	Common Victuallers - All Alcoholic Beverages
DA Restaurants LLC dba Express Gourmet	11 River Street	Wellesley	12/31/2025	07806-RS-1344	Wine & Malt Beverages
DM Hospitality d/b/a Lockheart	102 Central Street	Wellesley	12/31/2025	06561-RS-1344	Common Victualler All Alcoholic Beverages
Dryft Wellesley	165 Linden Street	Wellesley	12/31/2025	08252-RS-1344	Common Victualler All Alcoholic Beverages
Fells Market	326 Weston Rd.	Wellesley	12/31/2025	00037-PK-11344	Wine & Malt OR Specialty Food Store
Feng Wei Inc dba Karma	165A Linden Street	Wellesley	12/31/2025	07665-RS-1344	Common Victuallers - All Alcoholic Beverages
Fiorella's Express Wellesley LLC	575 Washington	Wellesley	12/31/2025	07144-RS-1344	Common Victuallers - Wine & Malt only
Great Wok	180 Worcester St.	Wellesley	12/31/2025	05082-RS-1344	Common Victuallers - All Alcoholic Beverages
Italo American Education Club Inc.	75 Pleasant St.	Wellesley	12/31/2025	00005-CL1344	Club all alcohol plus entertainment
Juniper Restaurant	The Spoon & Fork 13 Central St.	Wellesley	12/31/2025	00030-RS-1344	Common Victuallers - All Alcoholic Beverages
La Toscana's	99 Central Street	Wellesley	12/31/2025	07605-RS-1344	Common Victuallers - All Alcoholic Beverages
Laughin Monk Café	90 Central Street	Wellesley	12/31/2025	06714-RS-1344	Common Victualler All Alcoholic Beverages
Oath Pizza Linden Square	180 Linden Street	Wellesley	12/31/2025	07585-RS-1344	Wine & Malt Beverages

Papa Razzi Trattoria of Wellesley	14-16 Washington Street	Wellesley	12/31/2025	00008-RS-1344	Common Victualler All Alcoholic Beverages with function room
Roche Brothers Supermarket	184 Linden Street	Wellesley	12/31/2025	00040-PK-1344	Wine & Malt OR Specialty Food Store
Shake Shack Massachusetts LLC	74 Central Street	Wellesley	12/31/2025		Common Victuallers - Wine & Malt Beverages
Singh's Café	312 Washington St	Wellesley	12/31/2025	00021-RS-1344	Common Victualers - All Alcoholic Beverages
Smith & Wollensky of Wellesley	583-589 Washington Street	Wellesley	12/31/2025	04000-RS-1344	Common Victualers - All Alcoholic Beverages & Entertainment Lic.
KK Katara dba Katara Restaurant fka Takara Japanese Restaurant	151 Linden Street	Wellesley	12/31/2025	00031-RS-1344	Common Victualers - All Alcoholic Beverages
The Babson Club	One Snyder Drive	Babson Park	12/31/2025	00001-CL-1344	Club all alcohol plus entertainment
The Cheese Shop	61 Central Street	Wellesley	12/31/2025	00038-PK-1344	Wine & Malt OR Specialty Food Store
The Cottage	190 Linden Street	Wellesley	12/31/2025	00027-RS-1344	Common Victualers - All Alcoholic Beverages
The Local Wellesley	11 Forest Street	Wellesley	12/31/2025	00034-RS-1344	Common Victualers - All Alcoholic Beverages
Tutto Italiano of Wellesley	570 Washington St.	Wellesley	12/31/2025	00039-PK-1344	Wine & Malt OR Specialty Food Store
Wellesley College Club	Wellesley College 106 Central St	Wellesley	12/31/2025	00016-CL-1344	Club all alcohol plus entertainment
Wellesley Country Club	300 Wellesley Ave	Wellesley	12/31/2025	00009-CL-1344	Club all alcohol plus entertainment
Whole Foods Market	442 Washington Street	Wellesley	12/31/2025	89228-PK-1344	Wine & Malt OR Specialty Food Store

Wang Campus Center - Punch's Alley	Wellesley College 106 Central St	Wellesley	12/31/2025		Dining Halls of Incorporated Educational Institutions
Rogers Center- Babson College	25 Babson College Drive	Wellesley	12/31/2025		Dining Halls of Incorporated Educational Institutions

Italo American Education Club In.	75 Pleasant St.	Wellesley	12/31/2025	1-C	Club license
Maugus Club	40 Abbott Road	Wellesley	12/31/2025	2-C	Club license
Wellesley Country Club	300 Wellesley Ave	Wellesley	12/31/2025	4-C	Club license
Wellesley College Club	Wellesley College 106 Central St	Wellesley	12/31/2025	3-C	Club license
The Babson Club	Babson Exec. Conference Center One Snyder Drive	Babson Park	12/31/2025	5-C	Club license

Hometown Auto Wellesley Mazda	965 Worcester St.	Wellesley	1/1/2026	2	Class I Auto
Nai Enterprises Toyota of Wellesley	216 Worcester St.	Wellesley	1/1/2026	4	Class I Auto
Wellesley Volkswagen, Inc	231 Linden St.	Wellesley	1/1/2026	7	Class I Auto

Leslie T. Haskins, Inc	467-469 Washington St.	Wellesley	1/1/2026	1	Class II Second Hand Auto Dealer
B and P Auto	199 Worcester Street	Wellesley	1/1/2026	3	Class II Second Hand Auto Dealer
Mike's Auto	1005 Worcester Road	Wellesley	1/1/2026	2	Class II Second Hand Auto Dealer
Matthews of Wellesley N. Inc dba Matthews Nissan of Wellesley	962 Worcester Street	Wellesley	1/1/2026	8	Class I Auto

Wellesley College	300 Central St.	Wellesley	12/31/2025	1	Lodging House
Babson College	Babson College	Babson Park	12/31/2025	2	Lodging House
Dana Hall School	45 Dana Road	Wellesley	12/31/2025	3	Lodging House

Alta Strada	92 Central Street	Wellesley	12/31/2025		Entertainment
Babson College Executive Conf. Center	One Snyder Drive	Babson Park	12/31/2025		Entertainment
Babson College Knight Auditorium	231 Forest St	Babson Park	12/31/2025		Entertainment
Babson College Sorenson Center	231 Forest St	Babson Park	12/31/2025		Entertainment
Black and Blue Steak and Crab	65 Central Street	Wellesley	12/31/2025		Entertainment
Bocado Tapas & Wine	45 Church Street	Wellesley	12/31/2025		Entertainment
Café Nero	339 Washington Street	Wellesley	12/31/2025		Entertainment
DM Hospitality Lockheart	102 Central Street	Wellesley	12/31/2025		Entertainment
Dryft Wellesley	165 Linden Street	Wellesley	12/31/2025		Entertainment
Feng Wei Inc dba Karma	165A Linden Street	Wellesley	12/31/2025		Entertainment
Fiorella's	575 Washington St	Wellesley	12/31/2025		Entertainment
Italo American Educational Club	75 Pleasant Street	Wellesley	12/31/2025		Entertainment
JP Licks	63 Central Street	Wellesley	12/31/2025		Entertainment
Juniper	13 Central St	Wellesley	12/31/2025		Entertainment
Katara of Wellesley	151 Lindne Street	Wellesley	12/31/2025		Entertainment
La Toscans	99 Central Street	Wellesley	12/31/2025		Entertainment
Laughing Monk Café	90 Central Street	Wellesley	12/31/2025		Entertainment
The Maugus Club	40 Abbott Street	Wellesley	12/31/2025		Entertainment
Papa Razzi	16 Washington St	Wellesley	12/31/2025		Entertainment
Peter's Pizza	57 Washington Street	Wellesley	12/31/2025		Entertainment
Playa Bowls	180 Linden Street	Wellesley	12/31/2025		Entertainment
Rice Burg Inc.	552 Washington Street	Wellesley	12/31/2025		Entertainment
Smith & Wollensky of Wellesley	583 Washington St	Wellesley	12/31/2025		Entertainment
Starbucks	68A Central Street	Wellesley	12/31/2025		Entertainment
Starbucks	101 Linden Street	Wellesley	12/31/2025		Entertainment
Subway Wellesley	268 Washington Street	Wellesley	12/31/2025		Entertainment
Sweetgreen	180 Linden Street	Wellesley	12/31/2025		Entertainment
Tatte Bakery and Café	183 Linden Street	Wellesley	12/31/2025		Entertainment
The Cottage Wellesley	190 Linden Street	Wellesley	12/31/2025		Entertainment
The Local	11 Forest Street	Wellesley	12/31/2025		Entertainment
Wellesley Country Club	300 Wellesley Ave	Wellesley	12/31/2025		Entertainment
Whole Foods	442 Washington St	Wellesley	12/31/2025		Entertainment



4. 6:10 Executive Director's Report
5. 6:15 Tax Classification Public Hearing

#### **COLETTE – Open Tax Classification Hearing**

Due to a procedural defect, the Town must conduct a new Tax Classification Public Hearing. The Tax Classification hearing that was conducted on December 3, 2024 occurred prior to approval of the valuations. The Town had only received the preliminary approval from DOR. The final approval of values was received on December 10, 2024.

Ellen Mueller, Chief Assessor, and the Board of Assessor's will be joining the Board for the annual Tax Classification Public Hearing. Chair Steve Mahoney must give the presentation again on the values. The Tax Classification hearing is a required step in certifying the tax rate for FY25. The purpose of the hearing is for the Board to determine whether there should be a single tax rate applied to all classes of real and personal property, or whether it should be split and be assessed at differing rates. The Chamber of Commerce has been informed of the procedural defect, and continues to have the same comments, expressing their desire for the Town to retain the single tax rate and continues to be appreciative of the Town's support for the commercial properties. The Board on 12/3/24 voted to retain the single tax rate, but must re-vote their authorization.

#### **MOTIONS:**

**MOVE to close the Tax Classification Public Hearing**

**MOVE to adopt a residential factor of 1.0 for the purposes of determining the fiscal year 2025 tax rate.**



# TAX CLASSIFICATION HEARING FISCAL YEAR 2025

PRESENTED TO  
Select Board, Town of Wellesley

PREPARED BY

Stephen D. Mahoney, Chair  
Stephen R. Burtt  
W. Arthur Garrity, III  
Ellen M. Muller, MAA, Chief Assessor

December 3, 2024



# ASSESSMENT PROFILE

## Single Family & Commercial

MEDIANS & MEANS	FY2021	FY2022	FY2023	FY2024	FY2025
<b>SINGLE FAMILY (Class 101)</b>					
<b>TOTAL VALUE</b>	\$10,119,398,000	\$10,551,056,000	\$11,541,048,000	\$13,131,342,000	\$14,083,438,000
<b>MEDIAN ASSESSMENT</b>	\$1,171,000	\$1,223,000	\$1,357,000	\$1,544,000	\$1,652,000
<b>MEDIAN TAX BILL</b>	\$13,759.00	\$14,285.00	\$15,538	\$16,088	\$16,983
<b>MEAN ASSESSMENT</b>	\$1,385,839	\$1,445,969	\$1,583,750	\$1,795,370	\$1,925,282
<b>MEAN TAXBILL</b>	\$16,284.00	\$16,889	\$18,134	\$18,708	\$19,792
<b>COMMERCIAL (Class 300's)</b>					
<b>TOTAL VALUE</b>	\$1,412,030,000	\$1,424,746,000	\$1,584,321,000	\$1,550,787,000	\$1,538,886,000
<b>MEDIAN ASSESSMENT</b>	\$2,693,000	\$2,424,500	\$2,776,000	\$2,742,500	\$2,650,000
<b>MEDIAN TAX BILL</b>	\$31,643	\$28,318	\$31,785	\$28,577	\$27,242
<b>MEAN ASSESSMENT</b>	\$6,723,952	\$6,535,532	\$7,201,459	\$6,985,527	\$6,900,834
<b>MEAN TAXBILL</b>	\$79,006	\$76,335	\$82,457	\$72,789	\$70,941
<b>TAX RATE</b>	<b>\$11.75</b>	<b>\$11.68</b>	<b>\$11.45</b>	<b>\$10.41</b>	<b>\$10.28</b>

# ASSESSMENT/TAX RATE HISTORY

FY	ASSESSED VALUE			LEVY%		NEW GROWTH TAX DOLLARS	TAX LEVY	TAX RATE	SINGLE FAMILY		COMMERCIAL	
	RES	CIP	TOTAL	RES	CIP%				MEDIAN ASSESSED	MEDIAN TAXES	MEDIAN ASSESSED	MEDIAN TAXES
<b>2021</b>	\$11,072,021,000	\$1,643,926,000	\$12,715,947,000	87.07%	12.93%	\$1,753,000	\$149,552,000	\$11.75	\$1,171,000	\$13,759	\$2,693,000	\$31,643
<b>2022</b>	\$11,625,593,000	\$1,679,792,000	\$13,305,385,000	87.38%	12.62%	\$1,840,000	\$155,418,000	\$11.68	\$1,223,000	\$14,285	\$2,425,000	\$28,318
<b>2023</b>	\$12,824,125,000	\$1,859,998,900	\$14,684,123,900	87.33%	12.67%	\$2,968,900	\$168,217,000	\$11.45	\$1,357,000	\$15,538	\$2,776,000	\$31,785
<b>2024</b>	\$14,633,876,000	\$1,866,360,000	\$16,500,236,000	88.69%	11.31%	\$2,829,000	\$171,981,135	\$10.41	\$1,544,000	\$16,088	\$2,742,500	\$28,577
<b>2025</b>	<b>\$15,677,785,000</b>	<b>\$1,854,733,960</b>	<b>\$17,532,518,960</b>	<b>89.42%</b>	<b>10.58%</b>	<b>\$2,655,734</b>	<b>\$180,284,199</b>	<b>\$10.28</b>	<b>\$1,652,000</b>	<b>\$16,983</b>	<b>\$2,650,000</b>	<b>\$27,242</b>

RES - residential property class, including condominiums and apartment buildings

CIP - commercial, industrial and personal property classes

\*Calculated based on a single tax rate

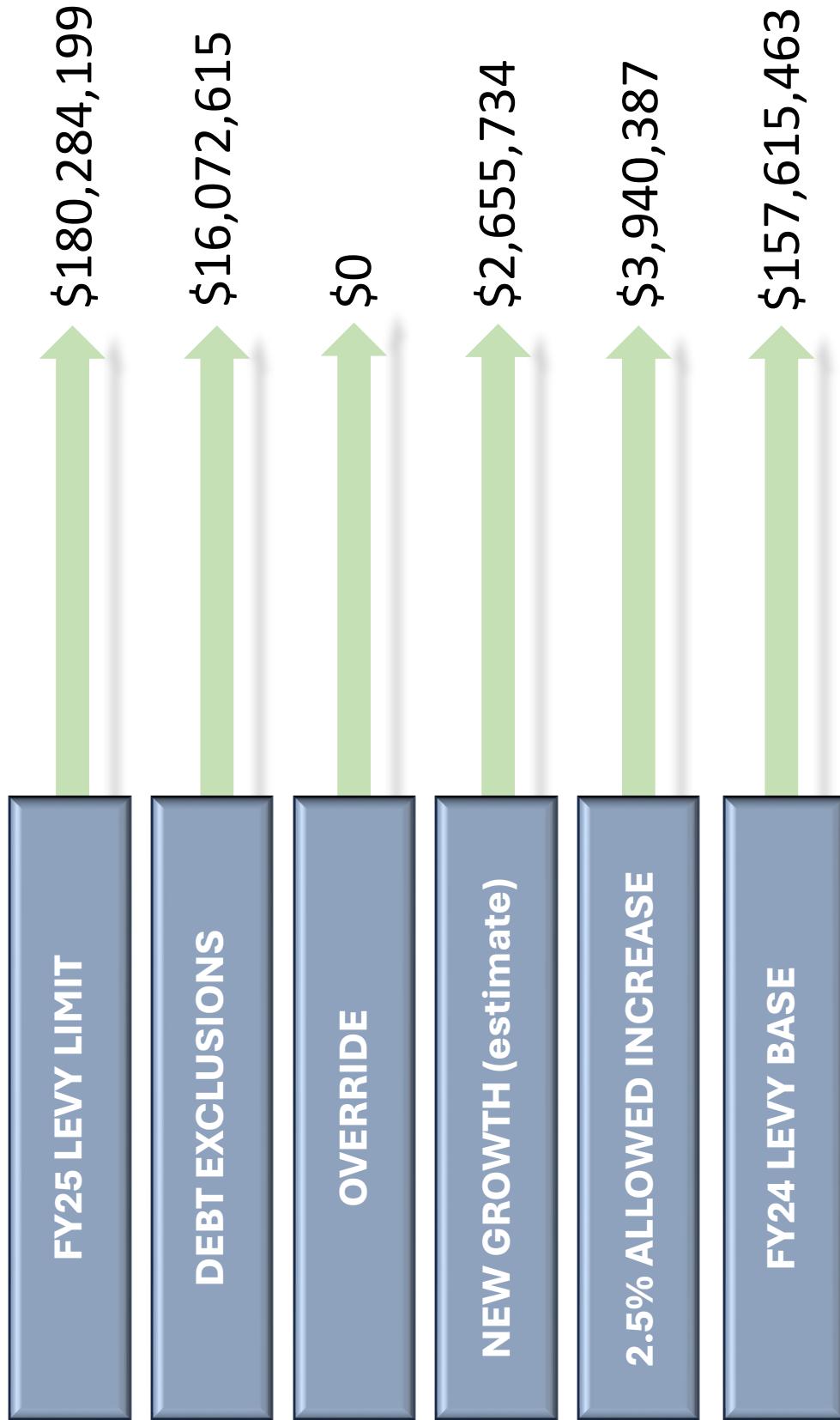
# FISCAL YEAR 2025

## Total Values By Property Type

PROPERTY TYPE	PARCEL COUNT	RESIDENTIAL VALUE	COMMERCIAL VALUE	INDUSTRIAL VALUE	PERSONAL PROPERTY VALUE
SINGLE FAMILY	7315	\$14,083,438,000			
CONDOMINIUMS	666	\$737,002,000			
MULTIPLE HOUSES ON LOT	23	\$53,207,000			
TWO FAMILY	91	\$125,234,000			
THREE FAMILY	17	\$21,650,000			
APARTMENTS (4+ UNITS)	34	\$236,839,000			
VACANT LAND	220	\$165,027,000			
COMMERCIAL	223		\$1,538,886,000		
CHAPTER LANDS	20			\$17,471,000	
MIXED USE-RES. & COMM	18	\$255,388,000	\$116,965,000		
INDUSTRIAL	3				\$8,530,000
PP-INDIVIDUALS/PARTNERSHIPS	273				\$30,429,500
PP-CORPORATIONS	209				\$35,028,150
PP-UTILITIES	14				\$107,424,310
CLASS TOTALS	9,126	\$15,677,785,000	\$1,673,322,000	\$8,530,000	\$172,881,960
<b>TOTAL VALUE ALL TAXABLE PROPERTIES</b>					<b>\$17,532,518,960</b>

PP - Personal property

## IMPACT OF PROPOSITION 2 1/2 on FISCAL YEAR 2025 TAX LEVY



# FISCAL YEAR 2025 TAX RATE CALCULATION

## Assuming Single Tax Rate

Tax Levy Limit Base Prior Year (FY2024)	\$157,615,463	\$8.99
Additions To FY2024 Levy Limit:		
2.5 % Levy Growth	\$3,940,387	\$0.22
New Growth in Tax Dollars	\$2,655,734	\$0.15
Override	\$0	
FY2024 Levy Limit (Before Debt Exclusions)	\$164,211,584	\$9.36
Debt Exclusion Payments:		
Elementary School	\$8,545,262	\$0.49
Middle School	\$2,178,400	\$0.12
High School	\$3,784,422	\$0.22
North 40 Acquisition	\$1,421,875	\$0.08
Senior Center	\$142,656	\$0.01
Total Debt Exclusions	\$16,072,615	\$0.92
Tax Levy Limit Plus Debt Exclusion	\$180,284,199	\$10.28
		<b>Tax Rate</b>
	<u>FY2025 Tax Levy    \$180,284,199</u>	
	<u>FY2025 Total Assessed Value    \$17,532,518,960</u>	=
		<b>\$10.28 / \$1,000</b>

# SUMMARY OF TAX RATE OPTIONS

Impact of split tax rate on two major classes of properties

TAX FACTOR		% OF TAX LEVY		TAX RATE		MEDIAN TAXES	
Commercial	Residential	Commercial	Residential	Commercial	Residential	Commercial	Residential
1.000	1.000	10.58%	89.42%	\$10.28	\$10.28	\$27,242	\$16,983
1.100	0.988	11.64%	88.36%	\$11.31	\$10.16	\$29,966	\$16,782
1.200	0.976	12.69%	87.31%	\$12.34	\$10.04	\$32,690	\$16,583
1.300	0.965	13.75%	86.25%	\$13.36	\$9.92	\$35,415	\$16,387
1.400	0.953	14.81%	85.19%	\$14.39	\$9.80	\$38,139	\$16,193
1.500	0.941	15.87%	84.13%	\$15.42	\$9.69	\$40,863	\$16,002
						\$13,621	
						(\$981)	

Maximum shift of 50% INCREASES the median commercial tax bill:

Maximum Shift of 50% DECREASES the median single family tax bill:

\* Based on a median commercial assessed value of \$2,650,000 and a median single family assessed value of \$1,652,000

Thank you!

APRIL 6 1882

WELLESLEY

**6. 6:30 Audit Committee Annual Update**

The Audit Committee and Powers and Sullivan representatives will be joining the meeting to give an overview of the Annual Financial Comprehensive Report. Please find and updated version of the Annual Financial Plan.

**NO MOTION**





**TOWN OF WELLESLEY, MASSACHUSETTS**

**ANNUAL COMPREHENSIVE FINANCIAL  
REPORT**

**FOR THE YEAR ENDED JUNE 30, 2024**

On the cover: Town Hall



A peaceful afternoon on Morses Pond  
Photo courtesy of Town of Wellesley.

# **TOWN OF WELLESLEY, MASSACHUSETTS**

## **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**For the Year Ended June 30, 2024**



**Prepared by:**

**The Finance Department of the Town of Wellesley, Massachusetts**



# **TOWN OF WELLESLEY, MASSACHUSETTS**

## **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**JUNE 30, 2024**

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# **TOWN OF WELLESLEY, MASSACHUSETTS**

## **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

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# **TOWN OF WELLESLEY, MASSACHUSETTS**

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# *Introductory Section*



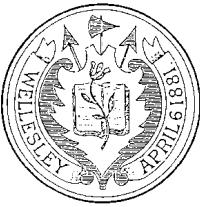
The New Hardy Elementary School Ribbon Cutting  
Opened August 2024  
Photo courtesy of Town of Wellesley.

Town of Wellesley, Massachusetts  
Annual Comprehensive Financial Report  
For the year ended June 30, 2024



## *Introductory Section*

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# Town of Wellesley

525 Washington Street  
Wellesley, MA 02482

## Letter of Transmittal

December \_\_\_, 2024

To the Honorable Select Board and Citizens of the Town of Wellesley:

State law requires the Town of Wellesley (the Town) to publish at the close of each year a complete set of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) that are audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue this Annual Comprehensive Financial Report (ACFR) of the Town of Wellesley, Massachusetts, for the year ending June 30, 2024, for your review.

This report consists of management's representations concerning the finances of the Town. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Town has established a comprehensive internal control framework that is designed both to protect the Town's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that this financial report is complete and reliable in all material respects.

The Town's financial statements have been audited by Marcum LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town for the year ended June 30, 2024, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion on the Town's financial statements for the year ended June 30, 2024, and that they are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Town was part of a broader, federally mandated "Single Audit" designed to meet the special needs of Federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of Federal awards. These reports are available in the Town's separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Town's MD&A can be found immediately following the report of the independent auditors.

Included within this comprehensive report is the statistical section which provides detailed information as a context for understanding what the information in the financial statements, notes disclosures, and required supplementary information say about the Town's overall financial health.

## **Profile of the Town**

The Town of Wellesley was incorporated in 1881 and is located in Norfolk County. It is approximately 15 miles west of Boston and is bordered by Natick on the west, Weston and Newton on the north, Needham on the east and southeast, and Dover on the south. It is approximately 10.51 square miles in area and, for the 2010 and 2020 U.S. Census records, had a population of 27,982 and 29,550 persons, respectively.

The main highways serving the Town are State Routes 9, 16, 135, 128 and the Massachusetts Turnpike. The Massachusetts Bay Transportation Authority (MBTA) provides railroad services to Boston and Framingham.

The Town operates under the Representative Town Meeting form of government with public officers serving as ex-officio members of the Town Meeting. The legislative body consists of 240 members elected by precincts. Administrative affairs are managed by a five-member Select Board, with the assistance of an Executive Director of General Government Services.

The Town's form of government is significantly decentralized. In addition to public safety, legal, financial and budgetary management, facilities management, and building administration by the five-member Select Board; local school affairs are administered by a five-member School Committee; public works are administered by a three-member Board of Public Works; the Municipal Light Plant is administered by a five-member Municipal Light Board that is comprised of the three-member Board of Public Works and two members appointed by the Select Board; and library affairs are administered by a six-member Board of Library Trustees. Many smaller departments are also managed by elected boards.

General governmental services are provided within the town's boundaries, including public education in grades kindergarten through twelve, police and fire protection, collection and treatment of sewage, water distribution, electric services, public works, streets, parks and recreation, veteran's services, health and sanitation, and libraries. The water and sewer enterprise funds are self-supporting. The Town maintains a solid waste recycling and disposal facility.

The Town owns and operates a self-supporting municipal light plant. The Municipal Light Board carries out the responsibilities of the Municipal Electric Commissioners as provided for in Massachusetts General Laws, Chapter 164.

## **Local Economy**

The Town's economy and employment levels continue to return to a post-pandemic normal. Wellesley remains attractive to educated urban professionals whose wealth levels are among the highest in the Commonwealth. While the per capita household income in Massachusetts is higher than national levels, Wellesley's (\$229,263) is among the highest in the Commonwealth and more than three times the State

average. The relative wealth is also seen in the owner- occupied median housing value, which, at \$1,544,000 is more than three times that of the State. The Town is densely populated, and land is increasingly valuable. Tear downs, residential improvements, and the recent construction of several hundred new housing units will continue to contribute to steady permit fee revenue and taxable new growth. The Town benefits from being 89% residential and able to rely upon collecting real estate and motor vehicle tax revenues and to generate more investment income, compared with other municipalities.

Wellesley continues to manage its financial affairs in a prudent manner. It has maintained its “excellent” bond rating of Aaa by incorporating long range planning tools, such as a Town-wide Financial Plan, and by maintaining reserve levels; investing in technology; maintaining facilities to avoid costly emergency repairs; continuing an aggressive pay-as-you-go financing strategy for capital improvements, and utilizing the dedicated revenue streams from debt that is exempt from the constraints of Proposition 2 ½ to finance some of its larger projects. The significant pay-as-you-go strategy proved especially helpful in providing financial flexibility in developing a strategic financial response to the recent global pandemic, as non-emergency capital spending could be temporarily slowed. Financial reserves have remained strong post- pandemic, and the Town has been able to fund some capital projects previously requested using some of these reserves.

The Town has also enhanced its revenue flexibility by establishing enterprise funds. This has allowed the Town to shift one hundred percent of the operating cost and capital improvements to the users of electric, water, and sewer services so that no tax support goes towards providing these services. All related debt is funded through user fees. By doing so the Town is able to provide the maximum tax dollars available to all other services.

Town meeting voted to add a fourth Enterprise Fund for Stormwater Management at its 2023 Spring Annual Town Meeting.

### **Policies, Financial Planning, and Internal controls**

The Town has established several documented policies to guide the annual budgeting and long-range financial planning processes.

Over a decade ago, the Select Board adopted a formal written Reserve Policy to define and manage reserve targets. Town management avoids using equity to balance its annual budgets; instead applying current revenues to fund current operating expenses. Capital investments are vetted using a Five-Year Capital Plan that identifies the capital needs of all boards. The annual process of discussing this plan helps re-prioritize these needs. Debt is utilized, but is minimized, and each year significant assets are also purchased using current operating cash. Funds used to finance capital assets are ‘banded’ within the operating budget (Capital Finance Policy); both to avoid curtailing service levels, and to ensure necessary capital investment. If sufficient reserves are available, additional capital assets from the plan may be expedited using reserves.

Large capital projects may sometimes be financed using debt excluded from the limits of Proposition 2 ½. Debt issued in this way assigns a dedicated revenue stream for the life of the loan. The timing of the largest proposed project is evaluated through the use of the Major Project Funding Schedule. The intent of this document is to inform citizens of the largest pending projects, encourage discussion of town-wide priorities, and to facilitate the solution of how and when projects will be financed.

The Select Board (Board) utilizes these policies in preparing its annually updated Town-Wide Financial Plan (TWFP). The Plan includes a forecast of the Town's sources and uses of funds for the current year (annual budget) and for the two following years. The Board establishes current year budget guidelines for the departments, cognizant of available revenues and of reserve implications, and works with the other boards to achieve a balanced budget. Projections are developed for the subsequent year so that the Board may determine whether or not there will be sufficient funds to meet needs or any requests for new initiatives. The TWFP also includes updated projected capital needs for the next five years ("Five Year Capital Plan") for the various departments, and information regarding the financing of these items.

The annual pension contribution to the Wellesley Contributory Retirement System, a defined benefit pension plan administered by the Wellesley Contributory Retirement Board, represents 4% of the Town's annual budget. Current employees contribute up to 11% of their salaries to the system, depending upon date of hire. An independent actuary engaged by the Retirement Board biannually calculates the amount of the annual contribution the Town must make to the pension plan to ensure that the plan will be able to fully meet its obligations to retired employees. The funded ratio (actuarial assets to actuarial liabilities) decreased slightly to 90.27% as reflected in the actuarial valuation performed as of January 1, 2023, with full funding still expected by 2030. The Retirement Board approved the assumed actuarial rate of return on investments of 6.0%. Management continues to factor updated valuations into its TWFP projections.

Similarly, health insurance costs and the liability for postemployment health care benefits for certain retirees and their dependents (OPEB) are key considerations in the TWFP. The Town has undertaken a number of proactive steps over the last ten years to reduce current costs and amortize the unfunded OPEB liability. The funded ratio for OPEB assets improved to 72.6% as of December 31, 2022, which was the date of the last full actuarial valuation study that is performed every two years. The Town continues to project a 6% investment return and is projected to fully fund this obligation by 2030.

We refer you to the notes to the basic financial statements for more information on the above two matters.

Once balanced, the Select Board, with input from the Advisory Committee, presents the budget to the Annual Town Meeting for authorization. The level of budgetary control of expenditures is established by Town Meeting and this approval defines the level at which expenditures may not exceed appropriations. This level is typically at the individual department salary and expense level. The state-of-the-art financial system has a number of built-in controls and department managers have ready access to monitor their budgets. Once payment requests are reviewed and approved by department heads, the Finance Director/CFO is responsible for further review - ensuring all payroll and invoices are within the budgetary control level before authorizing payment. Additional appropriations may be approved at subsequent Town Meetings. The Advisory Committee may approve a transfer (during the budget year) from a reserve fund established at Town Meeting. These controls ensure compliance with the budget approved by Town Meeting.

The Town has implemented formal policies on cash and investment controls and continues to evaluate the risk of fraud and adequacy of internal controls. An active audit committee oversees the annual audit and raises any related concerns to management and the governing boards.

## **New Initiatives**

The Hardy and Hunnewell Elementary School building projects were approved in 2022. Hunnewell opened in February 2024 and Hardy opened in September 2024. The Town has issued approximately

\$88.7 million in debt for the projects, with an additional \$23 million authorized. The Massachusetts School Building Authority (MSBA) approved funding support at a reimbursement rate of 34.90% and has begun reimbursing the Town. As revenues are received, it is expected that the Town will rescind a like amount of debt authorizations at its Town Meetings.

Early in 2023, Town Meeting authorized \$23 million in funding to renovate the interior of the historic Town Hall. Affected departments relocated to temporary offices along Route 9 at the end of the fiscal year 2023, so that construction could begin. The new offices are scheduled to be ready for occupancy in December 2024.

### **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Wellesley for its Annual Comprehensive Financial Reports (ACFR) for the last twenty years. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of a state and local government financial report.

In order to be awarded the Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, whose contents conform to program standards. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

We would like to express our appreciation to the Finance Department and the members of the other departments who assisted and contributed to the preparation of this report. Credit must also be given to the Select Board for their unfailing support over many years for maintaining the highest standards of professionalism in the management of the Town's finances.

Respectfully submitted,



Meghan C. Jop  
Executive Director of General Government Services



Michael DiPietro  
Finance Director/CFO



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Town of Wellesley  
Massachusetts**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

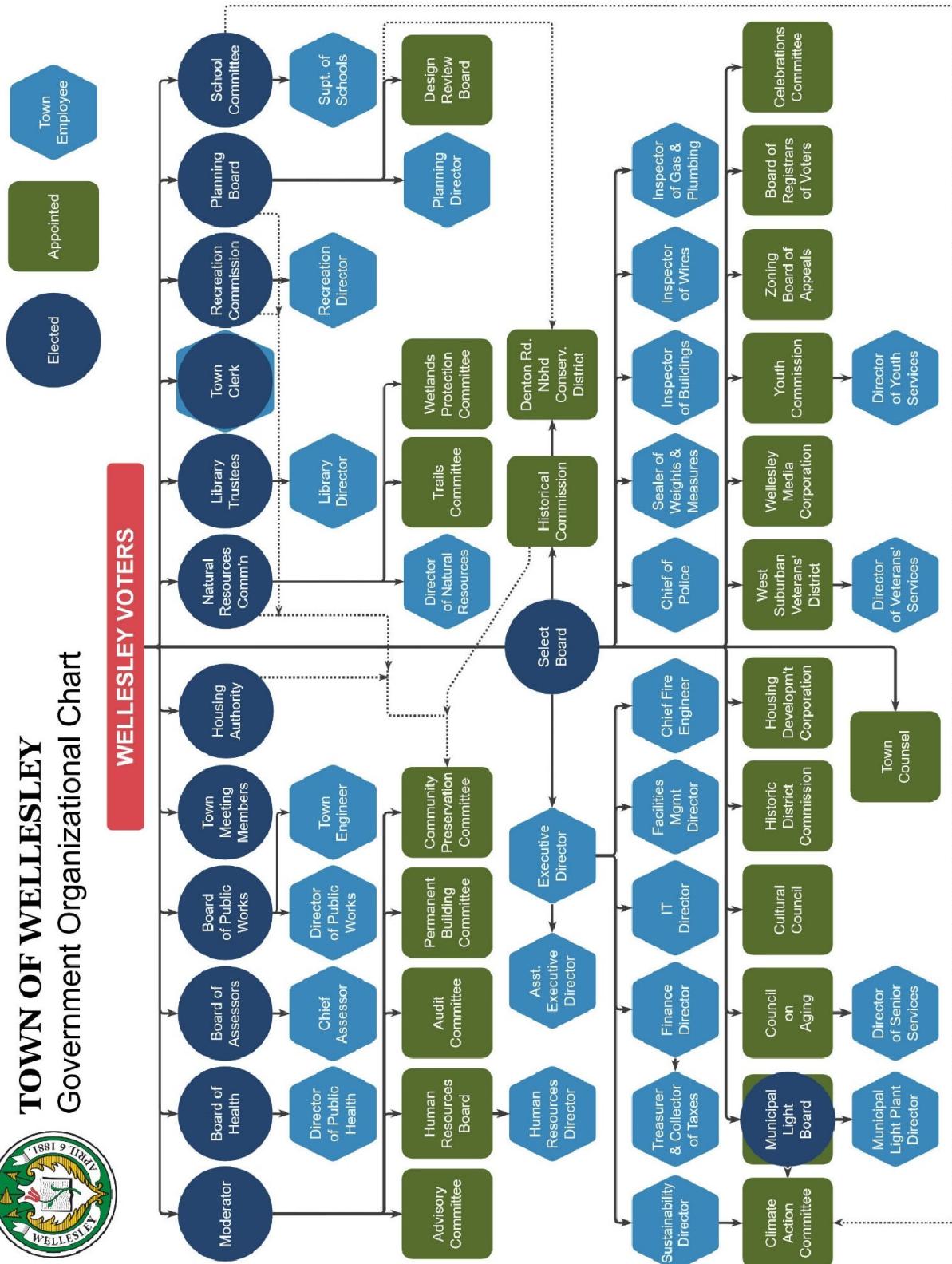
*Christopher P. Morill*

Executive Director/CEO



# TOWN OF WELLESLEY

## Government Organizational Chart



# **Town of Wellesley, Massachusetts**

## **Principal Town Officials**

**As of June 30, 2024**

<u>Elected Officials</u>		<u>Term Expires</u>
Select Board	Lise Olney Colette Aufranc, Chair Marjorie Freiman, Vice Chair Elizabeth Sullivan Woods Thomas H. Ulfelder, Secretary	2025 2027 2027 2026 2026
Moderator Town Clerk	Mark Kaplan K.C. Kato	2025 2027
School Committee	Craig Edward Mack Linda Chow, Chair Niki Ofenloch, Vice Chair Shannon Clark Christina Horner	2025 2027 2027 2025 2026
<u>Appointed Officials</u>		
Executive Director of General Government Services	Meghan C. Jop	
Superintendent of Public Schools	Dr. David F. Lussier	
Finance Director/CFO	Michael DiPietro	
Chief Assessor	Ellen M. Muller	
Treasurer/Collector	Maura O'Connor	
Fire Chief	Steve Mortarelli	
Police Chief	Scott Whittemore	
Human Resources Director	Delores Hamilton	
Library Director	Jamie Jurgensen	
Public Works Director	David Cohen	
Director of Municipal Light Plant	David G. Wood	
Information Technology Director	Brian C. DuPont	
Building Inspector and Zoning Enforcement Officer	Michael Grant	
Planning Director	Eric Arbeene	
Facilities Management Director	Joseph McDonough	
<u>Other Officials</u>		
Town Counsel	Thomas J. Harrington Miyares and Harrington LLP	

# *Financial Section*



New Hunnewell School  
Opened February 2024  
Photo courtesy of Town of Wellesley.

Town of Wellesley, Massachusetts  
Annual Comprehensive Financial Report  
For the year ended June 30, 2024



## *Financial Section*

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## INDEPENDENT AUDITORS' REPORT

To the Honorable Select Board  
and the Audit Committee  
**Town of Wellesley, Massachusetts**

### **Report on the Audit of the Financial Statements**

#### *Opinions*

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Wellesley, Massachusetts, as of and for the year ended June 30, 2024 (except for the Wellesley Contributory Retirement System which is as of and for the year ended December 31, 2023), and the related notes to the financial statements, which collectively comprise the Town of Wellesley, Massachusetts' basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Wellesley, Massachusetts, as of June 30, 2024 (except for the Wellesley Contributory Retirement System which is as of and for the year ended December 31, 2023), and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Wellesley, Massachusetts and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Wellesley, Massachusetts' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Wellesley, Massachusetts' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Wellesley, Massachusetts' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Wellesley, Massachusetts' basic financial statements. The accompanying combining statements, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **Other Information**

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December \_\_, 2024, on our consideration of the Town of Wellesley, Massachusetts' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Wellesley, Massachusetts' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Wellesley, Massachusetts' internal control over financial reporting and compliance.

Boston, MA

December \_\_, 2024

## ***Management's Discussion and Analysis***

# **Town of Wellesley, Massachusetts**

## **Management's Discussion and Analysis**

### **Year Ended June 30, 2024**

As management of the Town of Wellesley, Massachusetts, we offer readers of these financial statements this narrative overview and analysis of the financial activities of the Town of Wellesley for the year ended June 30, 2024. We encourage readers to consider the information presented in this report in conjunction with additional information that we have furnished in our letter of transmittal.

The Governmental Accounting Standards Board (GASB) is the authoritative standard setting body that provides guidance on how to prepare financial statements in conformity with generally accepted accounting principles (GAAP). Users of these financial statements (such as investors and rating agencies) rely on the GASB to establish consistent reporting standards for all governments in the United States. This consistent application is the only way users (including citizens, the media, legislators and others) can assess the financial condition of one government compared to others.

Governments must adhere to GASB pronouncements in order to issue their financial statements in conformity with GAAP. The users of financial statements also rely on the independent auditor's opinion. If the Town's financial statements have significant departures from GAAP, the independent auditors may issue a modified opinion or a disclaimer (where no opinion is given). These types of opinions may have an adverse effect on the Town's bond rating and its ability to borrow money at favorable interest rates. The Town has enjoyed an unmodified opinion on its financial statements for many years.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Town of Wellesley's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to private-sector businesses.

The statement of net position presents information on all of the Town's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the Town's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*).

# **Town of Wellesley, Massachusetts**

## **Management's Discussion and Analysis**

**Year Ended June 30, 2024**

The governmental activities include general government, facilities maintenance, natural resources, public safety, public education, public works, health, recreation, library, community preservation, traffic and parking management, and interest. The business-type activities include the activities of the sewer, water, stormwater, and municipal light enterprise funds.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town currently has two major governmental funds that are presented separately in the governmental fund financial statements. The remaining nonmajor funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Town adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget.

**Proprietary funds.** The Town maintains two types of proprietary funds.

*Enterprise funds* are used to report the same functions as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its sewer, water, stormwater and municipal light operations.

*Internal service funds* are an accounting device used to accumulate and allocate costs internally among various functions. The Town maintains an internal service fund to account for health insurance, self-insured worker's compensation, unemployment, and fleet maintenance.

# **Town of Wellesley, Massachusetts**

## **Management's Discussion and Analysis**

**Year Ended June 30, 2024**

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**Notes to financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

### **Financial Highlights**

- The Town's government-wide assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the current year by \$238.7 million and \$121.8 million for governmental activities and business-type activities, respectively. The business-type activities include the activities of the sewer, water, stormwater and municipal light enterprise funds.
- At the close of the current year, the Town's general fund reported an ending fund balance of \$60.1 million, an increase of \$12.2 million over the prior year. Total fund balance represents 28.6% of total general fund expenditures, which management considers adequate and within expectations as compared to the Town's Financial Reserve Policy. Of this amount, \$49.9 million or 23.7% of general fund expenditures is unassigned and available for appropriation at the Town's discretion. The remaining portions of the general fund balance, \$10.2 million, are committed and assigned to fund special articles, carryover encumbrances, and the 2025 budget.
- The Town is currently administering a significant construction project related to the Hunnewell and Hardy elementary schools. This project is in part funded from reimbursements received from the Massachusetts School Building Authority, and the remaining costs will be funded through long-term borrowings. In 2024, project costs totaled \$59.9 million and were capitalized as construction in progress, included within non depreciable capital assets. In 2024, the Town borrowed \$18.0 million towards this project, which is expected to conclude in 2025.
- The Town is currently administering another significant construction project related to interior renovations at Town Hall. This project is being funded from free cash appropriations. In the current year, the Town incurred costs totaling \$12.9 million, which were capitalized as construction in progress.
- In 2024, the Town established a stormwater enterprise fund, which consists of new operations related to stormwater management. In 2024, the Town transferred \$989,000 from the general fund to establish the new enterprise fund. The Town has voted a new funding source related to stormwater management, which was not yet effective in fiscal 2024. In order to fund operations, the Town voted to establish a new user charge, which will be added to customer's utility bills beginning July 1, 2024.

# **Town of Wellesley, Massachusetts**

## **Management's Discussion and Analysis**

**Year Ended June 30, 2024**

### **Government-wide Financial Analysis.**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Town of Wellesley's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$360.5 million at the close of 2024.

Government-wide net position of \$312.6 million reflects its net investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net position, \$23.8 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position had a year-end balance of \$24.1 million.

Details related to the Town's governmental and business-type activities follow.

### **Governmental activities.**

The governmental activities net position increased by \$32.6 million during the current year compared to an increase of \$28.9 million in the prior year. Total revenues increased by \$19.2 million, while total expenses increased by \$14.5 million. Unrestricted governmental net position is positive for the first time in several years, showing a strong financial position, notwithstanding the long term pension and OPEB liabilities.

# Town of Wellesley, Massachusetts

## Management's Discussion and Analysis

**Year Ended June 30, 2024**

	Governmental Activities	
	Summary Statement of Net Position	
	2024	2023
<b>Assets:</b>		
Current assets.....	\$ 128,696,265	\$ 159,961,332
Capital assets, non-depreciable.....	182,898,099	110,825,362
Capital assets, net of accumulated depreciation..	<u>202,739,258</u>	<u>211,513,021</u>
<b>Total assets.....</b>	<b><u>514,333,622</u></b>	<b><u>482,299,715</u></b>
 <b>Deferred outflows of resources.....</b>	 <b><u>21,484,805</u></b>	 <b><u>28,886,526</u></b>
 <b>Liabilities:</b>		
Current liabilities (excluding debt).....	20,315,826	21,354,979
Noncurrent liabilities (excluding debt).....	66,315,109	74,946,446
Current debt.....	15,630,470	14,305,402
Noncurrent debt.....	<u>174,446,427</u>	<u>171,076,897</u>
<b>Total liabilities.....</b>	<b><u>276,707,832</u></b>	<b><u>281,683,724</u></b>
 <b>Deferred inflows of resources.....</b>	 <b><u>20,444,167</u></b>	 <b><u>23,436,199</u></b>
 <b>Net position:</b>		
Net investment in capital assets.....	215,208,177	188,561,362
Restricted.....	20,419,169	18,786,037
Unrestricted.....	<u>3,039,082</u>	<u>(1,281,081)</u>
<b>Total net position.....</b>	<b><u>\$ 238,666,428</u></b>	<b><u>\$ 206,066,318</u></b>

# Town of Wellesley, Massachusetts

## Management's Discussion and Analysis

**Year Ended June 30, 2024**

	Governmental Activities	
	Summary Statement of Activities	
	2024	2023
<b>Program Revenues:</b>		
Charges for services.....	\$ 14,790,552	\$ 13,868,306
Operating grants and contributions.....	39,348,006	36,203,942
Capital grants and contributions.....	11,916,151	4,791,127
<b>General Revenues:</b>		
Real estate and personal property taxes, net of tax refunds payable.....	171,263,722	166,625,618
Tax liens.....	281,376	476,833
Motor vehicle and other excise taxes.....	7,200,187	5,670,815
Meals tax.....	914,342	799,721
Community preservation surcharge.....	1,612,458	1,568,581
Penalties and interest on taxes.....	616,947	453,110
Payments in lieu of taxes.....	76,298	76,428
Grants and contributions not restricted to specific programs.....	1,763,425	2,067,165
Unrestricted investment income.....	8,398,107	6,389,810
<b>Total revenues.....</b>	<b>258,181,571</b>	<b>238,991,456</b>
<b>Expenses:</b>		
General government.....	12,073,624	12,402,900
Facilities maintenance.....	14,156,474	13,287,414
Natural resources.....	814,513	802,668
Public safety.....	22,811,429	20,277,444
Public education.....	144,433,762	130,815,799
Public works.....	15,408,045	17,619,602
Health.....	1,804,992	1,585,051
Recreation.....	2,305,860	2,105,835
Library.....	5,762,209	5,330,772
Community preservation.....	402,637	137,844
Traffic and parking management.....	713,380	742,804
Interest.....	4,905,304	5,953,469
<b>Total expenses.....</b>	<b>225,592,229</b>	<b>211,061,602</b>
<b>Excess (Deficiency) before transfers.....</b>	<b>32,589,342</b>	<b>27,929,854</b>
<b>Transfers.....</b>	<b>10,768</b>	<b>1,000,000</b>
<b>Change in net position.....</b>	<b>32,600,110</b>	<b>28,929,854</b>
<b>Net position, beginning of year.....</b>	<b>206,066,318</b>	<b>177,136,464</b>
<b>Net position, end of year.....</b>	<b>\$ 238,666,428</b>	<b>\$ 206,066,318</b>

# **Town of Wellesley, Massachusetts**

## **Management's Discussion and Analysis**

### **Year Ended June 30, 2024**

Governmental capital assets increased by \$63.3 million due to \$80.0 million of current year capital additions, offset by the recognition of \$16.7 million in depreciation. Current year capital additions include \$5.6 million in depreciable assets for various projects and acquisitions, and \$74.4 million in construction in progress additions. The significant additions to construction in progress mainly relates to the construction of the new Hunnewell and Hardy elementary schools, as well as the Town Hall renovation project.

Noncurrent liabilities, excluding debt, consist mainly of the \$28.2 million net pension liability and the \$37.5 million net other postemployment benefit liability (OPEB).

The net pension liability in the governmental activities decreased by approximately \$10.0 million. This decrease was the result of an increase in the System's fiduciary net position, which is largely impacted by net investment income. This was offset by an increase in the total pension liability as actuarially determined, due to changes in benefit terms related to the cost-of-living adjustment. As compared to the prior year, the System's investment returns were favorable. The annual money-weighted rate of return as of the December 31, 2023 measurement date was 11.16%, compared to a (11.34%) money-weighted rate of return as of the previous measurement date.

The other postemployment benefit liability in the governmental activities remained relatively stable, increasing by only \$1.3 million compared to an ending balance of \$37.5 million.

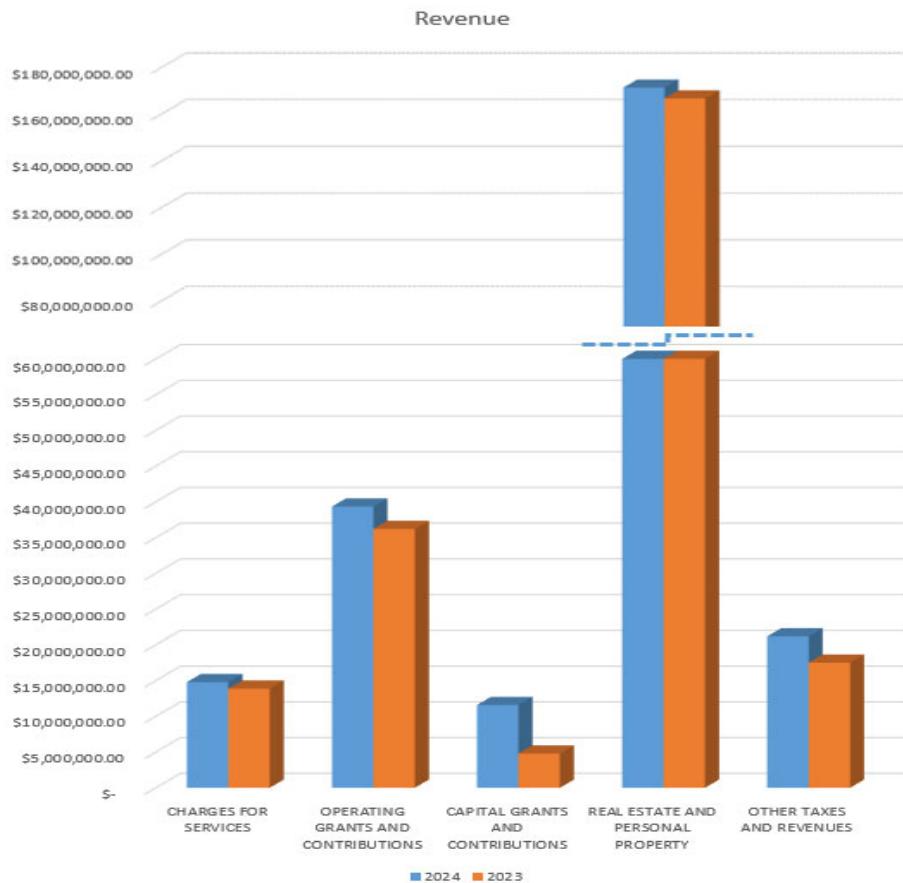
#### *Revenues*

Wellesley's revenues are primarily dependent upon the income of Town residents and their willingness and ability to pay, rather than relying on external sources such as state grants. These revenues include property taxes, including those taxes derived from new growth, voter-authorized debt exclusions, Community Preservation tax surcharges, and local receipts from vehicle excise taxes and building permits. The amount of debt exclusions is notable in that it is a dedicated revenue stream for capital projects voluntarily added to the assessments by voter referendum. Because of the affluence of Wellesley's residents, the Town is able to afford to maintain its services, assets, reserves and provide many extra services that improve the life of its citizens. **Associated Risks:** Income and wealth levels directly impact the Town's revenues and these factors have remained strong because of the Town's educational reputation and its proximity to Boston.

# Town of Wellesley, Massachusetts

## Management's Discussion and Analysis

Year Ended June 30, 2024



### Other financial notes related to governmental activities

In addition to the 66% of total revenues that property taxes provide, the following is a brief description of the Town's other revenue sources.

- Operating grants and contributions accounted for 15.2% of total governmental revenues. Most of these resources apply to educational operations. These resources offset costs within the school department and supplement their general fund operating budget. This category increased by \$3.1 million over the prior year. As more fully described in Note 10, Massachusetts pension laws requires the State to assume 100% of the liability and payment of pensions earned by all public-school teachers in the Commonwealth. Therefore, the Town is in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributor to the Massachusetts Teachers Retirement System (MTRS). The Town's portion of the collective pension expense, contributed by the Commonwealth, of \$17.7 million is reported in the general fund as intergovernmental revenue and pension benefits in the current fiscal year, attributing to \$2.3 million of the increase.
- Charges for services represented 5.7% of total governmental revenues. The Town can exercise more control over this category of revenue than any other. Fees charged for services rendered

# **Town of Wellesley, Massachusetts**

## **Management's Discussion and Analysis**

### **Year Ended June 30, 2024**

that are set by the Town are included in this category. This category increased by roughly \$922,000 over the prior year across various functions.

- Capital grants and contributions represent 4.6% of total governmental revenues. These are comprised of the state match for the community preservation program, the state's chapter 90 roadway funds, capital uses of the Town's funding from the American Rescue Plan Act, and the revenue received from the Massachusetts School Building Authority related to the new elementary school project.
- Other taxes and other revenues also comprised a total of 8% percent of the governmental revenues. These primarily include motor vehicle and other excise taxes, non-restricted grants and contributions, and investment earnings.

#### Expenses

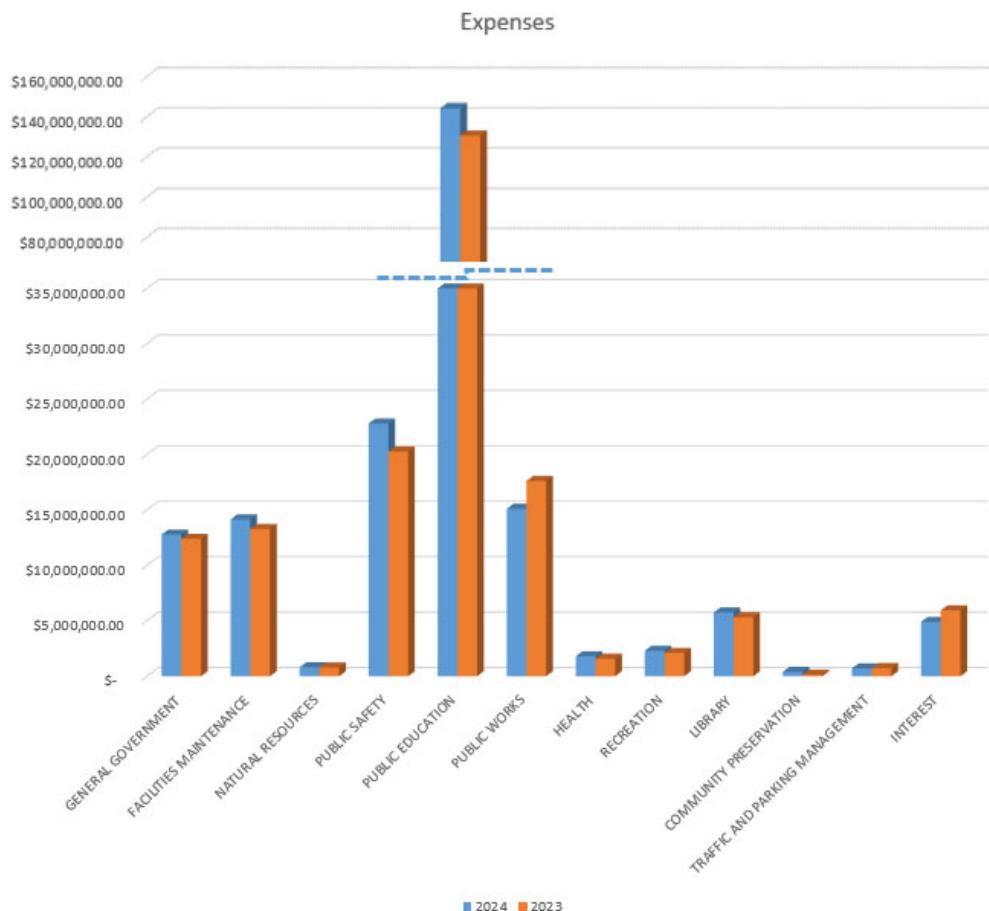
The Town's highest priority is the quality of education provided to its students.

- The chart on the following page demonstrates comparative expenses by function.
- Education is by far the largest governmental activity of the Town, comprising 64.0% of the Town's total expenses. Approximately \$94.7 million in general revenues were needed to cover its 2024 operating expenses, net of related program revenues.
- Educational expense includes a pension contribution of approximately \$17.7 million made by the state on-behalf of Wellesley teachers, which is more fully described above as well as in Note 10. Operating grants and educational expenses are grossed-up by recording this contribution.
- Public safety is the second largest activity of the Town. As shown on the Statement of Activities, approximately \$16.5 million of general revenues were needed to cover their 2024 operating expenses, net of related program revenues. Facilities costs also include significant custodial costs relating to the schools.

# Town of Wellesley, Massachusetts

## Management's Discussion and Analysis

Year Ended June 30, 2024



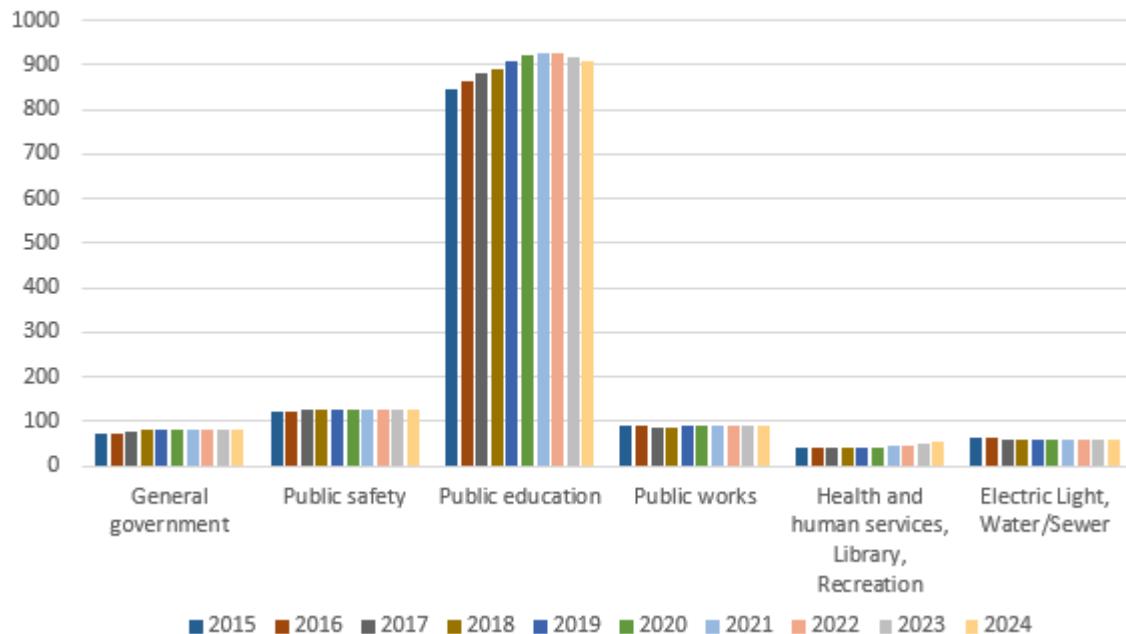
As previously mentioned, most of the excluded debt relates to the construction and improvement of Schools, and the Town's capital plans for the foreseeable future continue this focus. The Town has also made significant progress in funding its pension and OPEB liabilities and funding schedules are in line with revenue growth so as not to put strain on other operating budgets. **Associated Risks:** An economic downturn might affect the community less significantly than other communities within the Commonwealth because of significant investment in capital assets and reserves are being well maintained. Expenditures could be deferred in the short-term. Increased energy costs might have a negative impact, but the Town continues to explore sustainable alternatives. Employee costs continue to increase as School programs expand and health care costs increase. The Town needs to continue to evaluate the efficient delivery of services. The Town's form of government is highly decentralized, and this makes compromise necessary to achieve agreement on how resources can most effectively be deployed. This structure would make it challenging if significant reductions were necessary.

# Town of Wellesley, Massachusetts

## Management's Discussion and Analysis

Year Ended June 30, 2024

### Full-time Equivalent Town Employees by Function Last Ten Years



**Business-type activities.** Business-type activities increased the Town's net position by \$8.8 million compared to an increase of \$7.9 million during the previous year. The results of all four enterprise funds were consistent with management's expectations.

Business-type activities assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$121.8 million at the close of 2024. Net investment in capital assets totaled \$97.4 million (79.95%), net position is restricted for depreciation and net other postemployment benefits in the amount of \$3.3 million (0.82%), and unrestricted net position totaled \$21.1 million (17.30%).

The municipal light fund (Plant) experienced a \$7.4 million increase in net position. This increase was driven by income from operations totaling \$7.3 million, and other increases to net position consisted of capital contributions totaling \$1.1 million. These increases were offset by a transfer out to the general fund, which is the payment in lieu of taxes to the Town.

The Plant operates the WECARE program, which is an opt-out voluntary program where participants, both residential and commercial, are charged an additional 4% on their monthly electric bills to fund projects intended to reduce dependence on fossil fuels, increase energy stability, and preserve the planet. These additional fees collected from the program will fund local renewable energy projects chosen by the Plant for their impact on greenhouse gas emissions reduction including; community solar generation facilities; power storage for peak electric use times; and infrastructure such as public charging stations for electric vehicles, and other similar programs. In 2024, collections from the program totaled approximately \$1,051,000 and the Plant spent \$408,000 of program funds on energy initiatives.

# **Town of Wellesley, Massachusetts**

## **Management's Discussion and Analysis**

### **Year Ended June 30, 2024**

The WECARE program also offers a 100% option, which is an opt-in voluntary program where participants that opt-in, both residential and commercial, are charged an increased rate on their electric bills to purchase 100% of their energy from renewable resources. In 2024, the Plant had approximately 305 users who selected this 100% option, of which 301 are residential and 4 are commercial. This program collections totaled \$154,000 in 2024 and expenses totaled \$154,000.

The water enterprise fund net position decreased by \$494,000. The water enterprise fund receives 97% of its revenue from charges for services. Operating revenue totaled \$9.3 million, which was a \$1.6 million decrease over the previous year. Operating revenue decreased significantly due to the decrease in outside water usage consumption, which was the result of weather-related matters. Consumption in outdoor water usage does not impact sewer charges, which is why sewer charges increased, as further described below, when water charges decreased. Indoor water usage fees increased slightly, which was the result of increases in rates, offset by a decrease in overall consumption.

Operating expenses included \$4.2 million in assessments for usage of water from the Massachusetts Water Resource Authority (MWRA); \$1.2 million in depreciation expense; and a total of \$4.4 million in administration, general, transmission, pumping, treatment and customer accounts.

The sewer enterprise fund net position increased by \$2.0 million. The sewer enterprise fund receives 99% of operating revenue from charges for services. Operating revenue totaled \$8.8 million. Sewer charges are based on indoor water consumption, which decreased slightly over the prior year. This was offset by an increase in rates, which attributed to the slight increase in sewer charges for services.

Operating expenses included \$6.6 million in assessments from the MWRA; \$522,000 in depreciation expense; and a total of \$1.3 million in administration, general, pumping, treatment, collection and customer accounts.

In 2024, the sewer enterprise fund reported a \$1.6 million capital grant from the MWRA. This capital grant received attributed mainly to the overall increase in the enterprise fund's net position.

In 2024, the Town established a new operation for stormwater management, which was established as an enterprise fund. In 2024, the Town reported a transfer of \$989,000 from the general fund in order to establish the fund. The Town voted a new funding source for stormwater management in the form of user fees, which are additional utility charges added to customer's existing user charges bill. The fee is assessed on properties based upon tiered amounts of impervious surface area at a particular property. This additional fee has not been received by the Town in fiscal 2024, as it is not effective until July 1, 2024.

# Town of Wellesley, Massachusetts

## Management's Discussion and Analysis

**Year Ended June 30, 2024**

Business-Type Activities		
Summary Statement of Net Position		
	2024	2023
<b>Assets:</b>		
Current assets.....	\$ 34,669,076	\$ 27,186,239
Noncurrent assets (excluding capital).....	2,498,540	2,213,993
Capital assets, nondepreciable.....	3,273,182	1,999,262
Capital assets, net of accumulated depreciation..	97,798,871	<u>97,838,443</u>
<b>Total assets.....</b>	<b>138,239,669</b>	<b>129,237,937</b>
 <b>Deferred outflows of resources.....</b>	 <b>2,961,922</b>	 <b>4,707,034</b>
 <b>Liabilities:</b>		
Current liabilities (excluding debt).....	6,459,511	5,693,343
Noncurrent liabilities (excluding debt).....	6,851,816	8,630,410
Current debt.....	729,042	687,021
Noncurrent debt.....	3,079,121	3,268,073
<b>Total liabilities.....</b>	<b>17,119,490</b>	<b>18,278,847</b>
 <b>Deferred inflows of resources.....</b>	 <b>2,297,663</b>	 <b>2,710,719</b>
 <b>Net position:</b>		
Net investment in capital assets.....	97,368,112	96,012,889
Restricted.....	3,348,540	3,063,993
Unrestricted.....	21,067,786	13,878,523
 <b>Total net position.....</b>	 <b>\$ 121,784,438</b>	 <b>\$ 112,955,405</b>

# Town of Wellesley, Massachusetts

## Management's Discussion and Analysis

**Year Ended June 30, 2024**

	Business-Type Activities	
	Summary Statement of Activities	2024
	2024	2023
<b>Program Revenues:</b>		
Charges for services.....	\$ 60,645,726	\$ 59,510,897
Operating grants and contributions.....	-	71,520
Capital grants and contributions.....	<u>2,697,846</u>	<u>1,124,151</u>
<b>Total revenues.....</b>	<b><u>63,343,572</u></b>	<b><u>60,706,568</u></b>
<b>Expenses:</b>		
Water.....	9,766,876	8,694,792
Sewer.....	8,486,469	7,669,340
Stormwater.....	978,162	-
Municipal Light.....	<u>35,272,264</u>	<u>35,449,813</u>
<b>Total expenses.....</b>	<b><u>54,503,771</u></b>	<b><u>51,813,945</u></b>
<b>Excess (Deficiency) before transfers.....</b>	<b><u>8,839,801</u></b>	<b><u>8,892,623</u></b>
<b>Transfers.....</b>	<b><u>(10,768)</u></b>	<b><u>(1,000,000)</u></b>
<b>Change in net position.....</b>	<b><u>8,829,033</u></b>	<b><u>7,892,623</u></b>
<b>Net position, beginning of year.....</b>	<b><u>112,955,405</u></b>	<b><u>105,062,782</u></b>
<b>Net position, end of year.....</b>	<b><u>\$ 121,784,438</u></b>	<b><u>\$ 112,955,405</u></b>

### Financial Analysis of the Town's Major Funds

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the Town's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

As of the end of the current year, governmental funds reported combined ending fund balances of \$101.8 million. Total fund balances decreased \$30.8 million from the prior year mainly due to the capital projects fund, which recognized significant capital expenditures, which mainly relate to the

# **Town of Wellesley, Massachusetts**

## **Management's Discussion and Analysis**

### **Year Ended June 30, 2024**

Hunnewell and Hardy elementary school building projects as well as the Town Hall renovation project. These were offset by positive market conditions which resulted in \$8.3 million of investment earnings in the Town's governmental funds, as well as \$19.0 million in bond issuances, inclusive of premiums received upon issuance.

#### *General Fund*

The general fund is the chief operating fund of the Town. At the end of the current year, the unassigned fund balance of the general fund totaled \$49.9 million, while the total fund balance was \$60.1 million. As a measure of the general fund's liquidity, it may be useful to compare both the unassigned fund balance and the total fund balance to total fund expenditures. The unassigned fund balance represents 23.7% of total general fund expenditures, while the total fund balance represents 28.6% of that same amount.

Fund balance of the general fund increased \$12.2 million over the prior year. This was, in part, due to a budgetary fund balance increase of \$11.2 million. General fund revenue exceeded the budget by \$12.3 million while expenditures were under budget by \$4.1 million. These surpluses were offset by the use of reserves to fund appropriations.

#### *Capital Projects Fund*

This fund is used to account for resources that are restricted to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets of the governmental funds. During the year the fund incurred expenditures for various general government, public safety, public education, public works, and recreation projects. However, a large majority relates to public education for the large ongoing school building projects, and general government, related to the large Town Hall renovation project. At June 30, 2024, the ending fund balance was \$12.8 million, a decrease of \$45.3 million over the prior year, which is due to the timing between the capital project expenditures and the various sources of funding for those projects.

#### *Nonmajor Governmental Funds*

The nonmajor governmental funds experienced an increase of \$2.3 million in the current year, which was primarily due the Town's community preservation fund activities.

**Proprietary funds.** The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Factors concerning the finances of these funds have already been addressed in the discussion of the Town's business-type activities.

# **Town of Wellesley, Massachusetts**

## **Management's Discussion and Analysis**

**Year Ended June 30, 2024**

### **General Fund Budgetary Highlights**

The original 2024 budget consisted of approximately \$212.5 million in appropriations and other amounts to be raised. Included in the original budget are approximately \$13.1 million in amounts carried over from previous years. During 2024, the Town approved \$760,000 of supplemental appropriations, which was mainly related to winter maintenance and capital purchases, which were funded from free cash.

Revenues of the general fund were \$12.3 million higher than budget expectations and this is mainly due to higher than expected motor vehicle and excise tax collections and investment income. Total expenditures and carryovers were less than budget by approximately \$4.1 million. This was mainly due to turn backs in employee benefits and the school department.

### **Capital Assets and Debt Management**

In conjunction with the operating budget, the Town annually prepares a capital budget which includes detailed information concerning those capital requests for the upcoming year as well as summary information for the following four years to identify current projections of what level of capital outlay will be required in future years.

As part of the capital plan, the Town has historically financed the acquisition of a portion of its capital assets from current revenue. As noted earlier, this policy will continue to improve the financial position as net position will increase by the amount of acquisitions less the current depreciation.

Major capital assets are funded by the issuance of long-term debt and use of surplus funds. During the fiscal year, the Town incurred \$80.0 million of capitalized governmental expenditures and recognized depreciation expense of \$16.7 million. Current year additions consist mainly of school building improvements and construction costs related to the Town Hall renovation project.

Outstanding long-term debt of the general government, as of June 30, 2024, totaled \$190.1 million. In 2024 the Town issued \$19.0 million in long-term borrowings, inclusive of premiums.

The business-type activities have \$2.5 million in water enterprise debt and \$1.3 million in sewer enterprise debt that is fully supported by the rates. During 2024, the Town issued \$537,500 of new long-term MWRA sewer bonds. The funds do not rely on a general fund subsidy. Capital assets, net of accumulated depreciation increased by \$1.2 million over the prior year. Current year business-type activities additions totaled \$7.0 million and were primarily for distribution plant improvements and other plant in service. Depreciation expense totaled \$5.7 million.

The Town has continued to invest its own funds and to borrow inside the levy to finance capital projects in addition to projects financed through debt exclusions.

Please refer to notes 4, 6, and 7 to the financial statements for further discussion of the major capital and debt activity.

# **Town of Wellesley, Massachusetts**

## **Management's Discussion and Analysis**

**Year Ended June 30, 2024**

### **Pension Trust Fund**

The Pension Trust Fund (System) recognized net investment income of \$28.2 million for the calendar year ended December 31, 2023. The System paid out \$17.9 million of retirement benefits, administration costs and transfers to other systems. Total net position of the System amounted to \$283.1 million at December 31, 2023, and the System's Funded Ratio was 89.41%, an increase from 84.99% at December 31, 2022. Investment returns are recovering from significant market losses from the previous measurement date attributing to the increase in the System's funding ratio.

### **Other Postemployment Benefits**

As of June 30, 2024, the Town has recognized a net other postemployment benefits (OPEB) liability/(asset) in the amount of \$35.7 million in accordance with the provisions of GASB Statement No.75. During 2024, the Town transferred \$3.4 million of pre-funding contributions to the OPEB Trust fund. The assets set aside in trust for future benefits amounted to \$124.7 million at year end. As of June 30, 2024, the ratio of the Plan's Fiduciary Net Position to the Total OPEB Liability (funded ratio) is 77.73%, an increase from 76.08% compared with the previous year.

### **Requests for Information**

This financial report is designed to provide a general overview of the Town's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Director, 888 Worcester Street, Wellesley, MA 02482.

## *Basic Financial Statements*

# Town of Wellesley, Massachusetts

## Statement of Net Position

**June 30, 2024**

	<i>Primary Government</i>		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
CURRENT:			
Cash and cash equivalents.....	\$ 90,950,243	\$ 22,365,994	\$ 113,316,237
Restricted cash and cash equivalents.....	-	1,000,000	1,000,000
Investments.....	31,488,263	-	31,488,263
Receivables, net of allowance for uncollectibles:			
Real estate and personal property taxes.....	2,244,580	-	2,244,580
Tax liens.....	1,627,982	-	1,627,982
Community preservation fund surcharge.....	4,713	-	4,713
Motor vehicle excise taxes.....	529,947	-	529,947
User charges.....	-	7,394,773	7,394,773
Departmental and other.....	1,156,531	-	1,156,531
Intergovernmental.....	684,006	-	684,006
Inventory.....	-	2,298,196	2,298,196
Working capital deposit.....	-	1,078,220	1,078,220
Other assets.....	10,000	-	10,000
Purchased power advanced deposits.....	-	531,893	531,893
 Total current assets.....	 128,696,265	 34,669,076	 163,365,341
NONCURRENT:			
Net other postemployment benefits asset.....	-	2,348,540	2,348,540
Investment in Energy New England.....	-	150,000	150,000
Capital assets, nondepreciable.....	182,898,099	3,273,182	186,171,281
Capital assets, net of accumulated depreciation.....	202,739,258	97,798,871	300,538,129
 Total noncurrent assets.....	 385,637,357	 103,570,593	 489,207,950
 TOTAL ASSETS.....	 514,333,622	 138,239,669	 652,573,291
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows for refunding debt.....	282,811	104,222	387,033
Deferred outflows related to pensions.....	9,827,238	2,011,421	11,838,659
Deferred outflows related to other postemployment benefits.....	11,374,756	846,279	12,221,035
 TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	 21,484,805	 2,961,922	 24,446,727

*See notes to basic financial statements.*

# Town of Wellesley, Massachusetts

## Statement of Net Position (Continued)

**June 30, 2024**

	<i>Primary Government</i>					
	Governmental Activities	Business-type Activities	Total			
	<hr/>					
<b>LIABILITIES</b>						
CURRENT:						
Warrants payable.....	9,109,818	3,501,480	12,611,298			
Accrued payroll.....	7,966,808	251,583	8,218,391			
Tax refunds payable.....	1,052,724	-	1,052,724			
Accrued interest.....	722,933	4,983	727,916			
Other liabilities.....	719,743	371,191	1,090,934			
Unearned revenue.....	-	2,298,966	2,298,966			
Compensated absences.....	375,800	31,308	407,108			
Workers' compensation.....	368,000	-	368,000			
Bonds payable.....	<u>15,630,470</u>	<u>729,042</u>	<u>16,359,512</u>			
Total current liabilities.....	<u>35,946,296</u>	<u>7,188,553</u>	<u>43,134,849</u>			
NONCURRENT:						
Customer deposits.....	-	868,354	868,354			
Other liabilities.....	-	391,570	391,570			
Compensated absences.....	250,576	20,872	271,448			
Workers' compensation.....	326,000	-	326,000			
Net pension liability.....	28,243,151	4,988,890	33,232,041			
Net other postemployment benefits liability.....	37,495,382	582,130	38,077,512			
Bonds payable.....	<u>174,446,427</u>	<u>3,079,121</u>	<u>177,525,548</u>			
Total noncurrent liabilities.....	<u>240,761,536</u>	<u>9,930,937</u>	<u>250,692,473</u>			
<b>TOTAL LIABILITIES</b> .....	<b><u>276,707,832</u></b>	<b><u>17,119,490</u></b>	<b><u>293,827,322</u></b>			
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Taxes paid in advance.....	1,302,130	-	1,302,130			
Deferred inflows related to pensions.....	4,941,053	1,190,259	6,131,312			
Deferred inflows related to other postemployment benefits.....	<u>14,200,984</u>	<u>1,107,404</u>	<u>15,308,388</u>			
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b> .....	<b><u>20,444,167</u></b>	<b><u>2,297,663</u></b>	<b><u>22,741,830</u></b>			
<b>NET POSITION</b>						
Net investment in capital assets.....	215,208,177	97,368,112	312,576,289			
Restricted for:						
Net other postemployment benefits.....	-	2,348,540	2,348,540			
Depreciation.....	-	1,000,000	1,000,000			
Permanent funds:						
Expendable.....	1,356,380	-	1,356,380			
Nonexpendable.....	386,018	-	386,018			
Gifts and grants.....	6,600,955	-	6,600,955			
Community preservation.....	12,075,816	-	12,075,816			
Unrestricted.....	<u>3,039,082</u>	<u>21,067,786</u>	<u>24,106,868</u>			
<b>TOTAL NET POSITION</b> .....	<b><u>\$ 238,666,428</u></b>	<b><u>\$ 121,784,438</u></b>	<b><u>\$ 360,450,866</u></b>			

*See notes to basic financial statements.*

# Town of Wellesley, Massachusetts

## Statement of Activities

**Year Ended June 30, 2024**

Functions/Programs	Program Revenues					Net (Expense) Revenue
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
<b>Primary Government:</b>						
<i>Governmental Activities:</i>						
General government.....	\$ 12,073,624	\$ 1,612,484	\$ 458,515	\$ -	\$ (10,002,625)	
Facilities maintenance.....	14,156,474	-	-	-	(14,156,474)	
Natural resources.....	814,513	17,502	18,320	-	(778,691)	
Public safety.....	22,811,429	5,829,984	478,363	-	(16,503,082)	
Public education.....	144,433,762	4,466,059	37,159,724	8,142,280	(94,665,699)	
Public works.....	15,408,045	1,234,358	451,557	3,444,557	(10,277,573)	
Health.....	1,804,992	104,775	399,599	-	(1,300,618)	
Recreation.....	2,305,860	1,403,161	80,035	-	(822,664)	
Library.....	5,762,209	46,980	301,893	-	(5,413,336)	
Community preservation.....	402,637	-	-	329,314	(73,323)	
Traffic and parking management.....	713,380	75,249	-	-	(638,131)	
Interest.....	4,905,304	-	-	-	(4,905,304)	
Total Governmental Activities.....	<u>225,592,229</u>	<u>14,790,552</u>	<u>39,348,006</u>	<u>11,916,151</u>	<u>(159,537,520)</u>	
<i>Business-Type Activities:</i>						
Water.....	9,766,876	9,273,283	-	-	(493,593)	
Sewer.....	8,486,469	8,832,597	-	1,612,500	1,958,628	
Stormwater.....	978,162	-	-	-	(978,162)	
Municipal Light.....	35,272,264	42,539,846	-	1,085,346	8,352,928	
Total Business-Type Activities.....	<u>54,503,771</u>	<u>60,645,726</u>	<u>-</u>	<u>2,697,846</u>	<u>8,839,801</u>	
Total Primary Government.....	<u>\$ 280,096,000</u>	<u>\$ 75,436,278</u>	<u>\$ 39,348,006</u>	<u>\$ 14,613,997</u>	<u>\$ (150,697,719)</u>	

*See notes to basic financial statements.*

# Town of Wellesley, Massachusetts

## Statement of Activities (Continued)

**Year Ended June 30, 2024**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Changes in net position:</b>			
Net (expense) revenue from previous page.....	\$ <b>(159,537,520)</b>	\$ <b>8,839,801</b>	\$ <b>(150,697,719)</b>
<i>General revenues:</i>			
Real estate and personal property taxes, net of tax refunds payable.....	171,263,722	-	171,263,722
Tax liens.....	281,376	-	281,376
Motor vehicle and other excise taxes.....	7,200,187	-	7,200,187
Meals tax.....	914,342	-	914,342
Community preservation surcharge.....	1,612,458	-	1,612,458
Penalties and interest on taxes.....	616,947	-	616,947
Payments in lieu of taxes.....	76,298	-	76,298
Grants and contributions not restricted to specific programs.....	1,763,425	-	1,763,425
Unrestricted investment income.....	8,398,107	-	8,398,107
Transfers, net .....	<u>10,768</u>	<u>(10,768)</u>	-
Total general revenues and transfers.....	<u>192,137,630</u>	<u>(10,768)</u>	192,126,862
Change in net position.....	32,600,110	8,829,033	41,429,143
<i>Net position:</i>			
Beginning of year.....	<u>206,066,318</u>	<u>112,955,405</u>	319,021,723
End of year.....	<u>\$ 238,666,428</u>	<u>\$ 121,784,438</u>	<u>\$ 360,450,866</u>

*See notes to basic financial statements.*

# Town of Wellesley, Massachusetts

## Governmental Funds Balance Sheet

**June 30, 2024**

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents.....	\$ 42,343,438	\$ 20,384,907	\$ 27,649,894	\$ 90,378,239
Investments.....	27,839,953	-	1,581,263	29,421,216
Receivables, net of uncollectibles:				
Real estate and personal property taxes.....	2,244,580	-	-	2,244,580
Tax liens.....	1,627,982	-	-	1,627,982
Community preservation fund surcharge.....	-	-	4,713	4,713
Motor vehicle excise taxes.....	529,947	-	-	529,947
Departmental and other.....	34,577	-	1,110,491	1,145,068
Intergovernmental.....	-	-	684,006	684,006
Due from other funds.....	69,165	-	-	69,165
Other assets.....	10,000	-	-	10,000
<b>TOTAL ASSETS.....</b>	<b>74,699,642</b>	<b>20,384,907</b>	<b>31,030,367</b>	<b>126,114,916</b>
<b>LIABILITIES</b>				
Warrants payable.....	1,198,015	7,604,927	300,233	9,103,175
Accrued payroll.....	7,344,950	3,630	144,533	7,493,113
Tax refunds payable.....	1,052,724	-	-	1,052,724
Due to other funds.....	-	-	69,165	69,165
Other liabilities.....	-	-	719,743	719,743
<b>TOTAL LIABILITIES.....</b>	<b>9,595,689</b>	<b>7,608,557</b>	<b>1,233,674</b>	<b>18,437,920</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Taxes paid in advance.....	1,268,965	-	33,165	1,302,130
Unavailable revenue.....	3,739,088	-	871,116	4,610,204
<b>TOTAL DEFERRED INFLOWS OF RESOURCES.....</b>	<b>5,008,053</b>	<b>-</b>	<b>904,281</b>	<b>5,912,334</b>
<b>FUND BALANCES</b>				
Nonspendable.....	-	-	386,018	386,018
Restricted.....	-	12,776,350	28,506,394	41,282,744
Committed.....	6,303,046	-	-	6,303,046
Assigned.....	3,927,945	-	-	3,927,945
Unassigned.....	49,864,909	-	-	49,864,909
<b>TOTAL FUND BALANCES.....</b>	<b>60,095,900</b>	<b>12,776,350</b>	<b>28,892,412</b>	<b>101,764,662</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....</b>	<b>\$ 74,699,642</b>	<b>\$ 20,384,907</b>	<b>\$ 31,030,367</b>	<b>\$ 126,114,916</b>

*See notes to basic financial statements.*

## Town of Wellesley, Massachusetts

### Reconciliation of the Governmental Funds Balance Sheet Total Fund Balances to the Statement of Net Position

**June 30, 2024**

Total governmental fund balances.....	\$ 101,764,662
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....	385,637,357
Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.....	4,610,204
The statement of net position includes certain deferred inflows of resources and deferred outflows of resources that will be amortized over future periods. In governmental funds, these amounts are not deferred.....	2,342,768
The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.....	1,476,176
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....	(722,933)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds: Bonds payable.....	(190,076,897)
Net pension liability.....	(28,243,151)
Net other postemployment benefits liability.....	(37,495,382)
Compensated absences.....	<u>(626,376)</u>
Net effect of reporting long-term liabilities.....	<u>(256,441,806)</u>
Net position of governmental activities.....	<u>\$ 238,666,428</u>

*See notes to basic financial statements.*

# Town of Wellesley, Massachusetts

## Governmental Funds

### Statement of Revenues, Expenditures and Changes in Fund Balances

**Year Ended June 30, 2024**

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>				
Real estate and personal property taxes, net of tax refunds.....	\$ 171,628,896	\$ -	\$ -	\$ 171,628,896
Tax liens.....	281,376	- -	- -	281,376
Motor vehicle and other excise taxes.....	7,059,229	- -	- -	7,059,229
Meals tax.....	914,342	- -	- -	914,342
Charges for services.....	- -	- -	1,469,486	1,469,486
Parking meter receipts.....	- -	- -	759,966	759,966
Penalties and interest on taxes.....	616,947	- -	- -	616,947
Payments in lieu of taxes.....	76,298	- -	- -	76,298
Intergovernmental - Teachers Retirement.....	17,655,329	- -	- -	17,655,329
Intergovernmental.....	11,500,294	8,142,280	13,135,610	32,778,184
Departmental and other.....	6,465,320	- -	6,427,993	12,893,313
Community preservation surcharge.....	- -	- -	1,612,458	1,612,458
Contributions and donations.....	- -	- -	2,152,927	2,152,927
Investment income.....	7,552,059	- -	726,975	8,279,034
 TOTAL REVENUES.....	 223,750,090	 8,142,280	 26,285,415	 258,177,785
<b>EXPENDITURES:</b>				
Current:				
General government.....	6,792,055	13,939,181	940,449	21,671,685
Facilities maintenance.....	10,064,765	- -	- -	10,064,765
Natural resources.....	569,283	- -	26,284	595,567
Public safety.....	15,738,838	191,527	2,366,861	18,297,226
Public education.....	89,701,904	59,909,643	13,154,823	162,766,370
Public works.....	10,361,519	37,807	3,865,808	14,265,134
Health.....	1,242,499	- -	105,638	1,348,137
Recreation.....	427,237	333,642	1,408,018	2,168,897
Library.....	3,057,517	- -	400,457	3,457,974
Community preservation.....	- -	- -	402,637	402,637
Pension benefits.....	8,846,365	- -	- -	8,846,365
Pension benefits - Teachers Retirement.....	17,655,329	- -	- -	17,655,329
Employee benefits.....	25,209,031	- -	- -	25,209,031
Traffic and parking management.....	- -	- -	713,380	713,380
State and county charges.....	1,407,314	- -	- -	1,407,314
Debt service:				
Principal.....	12,785,000	- -	- -	12,785,000
Interest.....	6,364,556	- -	- -	6,364,556
 TOTAL EXPENDITURES.....	 210,223,212	 74,411,800	 23,384,355	 308,019,367
 EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	 13,526,878	 (66,269,520)	 2,901,060	 (49,841,582)
<b>OTHER FINANCING SOURCES (USES):</b>				
Issuance of bonds.....	- -	18,040,000	- -	18,040,000
Premium from issuance of bonds.....	- -	960,000	- -	960,000
Transfers in.....	1,660,680	1,927,172	701,293	4,289,145
Transfers out.....	(3,017,062)	(1,076)	(1,260,239)	(4,278,377)
 TOTAL OTHER FINANCING SOURCES (USES)....	 (1,356,382)	 20,926,096	 (558,946)	 19,010,768
 NET CHANGE IN FUND BALANCES.....	 12,170,496	 (45,343,424)	 2,342,114	 (30,830,814)
 FUND BALANCES AT BEGINNING OF YEAR.....	 47,925,404	 58,119,774	 26,550,298	 132,595,476
 FUND BALANCES AT END OF YEAR.....	 \$ 60,095,900	 \$ 12,776,350	 \$ 28,892,412	 \$ 101,764,662

*See notes to basic financial statements.*

## Town of Wellesley, Massachusetts

### Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

#### Year Ended June 30, 2024

Net change in fund balances - total governmental funds..... \$ (30,830,814)

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay.....	79,994,284
Depreciation expense.....	<u>(16,695,310)</u>

Net effect of reporting capital assets.....	63,298,974
---------------------------------------------	------------

Revenues in the Statement of Activities that do not provide current financial resources are unavailable in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable differ between the two statements. This amount represents the net change in unavailable revenue..... (215,287)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are unavailable and amortized in the Statement of Activities.

Issuance of bonds.....	(18,040,000)
Premium from issuance of bonds.....	(960,000)
Net amortization of premium from issuance of bonds.....	1,520,402
Net change in deferred charge on refunding.....	(70,704)
Debt service principal payments.....	<u>12,785,000</u>

Net effect of reporting long-term debt.....	(4,765,302)
---------------------------------------------	-------------

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Net change in compensated absences accrual.....	(3,044)
Net change in accrued interest on long-term debt.....	9,554
Net change in deferred outflow/inflow of resources related to pensions.....	(8,511,654)
Net change in net pension liability.....	9,961,968
Net change in deferred outflow/inflow of resources related to other postemployment benefits.....	4,741,137
Net change in net other postemployment benefits liability.....	<u>(1,258,387)</u>

Net effect of recording long-term liabilities.....	4,939,574
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The net activity of internal service funds is reported with Governmental Activities.....	<u>172,965</u>
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Change in net position of governmental activities.....	<u>\$ 32,600,110</u>
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# Town of Wellesley, Massachusetts

## Proprietary Funds Statement of Net Position

**June 30, 2024**

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water	Sewer	Stormwater	Municipal Light	Total	
	\$	\$	\$	\$	\$	
<b>ASSETS</b>						
<b>CURRENT:</b>						
Cash and cash equivalents.....	\$ 6,354,202	\$ 4,624,990	\$ 11,070	\$ 11,375,732	\$ 22,365,994	\$ 572,004
Restricted cash and cash equivalents.....	-	-	-	1,000,000	1,000,000	-
Investments.....	-	-	-	-	-	2,067,047
Receivables, net of allowance for uncollectibles:						
User charges.....	1,301,534	918,936	-	5,174,303	7,394,773	-
Departmental and other.....	-	-	-	-	-	11,463
Inventory.....	381,583	-	-	1,916,613	2,298,196	-
Working capital deposit.....	-	-	-	1,078,220	1,078,220	-
Purchased power advanced deposits.....	-	-	-	531,893	531,893	-
Total current assets.....	<u>8,037,319</u>	<u>5,543,926</u>	<u>11,070</u>	<u>21,076,761</u>	<u>34,669,076</u>	<u>2,650,514</u>
<b>NONCURRENT:</b>						
Receivables, net of allowance for uncollectibles:						
Net other postemployment benefits asset.....	-	69,235	-	2,279,305	2,348,540	-
Investment in Energy New England.....	-	-	-	150,000	150,000	-
Capital assets, nondepreciable.....	205,239	-	-	3,067,943	3,273,182	-
Capital assets, net of accumulated depreciation.....	17,132,212	17,942,131	-	62,724,528	97,798,871	-
Total noncurrent assets.....	<u>17,337,451</u>	<u>18,011,366</u>	<u>-</u>	<u>68,221,776</u>	<u>103,570,593</u>	<u>-</u>
<b>TOTAL ASSETS.....</b>	<b><u>25,374,770</u></b>	<b><u>23,555,292</u></b>	<b><u>11,070</u></b>	<b><u>89,298,537</u></b>	<b><u>138,239,669</u></b>	<b><u>2,650,514</u></b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred loss on refunding.....	52,111	52,111	-	-	104,222	-
Deferred outflows related to pensions.....	601,240	172,116	-	1,238,065	2,011,421	-
Deferred outflows related to other postemployment benefits.....	184,411	15,904	-	645,964	846,279	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES.....</b>	<b><u>837,762</u></b>	<b><u>240,131</u></b>	<b><u>-</u></b>	<b><u>1,884,029</u></b>	<b><u>2,961,922</u></b>	<b><u>-</u></b>
<b>LIABILITIES</b>						
<b>CURRENT:</b>						
Warrants payable.....	148,854	72,119	-	3,280,507	3,501,480	6,643
Accrued payroll.....	59,593	11,368	-	180,622	251,583	473,695
Accrued interest.....	2,851	2,132	-	-	4,983	-
Other liabilities.....	34,445	2,075	-	334,671	371,191	-
Unearned revenue - WECARE 4% program.....	-	-	-	2,162,509	2,162,509	-
Unearned revenue - WECARE 100% program.....	-	-	-	136,457	136,457	-
Compensated absences.....	15,794	-	-	15,514	31,308	-
Workers' compensation.....	-	-	-	-	-	368,000
Bonds payable.....	432,954	296,088	-	-	729,042	-
Total current liabilities.....	<u>694,491</u>	<u>383,782</u>	<u>-</u>	<u>6,110,280</u>	<u>7,188,553</u>	<u>848,338</u>
<b>NONCURRENT:</b>						
Customer deposits.....	-	-	-	868,354	868,354	-
Other liabilities.....	-	-	-	391,570	391,570	-
Compensated absences.....	10,530	-	-	10,342	20,872	-
Workers' compensation.....	-	-	-	-	-	326,000
Net other postemployment benefits liability.....	582,130	-	-	-	582,130	-
Net pension liability.....	1,351,269	401,562	-	3,236,059	4,988,890	-
Bonds payable.....	2,026,772	1,052,349	-	-	3,079,121	-
Total noncurrent liabilities.....	<u>3,970,701</u>	<u>1,453,911</u>	<u>-</u>	<u>4,506,325</u>	<u>9,930,937</u>	<u>326,000</u>
<b>TOTAL LIABILITIES.....</b>	<b><u>4,665,192</u></b>	<b><u>1,837,693</u></b>	<b><u>-</u></b>	<b><u>10,616,605</u></b>	<b><u>17,119,490</u></b>	<b><u>1,174,338</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred inflows related to pensions.....	568,533	83,640	-	538,086	1,190,259	-
Deferred inflows related to other postemployment benefits.....	373,610	198,366	-	535,428	1,107,404	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES.....</b>	<b><u>942,143</u></b>	<b><u>282,006</u></b>	<b><u>-</u></b>	<b><u>1,073,514</u></b>	<b><u>2,297,663</u></b>	<b><u>-</u></b>
<b>NET POSITION</b>						
Net investment in capital assets.....	14,929,836	16,645,805	-	65,792,471	97,368,112	-
Restricted for:						
Net other postemployment benefits.....	-	69,235	-	2,279,305	2,348,540	-
Depreciation.....	-	-	-	1,000,000	1,000,000	-
Unrestricted.....	5,675,361	4,960,684	11,070	10,420,671	21,067,786	1,476,176
<b>TOTAL NET POSITION.....</b>	<b><u>\$ 20,605,197</u></b>	<b><u>\$ 21,675,724</u></b>	<b><u>\$ 11,070</u></b>	<b><u>\$ 79,492,447</u></b>	<b><u>\$ 121,784,438</u></b>	<b><u>\$ 1,476,176</u></b>

*See notes to basic financial statements.*

# Town of Wellesley, Massachusetts

## Proprietary Funds Statement of Revenue, Expenses and Changes in Net Position

**Year Ended June 30, 2024**

Business-type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	Water	Sewer	Stormwater	Municipal Light	Total	
<b>OPERATING REVENUES:</b>						
Employee contributions.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,683,820
Employer contributions.....	- -	- -	- -	- -	- -	21,430,240
Charges for services.....	8,959,039	8,784,897	- -	37,160,839	54,904,775	2,234,346
Contracted services.....	- -	- -	- -	2,329,911	2,329,911	- -
Other operating revenues.....	314,244	47,700	- -	2,486,539	2,848,483	- -
<b>TOTAL OPERATING REVENUES</b> .....	<b>9,273,283</b>	<b>8,832,597</b>	- -	41,977,289	60,083,169	32,348,406
<b>OPERATING EXPENSES:</b>						
Administration and general.....	1,235,625	540,889	978,162	430,222	3,184,898	- -
MWRA assessment.....	4,211,496	6,630,804	- -	- -	10,842,300	- -
Purchased power.....	- -	- -	- -	16,004,478	16,004,478	- -
Transmission.....	1,430,998	- -	- -	8,822,558	10,253,556	- -
Cost of contracted services.....	- -	- -	- -	2,051,204	2,051,204	- -
Cost associated with other revenue.....	- -	- -	- -	872,793	872,793	- -
Pumping and treatment.....	1,458,969	286,428	- -	- -	1,745,397	- -
Distribution.....	- -	- -	- -	1,182,674	1,182,674	- -
Collection.....	- -	354,320	- -	- -	354,320	- -
Customer accounts.....	229,383	123,617	- -	1,308,789	1,661,789	- -
Depreciation.....	1,160,800	522,449	- -	4,032,467	5,715,716	- -
Employee benefits.....	- -	- -	- -	- -	- -	30,936,362
Fleet maintenance.....	- -	- -	- -	- -	- -	1,358,152
<b>TOTAL OPERATING EXPENSES</b> .....	<b>9,727,271</b>	<b>8,458,507</b>	<b>978,162</b>	<b>34,705,185</b>	<b>53,869,125</b>	<b>32,294,514</b>
<b>OPERATING INCOME</b> .....	<b>(453,988)</b>	<b>374,090</b>	<b>(978,162)</b>	<b>7,272,104</b>	<b>6,214,044</b>	<b>53,892</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>						
Investment income.....	- -	- -	- -	- -	- -	119,073
Interest expense.....	(39,605)	(27,962)	- -	(4,522)	(72,089)	- -
WECARE revenues - 4% program.....	- -	- -	- -	408,222	408,222	- -
WECARE expense - 4% program.....	- -	- -	- -	(408,222)	(408,222)	- -
WECARE revenues - 100% program.....	- -	- -	- -	154,335	154,335	- -
WECARE expense - 100% program.....	- -	- -	- -	(154,335)	(154,335)	- -
<b>TOTAL NONOPERATING REVENUES (EXPENSES), NET</b> .....	<b>(39,605)</b>	<b>(27,962)</b>	- -	<b>(4,522)</b>	<b>(72,089)</b>	<b>119,073</b>
<b>INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b> .....	<b>(493,593)</b>	<b>346,128</b>	<b>(978,162)</b>	<b>7,267,582</b>	<b>6,141,955</b>	<b>172,965</b>
<b>CAPITAL CONTRIBUTIONS</b> .....	- -	1,612,500	- -	1,085,346	2,697,846	- -
<b>TRANSFERS:</b>						
Transfers in.....	- -	- -	989,232	- -	989,232	- -
Transfers out.....	- -	- -	- -	(1,000,000)	(1,000,000)	- -
<b>TOTAL TRANSFERS</b> .....	<b>- -</b>	<b>- -</b>	<b>989,232</b>	<b>(1,000,000)</b>	<b>(10,768)</b>	<b>- -</b>
<b>CHANGE IN NET POSITION</b> .....	<b>(493,593)</b>	<b>1,958,628</b>	<b>11,070</b>	<b>7,352,928</b>	<b>8,829,033</b>	<b>172,965</b>
<b>NET POSITION AT BEGINNING OF YEAR</b> .....	<b>21,098,790</b>	<b>19,717,096</b>	- -	<b>72,139,519</b>	<b>112,955,405</b>	<b>1,303,211</b>
<b>NET POSITION AT END OF YEAR</b> .....	<b>\$ 20,605,197</b>	<b>\$ 21,675,724</b>	<b>\$ 11,070</b>	<b>\$ 79,492,447</b>	<b>\$ 121,784,438</b>	<b>\$ 1,476,176</b>

*See notes to basic financial statements.*

# Town of Wellesley, Massachusetts

## Proprietary Funds Statement of Cash Flows

**Year Ended June 30, 2024**

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water	Sewer	Stormwater	Municipal Light	Total	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>						
Receipts from customers and users.....	\$ 9,135,707	\$ 8,620,571	\$ -	\$ 40,722,379	\$ 58,478,657	\$ 8,690,997
Receipts from interfund services provided.....	-	-	-	-	-	23,664,586
Payments to vendors.....	(8,223,685)	(7,278,703)	(232,945)	(29,255,380)	(44,990,713)	-
Payments to employees.....	(364,748)	(702,855)	(745,217)	(1,423,604)	(3,236,424)	-
Payments for interfund services used.....	-	-	-	-	-	(32,125,480)
<b>NET CASH FROM OPERATING ACTIVITIES.....</b>	<b>547,274</b>	<b>639,013</b>	<b>(978,162)</b>	<b>10,043,395</b>	<b>10,251,520</b>	<b>230,103</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>						
Transfers in.....	-	-	989,232	-	989,232	-
Payment in lieu of taxes, Town of Wellesley.....	-	-	-	(1,000,000)	(1,000,000)	-
<b>NET CASH FROM NONCAPITAL FINANCING ACTIVITIES.....</b>	<b>-</b>	<b>-</b>	<b>989,232</b>	<b>(1,000,000)</b>	<b>(10,768)</b>	<b>-</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>						
Proceeds from the issuance of bonds.....	-	537,500	-	-	537,500	-
Capital contributions.....	-	1,612,500	-	1,085,346	2,697,846	-
Acquisition and construction of capital assets.....	(1,015,701)	(991,305)	-	(4,943,058)	(6,950,064)	-
Principal payments on bonds.....	(409,700)	(231,591)	-	-	(641,291)	-
Interest expense.....	(53,836)	(32,086)	-	(4,522)	(90,444)	-
<b>NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....</b>	<b>(1,479,237)</b>	<b>895,018</b>	<b>-</b>	<b>(3,862,234)</b>	<b>(4,446,453)</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>						
Purchase of investments, net.....	-	-	-	-	-	(286,821)
Investment income.....	-	-	-	-	-	119,073
<b>NET CASH FROM INVESTING ACTIVITIES.....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(167,748)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS.....</b>	<b>(931,963)</b>	<b>1,534,031</b>	<b>11,070</b>	<b>5,181,161</b>	<b>5,794,299</b>	<b>62,355</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....</b>	<b>7,286,165</b>	<b>3,090,959</b>	<b>-</b>	<b>7,194,571</b>	<b>17,571,695</b>	<b>509,649</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR.....</b>	<b>\$ 6,354,202</b>	<b>\$ 4,624,990</b>	<b>\$ 11,070</b>	<b>\$ 12,375,732</b>	<b>\$ 23,365,994</b>	<b>\$ 572,004</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:</b>						
Operating income.....	\$ (453,988)	\$ 374,090	\$ (978,162)	\$ 7,272,104	\$ 6,214,044	\$ 53,892
Adjustments to reconcile operating income to net cash from operating activities:						
Depreciation.....	1,160,800	522,449	-	4,032,467	5,715,716	-
Deferred (outflows)/inflows related to pensions.....	332,122	145,840	-	1,091,481	1,569,443	-
Deferred (outflows)/inflows related to OPEB.....	(134,392)	(107,261)	-	(21,790)	(263,443)	-
Changes in assets and liabilities:						
User charges.....	(192,018)	(212,026)	-	(1,321,414)	(1,725,458)	-
Departmental and other.....	-	-	-	-	-	7,177
Intergovernmental.....	54,442	-	-	-	54,442	-
Inventory.....	60,763	-	-	(131,415)	(70,652)	-
Purchased power advanced deposits.....	-	-	-	53,130	53,130	-
Warrants payable.....	77,047	67,669	-	348,293	493,009	(34,320)
Accrued payroll.....	14,817	582	-	124,777	140,176	40,354
Fees collected in advance.....	-	-	-	641,365	641,365	-
Customer deposits.....	-	-	-	7,275	7,275	-
Other liabilities.....	-	-	-	(582,136)	(582,136)	-
Compensated absences.....	(9,890)	-	-	(3,140)	(15,030)	-
Workers' compensation.....	-	-	-	-	-	163,000
Net pension liability.....	(413,121)	(126,215)	-	(1,207,170)	(1,746,506)	-
Net other postemployment benefits liability/asset.....	50,692	(26,115)	-	(258,432)	(233,855)	-
Total adjustments.....	1,001,262	264,923	-	2,771,291	4,037,476	176,211
<b>NET CASH FROM OPERATING ACTIVITIES.....</b>	<b>\$ 547,274</b>	<b>\$ 639,013</b>	<b>\$ (978,162)</b>	<b>\$ 10,043,395</b>	<b>\$ 10,251,520</b>	<b>\$ 230,103</b>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</b>						
Change in the deferred loss on debt refunding.....	\$ (13,028)	\$ (13,028)	\$ -	\$ -	\$ (26,056)	\$ -

*See notes to basic financial statements.*

**Town of Wellesley, Massachusetts**

**Fiduciary Funds**  
**Statement of Fiduciary Net Position**

**June 30, 2024**

	Pension and Other Employee Benefit Trust Funds (1)	Private Purpose Trust Fund
<b>ASSETS</b>		
Cash and cash equivalents.....	\$ 1,205,998	\$ -
Investments:		
Investments in Pension Reserve Investment Trust.....	406,637,363	-
Equity securities.....	-	649,886
Receivables, net of allowance for uncollectibles:		
Departmental and other.....	679,059	-
Other assets.....	<u>2,033</u>	<u>-</u>
<b>TOTAL ASSETS</b> .....	<b><u>408,524,453</u></b>	<b><u>649,886</u></b>
<b>LIABILITIES</b>		
Warrants payable.....	<u>732,956</u>	<u>-</u>
<b>NET POSITION</b>		
Restricted for pensions.....	283,084,183	-
Restricted for other postemployment benefits.....	124,707,314	-
Held in trust for other purposes.....	<u>-</u>	<b>649,886</b>
<b>TOTAL NET POSITION</b> .....	<b><u>\$ 407,791,497</u></b>	<b><u>\$ 649,886</u></b>

(1) The Pension Trust Fund is as of December 31, 2023.

*See notes to basic financial statements.*

# Town of Wellesley, Massachusetts

## Fiduciary Funds Statement of Changes in Fiduciary Net Position

**Year Ended June 30, 2024**

	Pension and Other Employee Benefit Trust Funds (1)	Private Purpose Trust Fund
<b>ADDITIONS:</b>		
Contributions:		
Employer contributions.....	\$ 13,796,519	\$ -
Employer contributions for other postemployment benefit payments.....	5,928,384	-
Member contributions.....	4,476,216	-
Transfers from other systems.....	689,352	-
3(8)c contributions from other systems.....	540,829	-
Workers compensation settlements.....	10,909	-
Member makeup payments and redeposits.....	21,827	-
Intergovernmental.....	50,411	-
 Total contributions.....	 25,514,447	 -
Net investment income:		
Investment income.....	41,077,322	38,764
Less: investment expense.....	(1,959,323)	-
 Net investment income.....	 39,117,999	 38,764
<b>TOTAL ADDITIONS.....</b>	<b>64,632,446</b>	<b>38,764</b>
<b>DEDUCTIONS:</b>		
Administration.....	328,460	-
Transfers to other systems.....	1,617,358	-
3(8)c transfer to other systems.....	569,462	-
Retirement benefits and refunds.....	15,393,756	-
Other postemployment benefit payments.....	5,928,384	-
Educational scholarships.....	- 24,000	 24,000
<b>TOTAL DEDUCTIONS.....</b>	<b>23,837,420</b>	<b>24,000</b>
<b>NET INCREASE (DECREASE) IN NET POSITION.....</b>	<b>40,795,026</b>	<b>14,764</b>
<b>NET POSITION AT BEGINNING OF YEAR.....</b>	<b>366,996,471</b>	<b>635,122</b>
<b>NET POSITION AT END OF YEAR.....</b>	<b>\$ 407,791,497</b>	<b>\$ 649,886</b>

(1) The Pension Trust Fund for the year ended December 31, 2023.

*See notes to basic financial statements.*

# **Town of Wellesley, Massachusetts**

## **Notes to the Basic Financial Statements**

**June 30, 2024**

### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying basic financial statements of the Town of Wellesley, Massachusetts (the Town) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described herein.

#### **A. Reporting Entity**

The Town was incorporated in 1881 under the statutes of the Commonwealth of Massachusetts (the “Commonwealth”). The Town is a municipal corporation governed by an elected Select Board.

For financial reporting purposes, the Town has included all funds, organizations, agencies, boards, commissions and institutions. The Town has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the basic financial statements to be misleading or incomplete. As required by GAAP, these basic financial statements present the Town (the primary government) and its component units. One entity has been included as a component unit in the reporting entity, because of the significance of its operational and financial relationships.

*Component Unit Presented as a Fiduciary Fund* – The following component unit is presented as a Fiduciary Fund of the primary government due to the nature and significance of the relationship between the Town and the component unit.

In the Fiduciary Funds:

The Wellesley Contributory Retirement System (the System) is a multiple-employer, cost-sharing, contributory defined benefit pension plan covering all employees of the governmental member units deemed eligible by the System’s Board of Trustees (the Board), with the exception of school department employees who serve in a teaching capacity. The pensions of such school employees are administered by the Commonwealth of Massachusetts’ Teachers’ Retirement System. Membership in the System is mandatory immediately upon the commencement of employment for all permanent employees working a minimum of 20 hours per week. The System has 2 participating employers; the Town of Wellesley and the Wellesley Housing Authority.

The System is governed by a five-member board comprised of the Finance Director/CFO (ex officio), two members elected by System’s participants, one member appointed by the Select Board of the Town and a member appointed by the Board members.

The System is presented using the accrual basis of accounting and is reported as a pension and other postemployment benefit trust fund in the fiduciary fund financial statements.

# **Town of Wellesley, Massachusetts**

## **Notes to the Basic Financial Statements**

**June 30, 2024**

### **Availability of Financial Information for Component Units**

The System issues a publicly available audited financial report in accordance with guidelines established by the Commonwealth of Massachusetts' (Commonwealth) Public Employee Retirement Administration Commission (PERAC). That report may be obtained by contacting the System located at 525 Washington Street, Wellesley, MA 02482.

### **B. Government-Wide and Fund-Level Financial Statements**

#### *Government-Wide Financial Statements*

The government-wide financial statements (i.e., statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units.

*Governmental activities*, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which are supported primarily by user fees and charges.

#### *Fund Financial Statements*

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and displayed in a single column.

#### *Major Fund Criteria*

Major funds must be reported if the following criteria are met:

- If the total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of an individual governmental or enterprise fund are at least 10 percent of the corresponding element (assets and deferred outflows of resources, liabilities and deferred inflows of resources, etc.) for all funds of that category or type (total governmental or total enterprise funds), *and*
- If the total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding element for all governmental and enterprise funds combined.

Additionally, any other governmental or enterprise fund that management believes is particularly significant to the basic financial statements may be reported as a major fund.

# **Town of Wellesley, Massachusetts**

## **Notes to the Basic Financial Statements**

**June 30, 2024**

Internal service funds and fiduciary funds are reported by fund type.

### **C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

#### *Government-Wide Financial Statements*

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred. Real estate and personal property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The statement of activities demonstrates the degree to which the direct expenses of a particular function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

Program revenues include the following:

- Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment.
- Grants and contributions that are restricted to meeting the operational requirements of a particular function or segment.
- Grants and contributions that are restricted to meeting the capital requirements of a particular function or segment.
- Taxes and other items not identifiable as program revenues are reported as general revenues.

For the most part, the effect of interfund activity has been removed from the government-wide financial statements. However, the effect of interfund services provided and used between functions is not eliminated as the elimination of these charges would distort the direct costs and program revenues reported for the functions affected.

#### *Fund Financial Statements*

**Governmental** fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-

# **Town of Wellesley, Massachusetts**

## **Notes to the Basic Financial Statements**

**June 30, 2024**

term debt which is recognized when due, and certain compensated absences, claims and judgments which are recognized when the amounts have matured or are due and payable.

Real estate and personal property tax revenues are considered available if they are collected within 60 days after year-end. Investment income is susceptible to accrual. Other receipts and tax revenues become measurable and available when the cash is received and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the “susceptible to accrual criteria” is met. Expenditure driven grants recognize revenue when the qualifying expenditures are incurred and all other grant requirements are met.

The following major governmental funds are reported:

The *general fund* is the primary operating fund. It is used to account for all financial resources, except those that are required to be accounted for in another fund.

The *capital projects fund* is used to account for resources that are restricted to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets of the governmental funds.

The nonmajor governmental funds consist of other special revenue and permanent funds that are aggregated and presented in the *nonmajor governmental funds* column on the governmental funds financial statements. The following page describes the general use of these fund types.

The *special revenue fund* is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than permanent funds or major capital projects. The special revenue funds are reported in the nonmajor funds column of the governmental fund financial statements.

The *permanent fund* is used to account for and report financial resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the governmental programs. The permanent funds are also reported in the nonmajor funds column of the governmental funds financial statements.

***Proprietary*** fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

# **Town of Wellesley, Massachusetts**

## **Notes to the Basic Financial Statements**

**June 30, 2024**

The following major proprietary funds are reported:

The *sewer fund* is used to account for sewage treatment operations of the department of public works that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

The *water fund* is used to account for water distribution operations of the department of public works that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

The *stormwater enterprise fund* is used to account for stormwater management operations of the department of public works that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of stormwater management, on a continuing basis, be financed or recovered primarily through user charges.

The *municipal light fund* is used to account for operations of the municipal light department that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Additionally, the following proprietary fund type is reported:

The *internal service funds* are used to account for the financing of goods or services provided by one department to other departments of the town on a cost-reimbursement basis. The Town's internal service funds are used to account for the financing of medical claims of all covered town employees and their covered dependents, the financing of the self-insured workers' compensation plan, unemployment benefits, fleet maintenance and fuel charges.

*Fiduciary* fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Fiduciary funds are used to account for assets held in a trustee capacity for others that cannot be used to support the governmental programs.

The following fiduciary fund types are reported:

The *pension and other employee benefit trust fund* is used to account for the activities of the System, which accumulates resources to provide pension benefits to eligible retirees and their beneficiaries and of the other postemployment benefit trust fund which accumulates resources to provide funding for future OPEB (other postemployment benefits) liabilities.

The *private-purpose trust fund* is used to account for trust arrangements that exclusively benefit individuals, private organizations, or other governments. Some of these trust funds have donor restrictions and trustee policies that do not allow the endowment portion to be spent. The restrictions and

# **Town of Wellesley, Massachusetts**

## **Notes to the Basic Financial Statements**

**June 30, 2024**

trustee policies only allow the trustees to approve spending of the realized investment earnings. The Town's educational scholarships are accounted for in this fund.

### **D. Cash and Investments**

#### *Government-Wide and Fund Financial Statements*

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with an original maturity of three months or less from the date of acquisition.

Investments are carried at fair value. The fair values were determined by the closing price for those securities traded on national stock exchanges and at the average bid-and-asked quotation for those securities traded in the over-the-counter market.

### **E. Fair Value Measurements**

The Town reports required types of financial instruments in accordance with the fair value standards. These standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or valuation techniques) to determine fair value. Fair value standards also require the government to classify these financial instruments into a three-level hierarchy, based on the priority of inputs to the valuation technique or in accordance with net asset value practical expedient rules, which allow for either Level 2 or Level 3 depending on lock up and notice periods associated with the underlying funds.

Instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – Quoted prices are available in active markets for identical instruments as of the reporting date. Instruments, which are generally included in this category, include actively traded equity and debt securities, U.S. government obligations, and mutual funds with quoted market prices in active markets.

Level 2 – Pricing inputs are other than quoted in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Certain fixed income securities, primarily corporate bonds, are classified as Level 2 because fair values are estimated using pricing models, matrix pricing, or discounted cash flows.

Level 3 – Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation.

In some instances, the inputs used to measure fair value may fall into different levels of the fair value hierarchy and is based on the lowest level of input that is significant to the fair value measurement.

# **Town of Wellesley, Massachusetts**

## **Notes to the Basic Financial Statements**

**June 30, 2024**

Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument. Instruments with readily available active quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. It is reasonably possible that change in values of these instruments will occur in the near term and that such changes could materially affect amounts reported in these financial statements. For more information on the fair value of the Town's financial instruments please see Note 2 - Cash and Investments.

### **F. Accounts Receivable**

#### *Government-Wide and Fund Financial Statements*

The recognition of revenue related to accounts receivable reported in the government-wide financial statements and the proprietary funds and fiduciary funds financial statements are reported under the accrual basis of accounting. The recognition of revenue related to accounts receivable reported in the governmental funds financial statements are reported under the modified accrual basis of accounting.

#### ***Real Estate, Personal Property Taxes and Tax Liens***

Real estate and personal property taxes are levied and based on values assessed on January 1<sup>st</sup> of every year. Assessed values are established by the Board of Assessor's for 100% of the estimated fair market value. Taxes are due on August 1<sup>st</sup>, November 1<sup>st</sup>, February 1<sup>st</sup> and May 1<sup>st</sup> and are subject to penalties and interest if they are not paid by the respective due date. Real estate and personal property taxes levied are recorded as receivables in the year of the levy.

Real estate tax liens are processed six months after the close of the valuation year on delinquent properties and are recorded as receivables in the year they are processed.

Real estate receivables are secured via the tax lien process and are considered 100% collectible. Accordingly, an allowance for uncollectibles is not reported.

Personal property taxes cannot be secured through the lien process. The allowance of uncollectibles is estimated based on historical trends and specific account analysis.

#### ***Motor Vehicle Excise***

Motor vehicle excise taxes are assessed annually for each vehicle registered and are recorded as receivables in the year of the levy. The Commonwealth is responsible for reporting the number of vehicles registered and the fair values of those vehicles. The tax calculation is the fair value of the vehicle multiplied by \$25 per \$1,000 of value.

The allowance for uncollectibles is estimated based on historical trends and specific account analysis.

# **Town of Wellesley, Massachusetts**

## **Notes to the Basic Financial Statements**

**June 30, 2024**

### ***User Charges***

User fees are levied monthly based on individual meter readings and are subject to penalties and interest if they are not paid by the respective due date. Liens are processed in December of every year and included as a lien on the property owner's tax bill.

Since the receivables are secured via the lien process, these accounts are considered 100% collectible and therefore do not report an allowance for uncollectibles.

### ***Departmental and Other***

Departmental and other receivables are recorded net of an allowance for uncollectible accounts. The allowance of uncollectibles is estimated based on historical trends and specific account analysis, as applicable.

### ***Intergovernmental***

Various federal and state grants for operating and capital purposes are applied for and received annually. For non-expenditure driven grants, receivables are recorded as soon as all eligibility requirements imposed by the provider have been met. For expenditure driven grants, receivables are recorded when the qualifying expenditures are incurred and all other grant requirements are met.

These receivables are considered 100% collectible and therefore do not report an allowance for uncollectibles.

### ***Community Preservation Surcharge***

The Town has adopted the State Community Preservation Act and the provisions of this Act, as adopted, will allow the Town to assess property owners an additional 1% of the total real estate commitment. The Town has voted for an additional surcharge of 1% with the first \$100,000 of valuation for each parcel being exempt. Revenues from this surcharge are credited to the Community Preservation Fund, a component of the nonmajor governmental funds, to fund open space acquisitions, affordable housing initiatives, historic preservation, and recreational uses.

### ***Wellesley Electric Customers Accelerated Reduction of Emissions (WECARE) billings***

Revenues from the additional surcharge or increased rates from the Wellesley Municipal Light Plant's (Plant) WECARE program, both for the 4% initiatives program as well as the 100% initiatives program, are recorded on the basis of revenue recognition when the program initiative expenses are incurred. Remaining receipts received from these additional billings prior to incurring the expenses are deferred. The deferred payments received have been recorded as unearned revenue on the Plant's balance sheet until spent.

# **Town of Wellesley, Massachusetts**

## **Notes to the Basic Financial Statements**

**June 30, 2024**

### G. Inventories

#### *Government-Wide and Fund Financial Statements*

Inventories are recorded as expenditures at the time of purchase. Governmental activities and governmental funds inventories are not material in total to the government-wide and fund financial statements, and therefore are not reported.

Materials and supplies held by the Enterprise Funds are generally recorded at original cost, using the weighted average method.

### H. Capital Assets

#### *Government-Wide and Proprietary Fund Financial Statements*

Capital assets include land, construction in progress, improvements other than buildings, buildings, machinery and equipment, and public domain infrastructure (e.g., roads, streetlights, sewer mains, and similar items), which are reported in the applicable governmental or business-type activity column of the government-wide financial statements. Capital assets are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Donated capital assets (including works of art) and assets acquired under a service concession agreement are recorded at acquisition value.

For the Town, capital assets are defined as buildings and infrastructure with a cost greater than \$100,000, improvements other than buildings with a cost greater than \$50,000, and equipment with a cost greater than \$25,000 and an estimated useful life of greater than three years. The Town has elected not to consider books and other materials purchased for the library as capital assets.

Capital assets (excluding land and construction-in-progress) are depreciated over the estimated useful lives using the straight-line method. The estimated useful lives of capital assets being depreciated are as follows:

<u>Capital Asset Type</u>	<u>Estimated Useful Life (in years)</u>
Public domain infrastructure.....	50
Buildings.....	10-40
Improvements other than buildings.....	20-30
Machinery and Equipment.....	3-21

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized and are treated as expenses when incurred. Improvements are capitalized.

# **Town of Wellesley, Massachusetts**

## **Notes to the Basic Financial Statements**

**June 30, 2024**

### *Governmental Fund Financial Statements*

Capital asset costs are recorded as expenditures in the acquiring fund in the year of the purchase.

#### I. Deferred Outflows/Inflows of Resources

##### *Government-Wide Financial Statements (Net Position)*

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has reported deferred outflows of resources related to pensions, other postemployment benefits and debt refundings in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has recorded deferred inflows of resources relating to taxes paid in advance, pensions and other postemployment benefits in this category.

##### *Governmental Fund Financial Statements*

In addition to liabilities, the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents assets that have been recorded in the governmental fund financial statements, but the revenue is not available and so will not be recognized as an inflow of resources (revenue) until it becomes available. The Town has recorded unavailable revenue and advanced tax collections as deferred inflows of resources in the governmental funds balance sheet.

#### J. Interfund Receivables and Payables

During the course of its operations, transactions occur between and within individual funds that may result in amounts owed between funds.

##### *Government-Wide Financial Statements*

Transactions of a buyer/seller nature between and within governmental funds and internal service funds are eliminated from the governmental activities in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the Statement of Net Position as “internal balances”.

# **Town of Wellesley, Massachusetts**

## **Notes to the Basic Financial Statements**

**June 30, 2024**

### *Fund Financial Statements*

Transactions of a buyer/seller nature between and within funds are *not* eliminated from the individual fund statements. Receivables and payables resulting from these transactions are classified as “Advances from/to other funds” on the balance sheet.

#### K. Interfund Transfers

During the course of its operations, resources are permanently reallocated between and within funds. These transactions are reported as transfers in and transfers out.

### *Government-Wide Financial Statements*

Transfers between and within governmental funds and internal service funds are eliminated from the governmental activities in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of activities as “Transfers, net”.

### *Fund Financial Statements*

Transfers between and within funds are *not* eliminated from the individual fund statements and are reported as transfers in and transfers out.

#### L. Unavailable Revenue

Unavailable revenue at the governmental fund financial statement level represents billed receivables that do not meet the available criterion in accordance with the current financial resources measurement focus and the modified accrual basis of accounting, i.e. receivables that are not considered to be available to liquidate liabilities of the current period. Unavailable revenue is recognized as revenue in the conversion to the government-wide (full accrual) financial statements.

#### M. Net Position and Fund Equity

### *Government-Wide Financial Statements (Net position)*

Net position reported as “net investment in capital assets” includes capital assets, net of accumulated depreciation, less the principal balance of outstanding debt used to acquire capital assets. Unspent proceeds of capital related debt are not considered to be capital assets. Outstanding debt related to future reimbursements from the state’s school building program is not considered to be capital related debt.

Net position is reported as restricted when amounts are not available for appropriation or are legally restricted by outside parties for a specific future use.

# **Town of Wellesley, Massachusetts**

## **Notes to the Basic Financial Statements**

**June 30, 2024**

Net position has been “restricted for” the following:

“Net other postemployment benefits” - represents the Town’s net OPEB assets in the sewer and municipal light enterprise funds accumulated and held in a separate irrevocable Trust to pre-fund future OPEB liabilities.

“Depreciation” - represents amounts restricted in the municipal light department for the statutory reserve for funded depreciation. Pursuant to the provisions of the MGL, cash in an amount equivalent to the annual depreciation expense is required to be transferred from unrestricted funds to the depreciation fund. Interest earned on the balance of the fund must also remain in the fund. Such cash may be used for the cost of the plant. Nuclear decommissioning costs, the costs of contractual commitments, and deferred costs related to such commitments which the Commissioners determine are above market value.

“Permanent funds - expendable” represents the amount of realized and unrealized investment earnings of donor restricted trusts. The restrictions and trustee policies only allow the trustees to approve spending of the realized investment earnings.

“Permanent funds - nonexpendable” represents the endowment portion of donor restricted trusts.

“Grants and gifts” represents amounts held for school, library, and other grants and gift funds.

“Community preservation” represents amounts held for uses restricted by law for community preservation purposes.

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

### *Fund Financial Statements (Fund Balances)*

Governmental fund balances are classified as nonspendable, restricted, committed, assigned, or unassigned based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

The governmental fund balance classifications are as follows:

“Nonspendable” fund balance includes amounts that cannot be spent because they are either not in spendable form or they are legally or contractually required to be maintained intact.

# **Town of Wellesley, Massachusetts**

## **Notes to the Basic Financial Statements**

**June 30, 2024**

“Restricted” fund balance includes amounts subject to constraints placed on the use of resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or that are imposed by law through constitutional provisions or enabling legislation.

“Committed” fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority. Town Meeting is the highest level of decision making authority that can, by adoption of a Town Meeting warrant article, commit funds for a specific purpose. Once voted, the limitation imposed by the vote remains in place until the funds are used for their intended purpose or a vote is taken to rescind the commitment.

“Assigned” fund balance includes amounts that are constrained by the Town’s intent to be used for specific purposes, but are neither restricted nor committed. The Town’s by-laws authorize the Finance Director/CFO to assign fund balance. Assignments generally only exist temporarily. Additional action does not have to be taken for the removal of an assignment.

“Unassigned” fund balance includes the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports unassigned fund balance.

The Town will, from time to time, fund outlays for a particular purpose from different components of fund balance. In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balances in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When different components of fund balance can be used for the same purpose, it is the Town’s policy to consider restricted fund balance to have been depleted first, followed by committed fund balance, and assigned fund balance. Unassigned fund balance is applied last.

### **N. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of both the Wellesley Contributory Retirement System and the Massachusetts Teachers’ Retirement System and additions to/deductions from the Systems’ fiduciary net position have been determined on the same basis as they are reported by the Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

# **Town of Wellesley, Massachusetts**

## **Notes to the Basic Financial Statements**

**June 30, 2024**

### **O. Long-term Debt**

#### *Government-Wide and Proprietary Fund Financial Statements*

Long-term debt is reported as liabilities in the government-wide and proprietary fund statement of net position. Material bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

#### *Governmental Fund Financial Statements*

The face amount of governmental funds long-term debt is reported as other financing sources. Bond premiums and discounts, as well as issuance costs, are recognized in the current period. Bond premiums are reported as other financing sources and bond discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual bond proceeds received, are reported as general government expenditures.

### **P. Compensated Absences**

Employees are granted vacation and sick leave in varying amounts based on collective bargaining agreements, state laws and personnel policies.

#### *Government-Wide and Proprietary Fund Financial Statements*

Vested or accumulated vacation and sick leave are reported as liabilities and expensed as incurred.

#### *Governmental Fund Financial Statements*

Compensated absences are reported in the governmental funds only if they have matured, i.e., unused reimbursable leave still outstanding following an employee's resignation or retirement. Vested or accumulated vacation and sick leave, which will be liquidated with expendable available financial resources, are reported as expenditures and fund liabilities upon maturity of the liability.

### **Q. Investment Income**

Excluding the permanent fund and the community preservation fund, investment income derived from major and nonmajor governmental funds is legally assigned to the general fund unless otherwise directed by Massachusetts General Law (MGL).

Investment income from enterprise funds is voluntarily assigned and transferred to the general fund.

# **Town of Wellesley, Massachusetts**

## **Notes to the Basic Financial Statements**

**June 30, 2024**

### R. Use of Estimates

#### *Government-Wide and Fund Financial Statements*

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure for contingent assets and liabilities at the date of the basic financial statements and the reported amounts of the revenues and expenditures/expenses during the year. Actual results could vary from estimates that were used.

### S. Total Column

#### *Government-Wide Financial Statements*

The total column presented on the government-wide financial statements represents consolidated financial information.

#### *Fund Financial Statements*

The total column on the fund financial statements is presented only to facilitate financial analysis. Data in this column is not the equivalent of consolidated financial information.

## **NOTE 2 – CASH AND INVESTMENTS**

A cash and investment pool is maintained that is available for use by all funds. Each fund type's portion of this pool is displayed on the balance sheet as "Cash and Cash Equivalents". The deposits and investments of the trust funds are held separately from those of other funds.

Statutes authorize the investment in obligations of the U.S. Treasury, agencies, and instrumentalities, certificates of deposit, repurchase agreements, money market accounts, bank deposits and the Treasurer of the Commonwealth's Investment Pool (Pool). The Town Treasurer may also invest trust funds in securities, other than mortgages or collateral loans, which are legal for the investment of funds of savings banks under the laws of the Commonwealth.

The Pool meets the criteria of an external investment pool. The Pool is administered by the Massachusetts Municipal Depository Trust (MMDT), which was established by the Treasurer of the Commonwealth who serves as trustee. The fair value of the position in the Pool is the same as the value of the Pool shares.

The Town invests in the MMDT cash portfolio. The cash portfolio had a weighted average maturity of 43 days.

# **Town of Wellesley, Massachusetts**

## **Notes to the Basic Financial Statements**

**June 30, 2024**

The Retirement System participates, as a participating member, in the Pension Reserves Investment Trust (PRIT), which meets the criteria of an external investment pool. PRIT is administered by the Pension Reserves Investment Management Board, which was established by the Treasurer of the Commonwealth of Massachusetts who serves as trustee.

The fair value of the position in the PRIT is the same as the value of the PRIT shares.

The PRIT fund, as a pool, invests in various products including, but not limited to, money market mutual funds, equities, pooled foreign and domestic fixed income and equity funds, United States government sponsored enterprises and Treasury notes, real estate, and commodities.

The underlying components of PRIT's fixed income portfolio had an effective weighted duration rate ranging from 2.98 to 14.57 years.

### **Custodial Credit Risk – Deposits**

In the case of deposits, this is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town policy for mitigating custodial credit risk is that the Town will not have on deposit amounts exceeding 10% of capital and surplus and 10% of net equity, unless those deposits carry full FDIC insurance or are collateralized. In addition, it is the Town's policy that at no time shall any single bank or bank holding company hold an excess of 25% of the cash balance under the control of the Treasurer for more than three consecutive days.

At year-end, the carrying amount (book value) of the Town's deposits totaled \$2,925,481 and the bank balances totaled \$4,912,205. Of the bank balance, \$1,145,226 was covered by FDIC insurance, \$75,449 was covered by DIF insurance, \$1,607,195 was collateralized, and \$2,084,335 was exposed to custodial credit risk because it was uninsured and uncollateralized.

At December 31, 2023, the carrying amount (book value) of the Retirement System's deposits totaled \$214,466 and the bank balance totaled \$1,759,685. Of the bank balance, \$763,620 was covered by FDIC insurance, and \$996,065 was exposed to custodial credit risk because it was uninsured and uncollateralized.

# Town of Wellesley, Massachusetts

## Notes to the Basic Financial Statements

**June 30, 2024**

As of June 30, 2024, the Town had the following investments:

<b>Investment Type</b>	<b>Fair value</b>	<b>Maturities</b>			<b>Rating</b>
	<b>Under 1 Year</b>	<b>1-5 Years</b>	<b>6-10 Years</b>		
<b><u>Debt securities:</u></b>					
U.S. treasury notes.....	\$ 16,779,216	\$ 13,914,100	\$ 2,319,190	\$ 545,926	-
Government sponsored enterprises (1).....	1,096,380	477,865	487,745	130,770	AAA
Corporate bonds (2).....	1,939,709	512,233	1,202,534	224,942	AA- - BBB+
Total debt securities.....	<u>\$ 19,815,305</u>	<u>\$ 14,904,198</u>	<u>\$ 4,009,469</u>	<u>\$ 901,638</u>	
<b><u>Other investments:</u></b>					
Equity securities.....	3,091,713				
Fixed income.....	9,231,131				
Money market mutual funds.....	406,413				
Pension Reserve Investment Trust (PRIT).....	124,707,314				
MMDT - Cash portfolio.....	110,984,343				
Total investments.....	<u>\$ 268,236,219</u>				

(1) Government Sponsored Enterprises include various short-term investments in financial services corporations created by the United States Congress. These investments primarily consist of investments in Federal Home Loan Banks (FHLB), Federal Home Loan Mortgage Association, and Federal Home Loan Mortgage Corporation Notes.

(2) Corporate bonds are broken out into separate ratings, which consist of \$476,462 of AA- rated bonds, \$226,223 of A+, \$553,643 of A- rated bonds and \$683,381 of BBB+ rated bonds.

As of December 31, 2023, the Retirement System had investments in PRIT totaling \$281,930,049. The Retirement System also maintains a short-term investment portfolio with MMDT. At December 31, 2023, the Retirement System's investment with MMDT was \$991,532 which is classified as a cash equivalent.

The table as noted on the following page reconciles total cash and investments as of June 30, 2024, except for the Pension Trust Fund, which is as of December 31, 2023:

# Town of Wellesley, Massachusetts

## Notes to the Basic Financial Statements

**June 30, 2024**

	<u>Cash and Cash Equivalents</u>	<u>Restricted Cash and Cash Equivalents</u>	<u>Investments</u>	<u>Total</u>
<b>Primary Government:</b>				
Governmental Activities.....	\$ 90,950,243	\$ -	\$ 31,488,263	\$ 122,438,506
Business-Type Activities.....	22,365,994	1,000,000	-	23,365,994
<b>Fiduciary Funds:</b>				
Pension Trust Fund (as of December 31, 2023)....	1,205,998	-	281,930,049	283,136,047
Other Postemployment Benefit Trust Fund.....	-	-	124,707,314	124,707,314
Private Purpose Trust Fund.....	-	-	649,886	649,886
<b>Totals.....</b>	<b>\$ 114,522,235</b>	<b>\$ 1,000,000</b>	<b>\$ 438,775,512</b>	<b>\$ 554,297,747</b>
<b>Carrying Value of Cash:</b>				
Primary Government.....	\$ 2,925,481			
Pension Trust Fund.....	214,466			
<b>Investments considered cash and cash equivalents:</b>				
Money market mutual funds.....	406,413			
MMDT held by Pension Trust Fund.....	991,532			
MMDT held by Town.....	<u>110,984,343</u>			
Cash and cash equivalents.....	<u>115,522,235</u>			
Debt securities.....	19,815,305			
Equity securities.....	3,091,713			
Fixed income.....	9,231,131			
PRIT funds (OPEB).....	124,707,314			
PRIT funds (Pension).....	<u>281,930,049</u>			
Investments.....	<u>438,775,512</u>			
<b>Total cash and cash equivalents, and investments.....</b>	<b><u>\$ 554,297,747</u></b>			

### Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of a failure by the counterparty, the Town will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. Of the Town's total investments there was custodial credit risk exposure of \$6,127,802 which is equal to the investments in government sponsored enterprises, corporate bonds and equity securities because the related securities are uninsured, unregistered and held by the counterparty.

The Town will minimize Custodial Credit Risk, which is the risk of loss due to the failure of the security issuer or backer, by limiting investments to the types of securities listed in the Statutory Authority section of the Town's Investment Policy; and obtaining necessary documentation (e.g. broker certification forms and documentation of perfected security interests in pledged collateral) from the financial institutions, broker/dealers, intermediaries and advisors, as applicable, with which the Town will do business in accordance with this Investment Policy. Some of this risk will be managed requiring that the above

# **Town of Wellesley, Massachusetts**

## **Notes to the Basic Financial Statements**

**June 30, 2024**

referenced financial institutions, broker/dealers, intermediaries and advisors have Securities Investor Protection Corporation (SIPC) and excess SIPC coverage.

At December 31, 2023, the System's \$281,930,049 investment in PRIT is not subject to custodial credit risk exposure because it is not evidenced by securities that exist in physical or book-entry form.

### Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates.

The Town and the System's investment policy is to follow state statutes, which limits investment maturities as a means of managing its exposure to fair value losses arising from increasing rates.

### Credit Risk

Credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to meet its obligations.

The Town's policy for credit risk requires all financial institutions wishing to do business with the Town to read the Town's Investment Policy and to agree to comply with it. This policy requires minimum standards of credit worthiness as well as guidance for the types of investment allowed.

### Concentration of Credit Risk

The Town has adopted a formal policy to mitigate concentration of credit risk by mandating that the Town may not at any one time have on deposit in a bank or trust company an amount exceeding 60% of the capital and surplus of that institution. The Town will not deposit amounts exceeding 10% of capital and surplus and 10% of net equity, unless the deposits are fully collateralized.

### Fair Value Measurement

The Town holds investments that are measured at fair value on a recurring basis. Because investing is not a core part of the Town's mission, the Town determines that the disclosures related to these investments only need to be disaggregated by major type. The Town chooses a tabular format for disclosing the levels within the fair value hierarchy.

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

# Town of Wellesley, Massachusetts

## Notes to the Basic Financial Statements

**June 30, 2024**

The following table presents financial assets at June 30, 2024, that the Town measures fair value on a recurring basis, by level, within the fair value hierarchy:

Investment Type	June 30, 2024	Fair Value Measurements Using			
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs	
<b>Investments measured at fair value:</b>					
<u>Debt securities:</u>					
U.S. treasury notes.....	\$ 16,779,216	\$ 16,779,216	\$ -	\$ -	
Government sponsored enterprises.....	1,096,380	-	1,096,380	-	
Corporate bonds.....	1,939,709	-	1,939,709	-	
Total debt securities.....	<u>19,815,305</u>	<u>16,779,216</u>	<u>3,036,089</u>	<u>-</u>	
<u>Other investments:</u>					
Equity securities.....	3,091,713	3,091,713	-	-	
Fixed income.....	9,231,131	9,231,131	-	-	
Money market mutual funds.....	406,413	406,413	-	-	
Total other investments.....	<u>12,729,257</u>	<u>12,729,257</u>	<u>-</u>	<u>-</u>	
Total investments measured at fair value.....	<u>\$ 32,544,562</u>	<u>\$ 29,508,473</u>	<u>\$ 3,036,089</u>	<u>\$ -</u>	
<b>Investments measured at amortized cost:</b>					
MMDT - Cash portfolio.....	<u>110,984,343</u>				
<b>Investments measured at net asset value:</b>					
Pension Reserve Investment Trust (PRIT).....	<u>124,707,314</u>				
Total investments.....	<u>\$ 268,236,219</u>				

Equity securities, U.S. Treasury Notes, Fixed Income, and Money Mutual Funds are classified in Level 1 of the fair value hierarchy using prices quoted in active markets for those securities. Corporate Bonds and Government Sponsored Enterprises classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

PRIT Investments are valued using the net asset value method. The Town does not have the ability to control any of the investment decisions relative to its funds in PRIT.

The investment in MMDT is comprised of a cash portfolio. The cash portfolio is valued at amortized cost. MMDT, which is an external investment pool that is overseen by the Treasurer of the

# **Town of Wellesley, Massachusetts**

## **Notes to the Basic Financial Statements**

**June 30, 2024**

Commonwealth of Massachusetts, meets the criteria established by GASB 79, “Certain External Investment Pools and Pool Participants”, to report its investments at amortized cost; therefore the Town reports its investments in MMDT at amortized cost which approximates the net asset value of \$1.00 per share. MMDT has a maturity of less than 1 year and is not rated.

### **Retirement System**

The retiree pension defined benefit plan holds significant amounts of investments on a recurring basis. Because investing is a key part of the plan’s activities, the plan shows greater disaggregation in its disclosures. The System categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The System has the following recurring fair value measurements as of December 31, 2023:

#### **Investments measured at amortized cost:**

MMDT - Cash portfolio.....	\$ 991,532
----------------------------	------------

#### **Investments measured at net asset value:**

Pension Reserve Investment Trust (PRIT).....	<u>281,930,049</u>
----------------------------------------------	--------------------

Total investments.....	<u>\$ 282,921,581</u>
------------------------	-----------------------

The System’s investments in PRIT and MMDT are the same as the Town’s investments as previously described.

# Town of Wellesley, Massachusetts

## Notes to the Basic Financial Statements

**June 30, 2024**

### **NOTE 3 – RECEIVABLES**

At June 30, 2024, receivables for the individual major, non-major governmental funds, and the proprietary internal service fund, in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<b>Receivables:</b>			
Real estate and personal property taxes....	\$ 2,244,580	\$ -	\$ 2,244,580
Tax liens.....	1,627,982	-	1,627,982
Community preservation fund surcharge....	4,713	-	4,713
Motor vehicle excise taxes.....	588,830	(58,883)	529,947
Departmental and other.....	1,156,531	-	1,156,531
Intergovernmental.....	<u>684,006</u>	-	<u>684,006</u>
 Total.....	 <u>6,306,642</u>	 <u>(58,883)</u>	 <u>6,247,759</u>

- The allowance for uncollectible motor vehicle excise taxes relates primarily to balances outstanding five years and older.

At June 30, 2024, receivables for the sewer, water, and municipal light enterprise funds consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<b>Receivables:</b>			
Water user charges.....	\$ 1,301,534	\$ -	\$ 1,301,534
Sewer user charges.....	918,936	-	918,936
Municipal light user charges.....	<u>5,174,303</u>	-	<u>5,174,303</u>
 Total.....	 <u>7,394,773</u>	 -	 <u>7,394,773</u>

Governmental funds report *unavailable revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current year, the various components of *unavailable revenue* reported in the governmental funds were noted on the following page.

# Town of Wellesley, Massachusetts

## Notes to the Basic Financial Statements

**June 30, 2024**

	General Fund	Other Governmental Funds	Total
<b>Receivables:</b>			
Real estate and personal property taxes.....	\$ 1,546,582	\$ -	\$ 1,546,582
Tax liens.....	1,627,982	-	1,627,982
Motor vehicle excise taxes.....	529,947	-	529,947
Departmental and other.....	34,577	364,963	399,540
Intergovernmental - state highway.....	-	263,875	263,875
Intergovernmental - other.....	-	242,278	242,278
 Total.....	 \$ 3,739,088	 \$ 871,116	 \$ 4,610,204

## NOTE 4 – CAPITAL ASSETS

A summary of changes in capital asset activity for the year ended June 30, 2024, is as follows:

<b>Governmental Activities:</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b><u>Capital assets not being depreciated:</u></b>				
Land.....	\$ 51,959,370	\$ -	\$ -	\$ 51,959,370
Construction in progress.....	58,865,992	74,371,281	(2,298,544)	130,938,729
 Total capital assets not being depreciated.....	 110,825,362	 74,371,281	 (2,298,544)	 182,898,099
<b><u>Capital assets being depreciated:</u></b>				
Improvements other than buildings.....	34,046,210	-	-	34,046,210
Buildings.....	299,590,783	1,068,426	-	300,659,209
Machinery and equipment.....	25,158,642	1,974,122	(342,405)	26,790,359
Public domain infrastructure.....	82,985,952	4,878,999	-	87,864,951
 Total capital assets being depreciated.....	 441,781,587	 7,921,547	 (342,405)	 449,360,729
<b><u>Less accumulated depreciation for:</u></b>				
Improvements other than buildings.....	(24,684,769)	(1,449,219)	-	(26,133,988)
Buildings.....	(141,700,550)	(11,806,639)	-	(153,507,189)
Machinery and equipment.....	(16,654,625)	(1,073,332)	342,405	(17,385,552)
Public domain infrastructure.....	(47,228,622)	(2,366,120)	-	(49,594,742)
 Total accumulated depreciation.....	 (230,268,566)	 (16,695,310)	 342,405	 (246,621,471)
 Total capital assets being depreciated, net.....	 211,513,021	 (8,773,763)	 -	 202,739,258
 Total governmental activities capital assets, net.....	 \$ 322,338,383	 \$ 65,597,518	 \$ (2,298,544)	 \$ 385,637,357

# Town of Wellesley, Massachusetts

## Notes to the Basic Financial Statements

**June 30, 2024**

<b>Business-Type Activities:</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<u>Capital assets not being depreciated:</u>				
Land and land rights.....	\$ 267,946	\$ -	\$ -	\$ 267,946
Construction in progress.....	1,731,316	1,633,381	(359,461)	3,005,236
Total capital assets not being depreciated.....	<u>1,999,262</u>	<u>1,633,381</u>	<u>(359,461)</u>	<u>3,273,182</u>
<u>Capital assets being depreciated:</u>				
Transmission Plant.....	13,473,343	11,221	-	13,484,564
Distribution plant.....	101,278,163	3,400,824	(110,868)	104,568,119
Other plant in service.....	68,055,667	1,777,180	-	69,832,847
Vehicles and other equipment.....	11,923,497	486,919	(234,711)	12,175,705
Total capital assets being depreciated.....	<u>194,730,670</u>	<u>5,676,144</u>	<u>(345,579)</u>	<u>200,061,235</u>
<u>Less accumulated depreciation for:</u>				
Transmission Plant.....	(11,504,331)	(240,247)	-	(11,744,578)
Distribution plant.....	(43,685,435)	(3,370,898)	110,868	(46,945,465)
Other plant in service.....	(34,797,017)	(1,355,514)	-	(36,152,531)
Vehicles and other equipment.....	(6,905,444)	(749,057)	234,711	(7,419,790)
Total accumulated depreciation.....	<u>(96,892,227)</u>	<u>(5,715,716)</u>	<u>345,579</u>	<u>(102,262,364)</u>
Total capital assets being depreciated, net.....	<u>97,838,443</u>	<u>(39,572)</u>	<u>-</u>	<u>97,798,871</u>
Total business-type activities capital assets, net.....	<u>\$ 99,837,705</u>	<u>\$ 1,593,809</u>	<u>\$ (359,461)</u>	<u>\$ 101,072,053</u>

Depreciation expense was charged to Town functions as follows:

### **Governmental Activities:**

General government.....	\$ 1,388,823
Public safety.....	885,843
Public education.....	8,527,860
Public works.....	4,494,122
Health and human services.....	275,300
Library and Recreation.....	<u>1,123,362</u>
 Total depreciation expense - governmental activities.....	 <u>\$ 16,695,310</u>

### **Business-Type Activities:**

Water.....	\$ 1,160,800
Sewer.....	522,449
Municipal Light.....	<u>4,032,467</u>
 Total depreciation expense - business-type activities.....	 <u>\$ 5,715,716</u>

# Town of Wellesley, Massachusetts

## Notes to the Basic Financial Statements

**June 30, 2024**

### **NOTE 5 – INTERFUND TRANSFERS, RECEIVABLES AND PAYABLES**

Interfund receivables and payables totaled \$69,165 as of June 30, 2024, and consisted of funds due to the general fund from the Highway fund. The outstanding balance resulted from the lag time between the dates that reimbursable expenditures are incurred, and reimbursements are received.

Interfund transfers for the year ended June 30, 2024, are summarized as follows:

Transfers Out:	Transfers In					Total
	General Fund	Capital Projects	Nonmajor Governmental Funds	Stormwater Enterprise fund		
General fund.....	\$ -	\$ 1,416,075	\$ 611,755	\$ 989,232	\$ 3,017,062	(1)
Capital Projects Fund.....	1,076	-	-	-	-	1,076 (2)
Nonmajor governmental funds.....	659,604	511,097	89,538	-	1,260,239	(3)
Municipal light fund.....	1,000,000	-	-	-	1,000,000	(4)
Total.....	\$ 1,660,680	\$ 1,927,172	\$ 701,293	\$ 989,232	\$ 5,278,377	

- (1) Budgeted transfers from general fund to the capital project funds for HVAC equipment, and for the purchase of a fire engine. Also, this consists of a budgeted transfer from the general fund to the nonmajor funds for traffic and parking operations and an unbudgeted transfer for opioid settlement funds. Furthermore, to transfer funds from the general fund to establish new operations under a stormwater management enterprise fund.
- (2) Transfers from the capital projects fund to the general fund to close out old capital projects.
- (3) Budgeted transfers from the nonmajor governmental funds to fund general fund operations, transfers to capital projects, and transfers between various nonmajor funds.
- (4) Transfer from the municipal light fund to the general fund as a payment in lieu of taxes.

### **NOTE 6 – SHORT-TERM FINANCING**

Short-term debt may be authorized and issued to fund the following:

- Current operating costs prior to the collection of revenues through issuance of revenue or tax anticipation notes (RANS or TANS).
- Capital project costs and other approved expenditures incurred prior to obtaining permanent financing through issuance of bond anticipation notes (BANS) or grant anticipation notes (GANS).

Short-term loans are general obligations and carry maturity dates that are limited by statute. Interest expenditures and expenses for short-term borrowings are accounted for in the general fund. The Town did not have any short-term debt activity during the year ended June 30, 2024.

# Town of Wellesley, Massachusetts

## Notes to the Basic Financial Statements

**June 30, 2024**

### **NOTE 7 – LONG-TERM DEBT**

Under the provisions of Chapter 44, Section 10, Municipal Law authorizes indebtedness up to a limit of 5% of the equalized valuation. Debt issued in accordance with this section of the law is designated as being "inside the debt limit". In addition, however, debt may be authorized in excess of that limit for specific purposes. Such debt, when issued, is designated as being "outside the debt limit" as 2 ½ % exempt debt.

Details related to the Town's outstanding general obligation indebtedness at June 30, 2024, and the debt service requirements for the governmental activities are as follows.

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2023	Issued	Redeemed	Outstanding at June 30, 2024
<b>Inside Debt Limit</b>							
St. James Land.....	2045	5,000,000	3.38	\$ 3,940,000	\$ -	\$ 150,000	\$ 3,790,000
Various Building Repairs.....	2035	2,290,000	3.48	1,380,000	-	115,000	1,265,000
Police & Fire HVAC.....	2025	1,265,000	3.48	250,000	-	125,000	125,000
School Auditorium Seats.....	2025	315,000	3.48	60,000	-	30,000	30,000
494 Washington Street.....	2035	1,305,000	3.48	780,000	-	65,000	715,000
Fuller Brook Park.....	2025	460,000	3.48	90,000	-	45,000	45,000
DPW Park/ Highway Garage Construction.....	2026	575,000	3.48	165,000	-	55,000	110,000
Police Station.....	2027	1,471,000	4.00	445,000	-	115,000	330,000
Turf Field High School Stadium.....	2027	947,000	4.00	375,000	-	95,000	280,000
Rt.9/Kingsbury Intersection.....	2028	501,000	5.00	250,000	-	50,000	200,000
Town Hall Design.....	2033	820,000	5.00	550,000	-	55,000	495,000
Town Hall Construction.....	2033	4,742,500	5.00	3,150,000	-	315,000	2,835,000
Reconstruct Cliff Road.....	2028	1,772,000	5.00	875,000	-	175,000	700,000
Worcester Street - 3 Land Parcels.....	2038	3,241,000	5.00	2,420,000	-	165,000	2,255,000
Middle School Pipes.....	2029	2,505,000	4.00	1,470,000	-	245,000	1,225,000
Hunnewell Feasibility Study.....	2024	1,000,000	4.00	200,000	-	200,000	-
Sprague Chiller.....	2031	800,000	5.00	640,000	-	80,000	560,000
Library Roof.....	2031	521,000	5.00	410,000	-	55,000	355,000
Library Refresh.....	2028	2,000,000	5.00	1,425,000	-	285,000	1,140,000
Great Plain Ave.....	2031	1,200,000	5.00	960,000	-	120,000	840,000
Great Plain Ave Road Repair.....	2031	160,600	5.00	140,000	-	20,600	119,400
Town Hall Interior Improvements.....	2027	1,850,333	5.00	1,480,000	-	370,333	1,109,667
Grove Street Drainage and Paving/Sidewalks.....	2032	3,000,000	5.00	2,700,000	-	300,000	2,400,000
<b>Subtotal Non Exempt.....</b>		<b>37,741,433</b>		<b>24,155,000</b>	<b>-</b>	<b>3,230,933</b>	<b>20,924,067</b>

(continued)

# Town of Wellesley, Massachusetts

## Notes to the Basic Financial Statements

**June 30, 2024**

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2023	Issued	Redeemed	Outstanding at June 30, 2024
<b>2 1/2 % Exempt Debt</b>							
Middle School (Refunding).....	2025	\$ 4,345,000	1.46	\$ 850,000	-	\$ 430,000	\$ 420,000
Middle School Construction (Refunding).....	2026	3,770,000	3.48	1,300,000	-	415,000	885,000
Middle School Construction .....	2026	13,825,000	3.49-4.00	1,395,000	-	-	1,395,000
High School Expansion-Seaver Street.....	2028	5,173,000	3.40-4.00	859,000	-	175,000	684,000
High School Planning.....	2029	1,159,500	3.40-4.00	202,500	-	35,000	167,500
High School Feasibility.....	2029	3,771,200	3.40-4.00	706,200	-	120,000	586,200
High School Project.....	2029	11,663,000	3.40-4.00	783,000	-	365,000	418,000
High School Construction (refunding) .....	2035	18,350,000	2.25-5.00	14,940,000	-	1,225,000	13,715,000
High School Construction (refunding) .....	2031	8,907,500	3.60	7,150,000	-	885,000	6,265,000
Schofield/Fiske Design .....	2035	2,045,000	3.48	1,205,000	-	105,000	1,100,000
Schofield/Fiske Construction.....	2035	13,345,000	3.48	7,985,000	-	670,000	7,315,000
Middle School Windows .....	2025	1,430,000	3.48	280,000	-	140,000	140,000
North 40 (CPC Offset).....	2045	9,850,000	3.38	8,155,000	-	250,000	7,905,000
North 40 Tax Exempt.....	2045	13,635,000	3.38	13,075,000	-	70,000	13,005,000
North 40 Taxable.....	2045	11,505,000	3.38	7,150,000	-	620,000	6,530,000
Tolles Parsons Senior Center Construction.....	2031	1,950,000	3.48	1,005,000	-	130,000	875,000
Middle School Systems.....	2031	9,826,500	5.00	6,725,000	-	845,000	5,880,000
John Hardy Elementary School.....	2047	28,000,000	2.00-5.00	26,880,000	-	1,120,000	25,760,000
Hunnewell Elementary School Construction.....	2047	48,774,067	2.00-5.00	46,820,000	-	1,954,067	44,865,933
John Hardy Elementary School.....	2047	18,040,000	4.00 - 5.00	-	18,040,000	-	18,040,000
<b>Subtotal 2 1/2 % Exempt Debt.....</b>		<b>229,364,767</b>		<b>147,465,700</b>	<b>18,040,000</b>	<b>9,554,067</b>	<b>155,951,633</b>
Total General Obligation Bonds Payable.....		<u>\$ 267,106,200</u>		171,620,700	18,040,000	12,785,000	176,875,700
Add: Unamortized premium on bonds.....				<u>13,761,599</u>	<u>960,000</u>	<u>1,520,402</u>	<u>13,201,197</u>
Total Bonds Payable, net.....				<u>\$ 185,382,299</u>	<u>\$ 19,000,000</u>	<u>\$ 14,305,402</u>	<u>\$ 190,076,897</u>

(concluded)

The Town authorized funding for the Hunnewell and Hardy elementary school projects. The Hardy School is eligible for funding from the Massachusetts School Building Authority (MSBA). The MSBA project budget totaled \$72.5 million for the Hardy School, and the MSBA approved a reimbursement rate of 34.90% of eligible costs. Under the program, the assistance is paid to support construction costs to reduce the total debt service of the Town. Through the end of 2024, the Town recorded grant proceeds totaling \$11.2 million, of which includes \$8.1 million recognized in 2024.

# **Town of Wellesley, Massachusetts**

## **Notes to the Basic Financial Statements**

**June 30, 2024**

Debt service requirements for principal and interest for Governmental bonds payable in future years are as follows:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025.....\$ 14,050,000	\$ 6,455,115	\$ 20,505,115	
2026.....13,320,000	5,920,573	19,240,573	
2027.....12,175,000	5,317,569	17,492,569	
2028.....11,625,700	4,762,296	16,387,996	
2029.....10,980,000	4,235,444	15,215,444	
2030.....10,290,000	3,748,788	14,038,788	
2031.....10,325,000	3,300,624	13,625,624	
2032.....8,240,000	2,866,769	11,106,769	
2033.....7,895,000	2,580,475	10,475,475	
2034.....7,450,000	2,302,038	9,752,038	
2035.....7,465,000	2,069,619	9,534,619	
2036.....5,390,000	1,862,219	7,252,219	
2037.....5,445,000	1,710,638	7,155,638	
2038.....5,495,000	1,555,213	7,050,213	
2039.....5,390,000	1,396,119	6,786,119	
2040.....5,455,000	1,230,406	6,685,406	
2041.....5,520,000	1,060,175	6,580,175	
2042.....5,590,000	885,425	6,475,425	
2043.....5,660,000	707,875	6,367,875	
2044.....5,735,000	527,525	6,262,525	
2045.....5,800,000	344,275	6,144,275	
2046.....3,790,000	158,325	3,948,325	
2047.....3,790,000	52,775	3,842,775	
Total.....\$ 176,875,700	\$ 55,050,280	\$ 231,925,980	

# Town of Wellesley, Massachusetts

## Notes to the Basic Financial Statements

**June 30, 2024**

Details related to the Town's outstanding water enterprise fund general obligation indebtedness at June 30, 2024, and the debt service requirements are as follows:

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2023	Issued	Redeemed	Outstanding at June 30, 2024
<b>General Obligation Bonds:</b>							
Water Garage .....	2028	\$ 3,842,150	1.50 - 5.00	\$ 802,150	\$ -	\$ 162,500	\$ 639,650
Water Meters.....	2028	<u>887,000</u>	5.00	<u>435,000</u>	<u>-</u>	<u>90,000</u>	<u>345,000</u>
Subtotal General Obligation Bonds Payable.....		<u>4,729,150</u>		<u>1,237,150</u>	<u>-</u>	<u>252,500</u>	<u>984,650</u>
<b>Direct Borrowings and Placements:</b>							
MWRA- Water Bond.....	2033	<u>1,572,000</u>	0.00	<u>1,572,000</u>	<u>-</u>	<u>157,200</u>	<u>1,414,800</u>
Total Bonds Payable.....		<u>\$ 6,301,150</u>		<u>2,809,150</u>	<u>-</u>	<u>409,700</u>	<u>2,399,450</u>
Add: Unamortized premium on bonds.....				<u>86,806</u>	<u>-</u>	<u>26,530</u>	<u>60,276</u>
Total Bonds Payable, net.....		<u>\$ 2,895,956</u>		<u>\$ -</u>	<u>\$ 436,230</u>	<u>\$ 2,459,726</u>	

Debt service requirements for principal and interest for water enterprise fund bonds and notes payable in future years are as follows:

Year	General Obligation Bonds:			Direct Borrowings:		Grand Total	
	Principal	Interest	Total	Principal			
2025.....	\$ 250,000	\$ 42,836	\$ 292,836	\$ 157,200	\$ 157,200	\$ 450,036	
2026.....	245,000	31,936	276,936	157,200	157,200	434,136	
2027.....	245,000	21,286	266,286	157,200	157,200	423,486	
2028.....	244,650	10,636	255,286	157,200	157,200	412,486	
2029.....	-	-	-	157,200	157,200	157,200	
2030.....	-	-	-	157,200	157,200	157,200	
2031.....	-	-	-	157,200	157,200	157,200	
2032.....	-	-	-	157,200	157,200	157,200	
2033.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>157,200</u>	<u>157,200</u>	<u>157,200</u>	
Total.....	<u>\$ 984,650</u>	<u>\$ 106,694</u>	<u>\$ 1,091,344</u>	<u>\$ 1,414,800</u>	<u>\$ 1,414,800</u>	<u>\$ 2,506,144</u>	

The Massachusetts Water Resource Authority (MWRA) operates an Infiltration/Inflow Financial Assistance Program for community owned collection systems. For each community approved for the program, financial assistance consists of a grant and non-interest bearing loan. At June 30, 2024, the outstanding principal amount of these loans for the water enterprise fund totaled \$1.4 million.

# Town of Wellesley, Massachusetts

## Notes to the Basic Financial Statements

**June 30, 2024**

Details related to the Town's outstanding sewer enterprise fund general obligation indebtedness at June 30, 2024, and the debt service requirements are as follows:

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2023	Issued	Redeemed	Outstanding at June 30, 2024
<b>General Obligation Bonds:</b>							
Sewer Garage.....	2028	\$ 3,842,150	1.50 - 5.00	\$ 802,150	\$ -	\$ 162,500	\$ 639,650
<b>Direct Borrowing and Placements:</b>							
MWRA - Sewer Bond...	2026	345,457	0.00	207,275	-	\$ 69,092	138,183
MWRA - Sewer Bond...	2034	537,500	0.00	- -	537,500	- -	537,500
Subtotal Direct Borrowings and Placements...		<u>882,957</u>		<u>207,275</u>	<u>537,500</u>	<u>69,092</u>	<u>675,683</u>
Total Bonds Payable.....		<u>\$ 4,725,107</u>		<u>1,009,425</u>	<u>537,500</u>	<u>231,592</u>	<u>1,315,333</u>
Add: Unamortized premium on bonds.....				49,714	- -	16,610	33,104
Total Bonds Payable, net.....				<u>\$ 1,059,139</u>	<u>\$ 537,500</u>	<u>\$ 248,202</u>	<u>\$ 1,348,437</u>

Debt service requirements for principal and interest for sewer enterprise fund bonds and notes payable in future years are as follows:

Year	General Obligation Bonds:			Direct Borrowings:		Grand Total
	Principal	Interest	Total	Principal	Interest	
2025.....	\$ 160,000	\$ 25,586	\$ 185,586	\$ 122,842	\$ -	\$ 308,428
2026.....	160,000	19,186	179,186	122,842	- -	302,028
2027.....	160,000	12,786	172,786	53,750	- -	226,536
2028.....	159,650	6,386	166,036	53,749	- -	219,785
2029.....	- -	- -	- -	53,750	- -	53,750
2030.....	- -	- -	- -	53,750	- -	53,750
2031.....	- -	- -	- -	53,750	- -	53,750
2032.....	- -	- -	- -	53,750	- -	53,750
2033.....	- -	- -	- -	53,750	- -	53,750
2034.....	- -	- -	- -	53,750	- -	53,750
Total.....	<u>\$ 639,650</u>	<u>\$ 63,944</u>	<u>\$ 703,594</u>	<u>\$ 675,683</u>	<u>\$ -</u>	<u>\$ 1,379,277</u>

The Massachusetts Water Resource Authority (MWRA) operates an Infiltration/Inflow Financial Assistance Program for community owned collection systems. For each community approved for the program, financial assistance consists of a grant and non-interest bearing loan. At June 30, 2024, the outstanding principal amount of these loans for the sewer enterprise fund totaled \$676,000.

# Town of Wellesley, Massachusetts

## Notes to the Basic Financial Statements

**June 30, 2024**

The Town is subject to various debt limits by statute and may issue additional general obligation debt under the normal debt limit. At June 30, 2024, the Town had the following authorized and un-issued debt:

Purpose	Amount
Water Projects.....	\$ 536,431
MWRA Sewer Inflow/Infiltration.....	345,458
John D. Hardy Elementary School Replacement Facility.....	14,835,890
Water System Reconstruction.....	2,500,000
Sewer Inflow/Infiltration Reconstruction.....	295,000
Water System Improvements.....	500,000
Stormwater.....	<u>985,000</u>
 Total.....	 <u>\$ 19,997,779</u>

### Changes in Long-term Liabilities

During the year ended June 30, 2024, the following changes occurred in long-term liabilities:

	Beginning Balance	Bonds and Notes Issued	Bonds and Notes Redeemed	Other Increases	Other Decreases	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>							
Long-term general obligation bonds payable.....	\$ 171,620,700	\$ 18,040,000	\$ (12,785,000)	\$ -	\$ -	\$ 176,875,700	\$ 14,050,000
Add: Unamortized premium on bonds.....	13,761,599	960,000	(1,520,402)	-	-	13,201,197	1,580,470
Total bonds payable.....	185,382,299	19,000,000	(14,305,402)	-	-	190,076,897	15,630,470
Compensated absences.....	623,332	-	-	377,044	(374,000)	626,376	375,800
Workers' compensation.....	531,000	-	-	905,000	(742,000)	694,000	368,000
Net pension liability.....	38,205,119	-	-	7,425,406	(17,387,374)	28,243,151	-
Net OPEB liability.....	36,236,995	-	-	11,374,756	(10,116,369)	37,495,382	-
 Total governmental activity							
long-term liabilities.....	<u>\$ 260,978,745</u>	<u>\$ 19,000,000</u>	<u>\$ (14,305,402)</u>	<u>\$ 20,082,206</u>	<u>\$ (28,619,743)</u>	<u>\$ 257,135,806</u>	<u>\$ 16,374,270</u>
<b>Business-Type Activities:</b>							
Long-term general obligation bonds payable.....	\$ 2,039,299	\$ -	\$ (414,999)	\$ -	\$ -	\$ 1,624,300	\$ 410,000
Long-term direct borrowing payable.....	1,779,275	537,500	(226,292)	-	-	2,090,483	280,042
Add: Unamortized premium on bonds.....	136,520	-	(43,140)	-	-	93,380	39,000
Total bonds payable.....	3,955,094	537,500	(684,431)	-	-	3,808,163	729,042
Compensated absences.....	67,210	-	-	25,296	(40,326)	52,180	31,308
Net pension liability.....	6,735,396	-	-	1,229,717	(2,976,223)	4,988,890	-
Net OPEB liability/(asset), net.....	(1,532,555)	-	-	830,375	(1,064,230)	(1,766,410)	-
 Total business-type activity							
long-term liabilities.....	<u>\$ 9,225,145</u>	<u>\$ 537,500</u>	<u>\$ (684,431)</u>	<u>\$ 2,085,388</u>	<u>\$ (4,080,779)</u>	<u>\$ 7,082,823</u>	<u>\$ 760,350</u>

Internal service funds predominantly serve the governmental funds. Accordingly, the internal service fund's long-term liabilities are included as part of the governmental activities totals above. At year end, \$694,000 of internal service funds accrued workers' compensation liability is included above. Except for the amounts related to the internal service funds, the governmental activities and business type activities

# **Town of Wellesley, Massachusetts**

## **Notes to the Basic Financial Statements**

**June 30, 2024**

long-term liabilities are generally liquidated by the general fund, and enterprise fund, respectively. Compensated absence liabilities related to both governmental and business-type activities are normally paid from the funds reporting payroll and related expenditures, namely the general fund and the water, sewer and municipal light enterprise funds.

### **NOTE 8 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS**

The Town classifies fund balance according to the constraints imposed on the use of resources.

At June 30, 2024, \$3,753,091, \$791,572, \$1,815,741, and \$941,912 have been set aside in a general stabilization fund, an injured on duty stabilization fund, a special education Medicare stabilization fund, and a stabilization fund for purposes of meeting capital needs at the recycling facility, respectively, that are classified as part of the general fund in the governmental funds financial statements.

Municipal finance laws of the Commonwealth of Massachusetts authorize municipalities to establish stabilization funds on an as needed basis. The number of and exact purpose of the stabilization funds of the Town are dependent upon authorization and approval of Town Meeting. The general stabilization fund balance can be used for general and/or capital purposes upon approval of Town Meeting. The special purpose stabilization fund can only be used to offset police and fire workers compensation claim payments. Additions and withdrawals from the funds can only be made in accordance with Town Meeting approval.

There are two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The Town has reported principal portions of endowment funds as nonspendable. In addition to the nonspendable fund balance, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

- Restricted: fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- Committed: fund balances that contain self-imposed constraints of the government from its highest level of decision making authority. The Town's highest level of decision making authority is the Annual Town Meeting.
- Assigned: fund balances that contain self-imposed constraints of the government to be used for a particular purpose.
- Unassigned: fund balance of the general fund that is not constrained for any particular purpose.

The Town has classified its fund balances with the hierarchy as noted on the following page.

# Town of Wellesley, Massachusetts

## Notes to the Basic Financial Statements

**June 30, 2024**

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>Fund Balances:</b>				
<b>Nonspendable:</b>				
Permanent fund principal.....	\$ -	\$ -	\$ 386,018	\$ 386,018
<b>Restricted for:</b>				
Capital projects.....	- 12,776,350	- -	12,776,350	12,776,350
School lunch.....	- -	712,120	712,120	712,120
Community Preservation Fund.....	- -	12,075,816	12,075,816	12,075,816
State and Federal Grant Programs.....	- -	1,261,937	1,261,937	1,261,937
Receipts Reserved.....	- -	2,419,995	2,419,995	2,419,995
Revolving.....	- -	4,903,023	4,903,023	4,903,023
Recreation Revolving.....	- -	438,105	438,105	438,105
Other Special Revenue for Governmental Purposes.....	- -	5,339,018	5,339,018	5,339,018
Permanent fund.....	- -	1,356,380	1,356,380	1,356,380
<b>Committed to:</b>				
Executive Director's Office.....	164,818	- -	- -	164,818
Climate Action Committee.....	56,000	- -	- -	56,000
Information Technology.....	408,904	- -	- -	408,904
Town Clerk/Election and Registration.....	15,000	- -	- -	15,000
Council on Aging.....	35,143	- -	- -	35,143
Youth Commission.....	90,000	- -	- -	90,000
Board of Assessors.....	93,000	- -	- -	93,000
Planning Board.....	75,000	- -	- -	75,000
Facilities Maintenance.....	1,823,626	- -	- -	1,823,626
Police Department.....	89,314	- -	- -	89,314
Fire Department.....	145,772	- -	- -	145,772
Engineering.....	180,000	- -	- -	180,000
Highway.....	706,780	- -	- -	706,780
Park.....	213,861	- -	- -	213,861
Recycling and Disposal.....	197,847	- -	- -	197,847
Public Works Management.....	1,049,218	- -	- -	1,049,218
Library Trustees.....	174,815	- -	- -	174,815
Natural Resources Commission.....	325,607	- -	- -	325,607
Wellesley Public Schools.....	458,341	- -	- -	458,341
<b>Assigned to:</b>				
Executive Director's Office.....	700	- -	- -	700
Climate Action Committee.....	120	- -	- -	120
Central Administrative Services.....	3,069	- -	- -	3,069
Finance Department.....	10	- -	- -	10
Information Technology.....	115,920	- -	- -	115,920
Treasurer/Collector.....	205	- -	- -	205
Council on Aging.....	7,038	- -	- -	7,038
Board of Assessors.....	1,200	- -	- -	1,200
Zoning Board of Appeals.....	192	- -	- -	192
Youth Commission.....	5,895	- -	- -	5,895
Audit Committee.....	5,500	- -	- -	5,500
Law.....	39,000	- -	- -	39,000
Planning Board.....	450	- -	- -	450
Human Resources Board.....	24,679	- -	- -	24,679
Facilities Maintenance.....	108,764	- -	- -	108,764
Police Department.....	229,893	- -	- -	229,893
Special School Police.....	490	- -	- -	490
Fire Department.....	102,152	- -	- -	102,152
Engineering.....	3,408	- -	- -	3,408
Highway.....	28,161	- -	- -	28,161
Park.....	13,363	- -	- -	13,363
Recycling and Disposal.....	183,119	- -	- -	183,119
Public Works Management.....	1,075	- -	- -	1,075
Library Trustees.....	4,192	- -	- -	4,192
Board of Health.....	6,229	- -	- -	6,229
Wellesley Public Schools.....	793,121	- -	- -	793,121
2025 Tax Rate Reductions.....	2,250,000	- -	- -	2,250,000
Unassigned.....	49,864,909	- -	- -	49,864,909
<b>Total Fund Balances.....</b>	<b>\$ 60,095,900</b>	<b>\$ 12,776,350</b>	<b>\$ 28,892,412</b>	<b>\$ 101,764,662</b>

# **Town of Wellesley, Massachusetts**

## **Notes to the Basic Financial Statements**

**June 30, 2024**

### **NOTE 9 – RISK FINANCING**

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town has purchased commercial insurance for these risks, except for those risks identified in the following paragraphs, which the Town accounts for in its Internal Service Fund. The amount of claim settlements has not exceeded insurance coverage in any of the previous three years.

The Town entered into an agreement with certain suburban communities and other governmental units forming the West Suburban Health Group (the “Group). The purpose of the Group is for the joint negotiation and purchase of health insurance coverage with various carriers. Under these agreements, the insurance claims of the covered employees are paid for by the insurance carrier and are subsequently reimbursed by the Group. The Group charges monthly premiums to each governmental unit based upon requirements established through underwriting or actuarial estimates. The Group also maintains a deposit with the insurance carrier which is sufficient to cover two months of claims paid by the carrier for the Group. In addition, the Group provides full reinsurance coverage for all claim costs in excess of \$225,000 per covered employee.

In the event of a dissolution of the Group or if the assets of the Group are insufficient to pay claims which occur, the Town remains liable. The Group had net position of approximately \$11.7 million at June 30, 2023, which appears sufficient to cover future claims. The Town’s total potential liability is not based on its participants’ claims but on the pro rata share of any deficit based on the ratio of the Town’s members to total participants at the time of dissolution. At June 30, 2023, the Group’s mandatory deposit, discussed above, is sufficient to cover the Town’s projected liability for incurred but not reported claims as of that date.

The Town is self-insured for workers’ compensation claims. The Town has recorded an actuarially determined loss liability in its Internal Service Fund to reserve against future losses. This liability includes a provision for estimated claims incurred but not reported. In addition to these reserves, the Town retains insurance against claims in excess of \$250,000 per employee.

# Town of Wellesley, Massachusetts

## Notes to the Basic Financial Statements

June 30, 2024

Changes in the Workers' Compensation Fund claims liability amount for the years ended June 30 were as follows:

	Current Year				
Balance at Beginning of Year	Claims and Changes in Estimate	Claims Payments	Balance at Year-End	Current Portion	
2023.....	\$ 521,000	\$ 798,000	\$ (788,000)	\$ 531,000	\$ 276,000
2024.....	531,000	905,000	(742,000)	694,000	368,000

## NOTE 10 – PENSION PLAN

### *Plan Descriptions*

The Town is a member of the Wellesley Contributory Retirement System (WCRS), a cost-sharing multiple-employer defined benefit pension plan covering eligible employees of its 2 member units (the Town and the Wellesley Housing Authority). The System is administered by five board members (Board) on behalf of all current employees and retirees except for current teachers and retired teachers. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. The System is a component unit and is reported as a pension and other employee benefit trust fund in the fiduciary fund financial statements.

The Town is a member of the Massachusetts Teachers' Retirement System (MTRS), a cost-sharing multi-employer defined benefit plan. MTRS is managed by the Commonwealth of Massachusetts (Commonwealth) on behalf of municipal teachers and municipal teacher retirees. The Commonwealth is a nonemployer contributor and is responsible for 100% of the contributions and future benefit requirements of the MTRS. The MTRS covers certified teachers in cities (except Boston), towns, regional school districts, charter schools, educational collaboratives and Quincy College. The MTRS is part of the Commonwealth's reporting entity and the audited financial report may be obtained by visiting <https://mtrs.state.ma.us/service/financial-reports/>.

### *Special Funding Situation*

The Commonwealth is a nonemployer contributor and is required by statute to make 100% of all actuarially determined employer contributions on behalf of the Town to the MTRS. Therefore, the Town is considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributor in MTRS. Since the Town does not contribute directly to MTRS, there is no net pension liability to recognize. The total of the Commonwealth provided contributions have been allocated based on each employer's covered payroll to the total covered payroll of employers in MTRS as of the measurement date of June 30, 2023. The Town's portion of the collective pension expense, contributed by the Commonwealth, of

# **Town of Wellesley, Massachusetts**

## **Notes to the Basic Financial Statements**

**June 30, 2024**

\$17,655,329 is reported in the general fund as intergovernmental revenue and pension benefits in the current fiscal year. The portion of the Commonwealth's collective net pension liability associated with the Town is \$189,089,676 as of the measurement date.

### *Benefits Provided*

Both Systems provide retirement, disability, survivor and death benefits to plan members and beneficiaries. Massachusetts Contributory Retirement System benefits are, with certain minor exceptions, uniform from system to system. The Systems provide retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For persons who became members on or after April 2, 2012, average salary is the average annual rate of regular compensation received during the five consecutive years that produce the highest average, or, if greater, during the last five years (whether or not consecutive) preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification. Members become vested after ten years of creditable service.

Employees who resign from service and who are not eligible to receive a retirement allowance or are under the age of 55 are entitled to request a refund of their accumulated total deductions. Survivor benefits are extended to eligible beneficiaries of members whose death occurs prior to or following retirement.

Cost-of-living adjustments granted between 1981 and 1997 and any increase in other benefits imposed by the Commonwealth's state law during those years are borne by the Commonwealth and are deposited into the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the Board and are borne by the System.

At December 31, 2023, the WCRS membership consists of the following:

Active members.....	656
Inactive members.....	432
Retirees and beneficiaries currently receiving benefits...	<u>436</u>
 Total.....	 <u>1,524</u>

### *Contributions*

Chapter 32 of the MGL governs the contributions of plan members and member units. Active plan members are required to contribute at rates ranging from 5% to 9% of gross regular compensation with an additional 2% contribution required for compensation exceeding \$30,000. The percentage rate is keyed to the date upon which an employee's membership commences. The member units are required to pay into the WCRS a legislatively mandated actuarially determined contribution that is apportioned among the employers based on active current payroll. The total member unit's contribution for the year ended December 31, 2023, was an actuarially determined amount of \$10,338,575. This amount when

# Town of Wellesley, Massachusetts

## Notes to the Basic Financial Statements

**June 30, 2024**

combined with plan member contributions is expected to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The total member unit's actual contribution was \$10,355,519, which is equal to 23.30% of covered payroll. The Town's proportionate share of the required contribution was \$10,248,920. The Town contributed \$10,282,500, \$33,580 in excess of the required amount.

### *Pension Liabilities*

The components of the net pension liability of the participating member units at December 31, 2023, were as follows:

	Total System	Town Share	Housing Authority Share
Total pension liability.....	\$ 316,606,931	\$ 313,861,338	\$ 2,745,593
Total pension plan's fiduciary net position.....	<u>(283,084,183)</u>	<u>(280,629,297)</u>	<u>(2,454,886)</u>
Total net pension liability.....	<u>\$ 33,522,748</u>	<u>\$ 33,232,041</u>	<u>\$ 290,707</u>
The pension plan's fiduciary net position as a percentage of the total pension liability.....	89.41%	89.41%	89.41%

At June 30, 2024, the Town reported a liability of \$33,232,041 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members. At December 31, 2023, the Town's proportion was 99.13%, which decreased from its proportion measured at December 31, 2022, of 99.17%.

### *Pension Expense*

For the year ended June 30, 2024, the Town recognized pension expense of \$8,721,999. At June 30, 2024, the Town reported deferred outflows and (inflows) of resources related to pensions of \$11,838,659 and (\$6,131,312), respectively, from difference between expected and actual experience, changes of assumptions, differences between projected and actual earnings, and the proportionate share of contributions.

# Town of Wellesley, Massachusetts

## Notes to the Basic Financial Statements

**June 30, 2024**

The balances of deferred outflows and inflows at June 30, 2024, consist of the following:

<u>Deferred Category</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net</u>
Differences between expected and actual experience.....	\$ 30,434	\$ (2,288,778)	\$ (2,258,344)
Difference between projected and actual earnings, net.....	4,094,897	-	4,094,897
Changes in assumptions.....	6,868,058	(3,010,977)	3,857,081
Changes in proportion and proportionate share of contributions.....	845,270	(831,557)	13,713
 Total deferred outflows/(inflows) of resources.....	 \$ <u>11,838,659</u>	 \$ <u>(6,131,312)</u>	 \$ <u>5,707,347</u>

The Town's net deferred outflows (inflows) of resources related to pensions will be recognized as an increase/(decrease) in pension expense as follows:

Year ended June 30:

2025.....	\$ 295,605
2026.....	2,502,031
2027.....	6,392,790
2028.....	<u>(3,483,079)</u>
 Total.....	 \$ <u>5,707,347</u>

*Actuarial Assumptions* – The total pension liability as of December 31, 2023, was determined by an actuarial valuation as of January 1, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date..... January 1, 2023

Actuarial cost method..... Entry Age Normal Cost Method.

Amortization method..... Amortization payments on the unfunded liability increasing by 3% per year.

Remaining amortization period..... As of July 1 2023, 8 years for the unfunded liability.

Asset valuation method..... As of January 1, 2023, gradually adjusting to fair value.

Inflation rate..... 2.75%

Projected salary increases..... Based on years of service, ranging from 7.00% decreasing to 3.50% after 11 years of service from Group 1 and 2 employees, and ranging from 8.00% decreasing to 4.00% after 11 years for Group 4 employees.

Cost of living adjustments..... 2.75% increase on the first \$19,000 of retirement allowance.

# Town of Wellesley, Massachusetts

## Notes to the Basic Financial Statements

June 30, 2024

### Mortality Rates:

Pre-Retirement..... RP-2014 Blue Collar Employee Mortality Table set forward one year for females projected generationally with Scale MP-2021.

Healthy Retiree..... RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year for females project generationally with Scale MP-2021.

Disabled Retiree..... RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year and projected generationally with Scale MP-2021.

Investment rate of return/Discount rate..... 6.00%, net of pension plan investment expense, including inflation.

### *Investment Policy*

The pension plan's policy in regard to the allocation of invested assets is established by PRIT. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2023, and the target allocations as of December 31, 2023, are summarized in the following table:

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity.....	22.00%	6.29%
International developed markets equity.....	9.50%	6.39%
International emerging markets equity.....	4.50%	7.63%
Core fixed income.....	15.00%	1.72%
High-yield bonds.....	9.00%	3.43%
Real estate.....	10.00%	3.24%
Timber.....	4.00%	3.72%
Hedge fund, GTAA, Risk parity.....	10.00%	2.87%
Private equity.....	16.00%	9.43%
Total.....	<u>100.00%</u>	

# **Town of Wellesley, Massachusetts**

## **Notes to the Basic Financial Statements**

**June 30, 2024**

### *Rate of Return*

For the year ended December 31, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 11.16%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

### *Discount Rate*

The discount rate used to measure the total pension liability was 6.00% (net of pension plan investment expense, including inflation), as of December 31, 2023 and December 31, 2022. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

### *Sensitivity of the Net Pension Liability to Changes in the Discount Rate*

The following presents the net pension liability, calculated using the discount rate of 6.00% as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.00%) or 1-percentage-point higher (7.00%) than the current rate:

	1% Decrease <u>(5.00%)</u>	Current <u>(6.00%)</u>	1% Increase <u>(7.00%)</u>
The Town's proportionate share of the net pension liability.....	\$ <u>71,547,944</u>	\$ <u>33,232,041</u>	\$ <u>1,245,727</u>
Total System's net pension liability.....	\$ <u>72,173,830</u>	\$ <u>33,522,748</u>	\$ <u>1,256,624</u>

### *Changes in Assumptions*

None.

### *Changes in Plan Provisions*

The Retirement Board approved a one time increase in the COLA from 3% to 5% effective July 1, 2022 and increased the COLA Base from \$18,000 to \$19,000 effective July 1, 2023.

# **Town of Wellesley, Massachusetts**

## **Notes to the Basic Financial Statements**

**June 30, 2024**

### **NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

#### *Plan Description*

The Town maintains a single employer defined benefit healthcare plan (“The Other Postemployment Benefit Plan”). The plan provides lifetime healthcare and life insurance for eligible retirees and their spouses. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions of the Plan. The plan provides the benefits by participating in the West Suburban Health Group. Medical and prescription drug benefits are provided to all eligible retirees through a variety of plans offered by Blue Cross Blue Shield of Massachusetts, Harvard Pilgrim Health Care, Tufts Health Plan, and Fallon Community Health Plan, as well as an out-of-area indemnity plan administered by North American Administrators. Benefit provisions are negotiated between the Town and the unions representing Town employees and are renegotiated each bargaining period. The plan also pays 50% of the retiree life insurance premiums. The Other Postemployment Benefit Plan does not issue a publicly available financial report.

The Town adopted MGL, Chapter 32B, Section 18 in April 2006, requiring all Medicare-eligible retirees to enroll in a Medicare supplement plan. The effects of this adoption have been included in the determination of OPEB liabilities by the Town’s actuary.

#### *Funding Policy*

Contribution requirements are also negotiated between the Town and union representatives. Retired plan members and beneficiaries currently receiving benefits are required to contribute between 17.7% and 50% of the cost of benefits provided depending on the plan they choose. The Town is required to contribute the balance of the current premiums and may contribute additional amounts to pre-fund benefits. The Town contributed \$9.4 million during 2024, towards these benefits including the pre-funding amount discussed below. Administrative costs of the Plan are assumed to be included in the fully insured premium rates. For the year ended June 30, 2024, the Town’s average contribution rate was 8.44% of covered payroll.

The Commonwealth of Massachusetts passed special legislation that has allowed the Town to establish the postemployment benefit trust fund and enabling the Town to raise taxes necessary to pre-fund its OPEB liabilities. During 2024, the Town pre-funded future OPEB liabilities in the amount of \$3.4 million by contributing funds to the Other Postemployment Benefit Trust Fund in excess of the pay-as-you-go required contribution. These funds are reported within the Fiduciary Fund financial statements. As of June 30, 2024, the net position of this fund totaled \$124.7 million.

The Town’s governmental operations and water business-type operations have established a funding schedule, calculated through the actuarial valuation, to fund the outstanding liability over the next 18 years. The Municipal Light and sewer business-type activities have adopted more aggressive funding schedules. As a result, the municipal light department and sewer department have reported a net OPEB assets totaling \$2.3 million and \$69,235, respectively. The governmental operations and water department have reported net OPEB liabilities totaling \$37.5 million and \$582,130, respectively.

# **Town of Wellesley, Massachusetts**

## **Notes to the Basic Financial Statements**

**June 30, 2024**

The net assets have been blended with the net OPEB liabilities in the following disclosures and has been reported at the net amount as a net OPEB liability/(asset).

### *Measurement Date*

The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022.

### *Employees Covered by Benefit Terms*

The following table represents the Plan's membership at June 30, 2024:

Active members.....	839
Inactive members currently receiving benefits.....	<u>940</u>
Total.....	<u>1,779</u>

### *Components of OPEB Liability*

The following table represents the components of the Plan's OPEB liability as of June 30, 2024:

Total OPEB liability.....	\$ 160,436,286
Less: OPEB plan's fiduciary net position.....	<u>(124,707,314)</u>
Net OPEB liability/(asset).....	\$ <u>35,728,972</u>
The OPEB plan's fiduciary net position as a percentage of the total OPEB liability.....	77.73%

# **Town of Wellesley, Massachusetts**

## **Notes to the Basic Financial Statements**

**June 30, 2024**

### *Significant Actuarial Methods and Assumptions*

The total OPEB liability in the December 31, 2022, actuarial valuation was determined by using the following actuarial assumptions, applied to all periods included in the measurement that was updated to June 30, 2024, to be in accordance with GASB #74 and GASB #75 as follows:

Valuation date.....	Actuarially determined contribution for the fiscal year ending June 30, 2024 was determined with the December 31, 2022, actuarial valuation.
Actuarial cost method.....	Entry age normal - level percentage of payroll.
Amortization method.....	Payments increase at 3.0% per year.
Remaining amortization period.....	14 years as of July 1, 2023.
Asset valuation method.....	Fair Value
Discount rate/Investment rate of return.....	6.00%
Inflation rate.....	3.00%
Health care trends rate.....	Medical and Prescription Drug (Non-Medicare): 9.14%, then 7.75% graded by 0.25% for 13 years to an ultimate level of 4.50% Medical and Prescription Drug (Medicare): 7.09%, 17.47% then 7.50% graded by 0.25% for 12 years to an ultimate level of 4.50% Medical Part B Premium: 4.50%.
Mortality rates.....	Pre-Retirement (Non-Teachers): RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2021 set forward one year for females.  Healthy (Non-Teachers): RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2021 set forward one year for females.  Disabled (Non-Teachers): RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2021 set forward one year.  Pre-Retirement (Teachers): Pub-2010 Teacher Employee Mortality Table (headcount weighted) projected generationally with Scale MP-2020.  Healthy (Teachers): Pub-2010 Teacher Mortality Table (headcount weighted) projected generationally with Scale MP-2020.  Disabled (Teachers): Pub-2010 Teacher Mortality Table (headcount weighted) projected generationally with Scale-2020.

# **Town of Wellesley, Massachusetts**

## **Notes to the Basic Financial Statements**

**June 30, 2024**

### *Rate of Return*

For the year ended June 30, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 9.64%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and subtracting expected investment expense and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity.....	22.00%	6.29%
International developed markets equity...	9.50%	6.39%
International emerging markets equity.....	4.50%	7.63%
Core fixed income.....	15.00%	1.72%
High yield fixed income.....	9.00%	3.43%
Real estate.....	10.00%	3.24%
Commodities.....	4.00%	3.72%
Hedge Fund, GTAA, Risk parity.....	10.00%	2.87%
Private equity.....	16.00%	9.43%
Total.....	<u>100.00%</u>	

### *Summary of Significant Accounting Policies*

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognized benefit payments when due and payable in accordance with the benefit terms. Investments are reported at the fair value, except for money market investments and participating interest-earning investment contracts (repurchase agreements) that have a maturity at the time of purchase of one year or less, which are reported at cost.

# **Town of Wellesley, Massachusetts**

## **Notes to the Basic Financial Statements**

**June 30, 2024**

### *Discount Rate*

The discount rate used to measure the total OPEB liability was 6.00% as of June 30, 2024 and as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions will be made in accordance with the Plan's funding policy. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be sufficient to make all projected benefit payments to current plan members. Therefore, the long-term expected rate of return on the OPEB plan assets was applied to periods of projected future benefits payments.

### *Sensitivity of the Net OPEB Liability to Changes in the Discount Rate*

The following table presents the net other postemployment benefit liability and service cost, calculated using the discount rate of 6.00%, as well as what the net other postemployment benefit liability and service cost would be if it were calculated using a discount rate that is 1-percentage-point lower (5.00%) or 1-percentage-point higher (7.00%) than the current rate.

	Current		
	1% Decrease	Discount Rate	1% Increase
	(5.00%)	(6.00%)	(7.00%)
Net OPEB liability/(asset), net.....	\$ 57,781,884	\$ 35,728,972	\$ 17,580,184

### *Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates*

The following table presents the net other postemployment benefit liability, calculated using the current healthcare trend rate of 8.00%, as well as what the net other postemployment benefit liability would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher.

	1% Decrease	Current Trend	1% Increase
Net OPEB liability/(asset), net.....	\$ 13,787,041	\$ 35,728,972	\$ 63,186,821

# Town of Wellesley, Massachusetts

## Notes to the Basic Financial Statements

**June 30, 2024**

### *Changes in the Net OPEB Liability*

	Increase (Decrease)		
	Plan		Net OPEB Liability/(asset) (a) - (b)
	Total OPEB Liability (a)	Fiduciary Net Position (b)	
Balances at June 30, 2023.....	\$ 145,096,179	\$ 110,391,739	\$ 34,704,440
<b>Changes for the year:</b>			
Service cost.....	4,931,842	-	4,931,842
Interest.....	8,826,420	-	8,826,420
Contributions - employer.....	-	9,369,384	(9,369,384)
Net investment income.....	-	10,874,575	(10,874,575)
Changes in assumptions.....	7,510,229	-	7,510,229
Benefit payments.....	<u>(5,928,384)</u>	<u>(5,928,384)</u>	-
Net change.....	<u>15,340,107</u>	<u>14,315,575</u>	<u>1,024,532</u>
Balances at June 30, 2024.....	<u>\$ 160,436,286</u>	<u>\$ 124,707,314</u>	<u>\$ 35,728,972</u>

### *OPEB Expense and Deferred Outflows of Resources Related to OPEB*

For the financial reporting year ended June 30, 2024, the Town recognized OPEB expense of \$5,389,336 and reported deferred outflows/(inflows) of resources related to OPEB from the following sources:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences between expected and actual experience.....	\$ 121,248	\$ (11,953,955)	\$ (11,832,707)
Difference between projected and actual earnings, net.....	-	(2,618,147)	(2,618,147)
Changes in assumptions.....	11,671,486	(307,985)	11,363,501
Changes in proportion and proportionate share of contributions.....	<u>428,301</u>	<u>(428,301)</u>	-
Total deferred outflows/(inflows) of resources.....	<u>\$ 12,221,035</u>	<u>\$ (15,308,388)</u>	<u>\$ (3,087,353)</u>

# **Town of Wellesley, Massachusetts**

## **Notes to the Basic Financial Statements**

**June 30, 2024**

Amounts reported as deferred outflows/(inflows) of resources related to OPEB will be recognized as an increase/(decrease) in OPEB expense in the following fiscal years:

Year ended June 30:

2025.....	\$ (2,315,117)
2026.....	1,528,366
2027.....	(2,904,304)
2028.....	<u>603,702</u>
 Total.....	 <u>\$ (3,087,353)</u>

### *Changes of Assumptions*

The medical and prescription drug trend assumption was revised to reflect known increases in the estimated impact of the Inflation Reduction Act of 2022.

### *Changes in Plan Provisions*

None.

## **NOTE 12 – FINANCIAL STATEMENTS FOR INDIVIDUAL PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS**

GAAP requires that all Pension and Other Employee Benefit Trust Funds be combined and presented in one column in the Fiduciary Funds financial statements and that the individual financial statements for each trust fund plan are reported in the notes to the financial statements.

Provided on the following page are the individual financial statements for the pension and OPEB plans that are included in the Fiduciary Funds as Pension and Other Employee Benefit Trust Funds.

# Town of Wellesley, Massachusetts

## Notes to the Basic Financial Statements

**June 30, 2024**

	Pension Trust Fund (as of December 31, 2023)	Other Postemployment Benefit Trust Fund	Total Pension and Other Employee Benefit Trust Funds
<b>ASSETS</b>			
Cash and cash equivalents.....	\$ 1,205,998	\$ -	\$ 1,205,998
Investments:			
Investments in Pension Reserve Investment Trust.....	281,930,049	124,707,314	406,637,363
Receivables, net of allowance for uncollectibles:			
Departmental and other.....	679,059	-	679,059
Other assets.....	2,033	-	2,033
<b>TOTAL ASSETS</b> .....	<b>283,817,139</b>	<b>124,707,314</b>	<b>408,524,453</b>
<b>LIABILITIES</b>			
Warrants payable.....	732,956	-	732,956
<b>NET POSITION</b>			
Restricted for pensions.....	283,084,183	-	283,084,183
Restricted for other postemployment benefits.....	-	124,707,314	124,707,314
<b>TOTAL NET POSITION</b> .....	<b>\$ 283,084,183</b>	<b>\$ 124,707,314</b>	<b>\$ 407,791,497</b>

# Town of Wellesley, Massachusetts

## Notes to the Basic Financial Statements

**June 30, 2024**

	Pension Trust Fund (as of December 31, 2023)	Other Postemployment Benefit Trust Fund	Total Pension and Other Postemployment Benefit Trust Funds
<b>ADDITIONS</b>			
Contributions:			
Employer contributions.....	\$ 10,355,519	\$ 3,441,000	\$ 13,796,519
Employer contributions for OPEB payments.....	-	5,928,384	5,928,384
Member contributions.....	4,476,216	-	4,476,216
Transfers from other systems.....	689,352	-	689,352
3(8)c contributions from other systems.....	540,829	-	540,829
Workers compensation settlements.....	10,909	-	10,909
Member makeup payments and redeposits.....	21,827	-	21,827
Intergovernmental.....	50,411	-	50,411
 Total contributions.....	 16,145,063	 9,369,384	 25,514,447
Net investment income:			
Investment income.....	29,594,093	11,483,229	41,077,322
Less: investment expense.....	<u>(1,350,669)</u>	<u>(608,654)</u>	<u>(1,959,323)</u>
 Net investment income.....	 28,243,424	 10,874,575	 39,117,999
 TOTAL ADDITIONS.....	 44,388,487	 20,243,959	 64,632,446
<b>DEDUCTIONS</b>			
Administration.....	328,460	-	328,460
Transfers to other systems.....	1,617,358	-	1,617,358
3(8)c transfer to other systems.....	569,462	-	569,462
Retirement benefits and refunds.....	15,393,756	-	15,393,756
Other postemployment benefit payments.....	-	5,928,384	5,928,384
 TOTAL DEDUCTIONS.....	 17,909,036	 5,928,384	 23,837,420
 NET INCREASE IN NET POSITION.....	 26,479,451	 14,315,575	 40,795,026
 NET POSITION AT BEGINNING OF YEAR.....	 256,604,732	 110,391,739	 366,996,471
 NET POSITION AT END OF YEAR.....	 \$ 283,084,183	 \$ 124,707,314	 \$ 407,791,497

# **Town of Wellesley, Massachusetts**

## **Notes to the Basic Financial Statements**

**June 30, 2024**

### **NOTE 13 – COMMITMENTS**

The Town is committed to completing various projects throughout the Town which will be funded with long-term debt totaling approximately \$20.0 million.

The general fund has various commitments for goods and services related to encumbrances and articles totaling \$8.0 million.

The Wellesley Municipal Light Plant (WMLP) purchases approximately 95% of its energy through its affiliation with Energy New England, LLC. The Plant has entered into tradeable hedging contracts with Energy New England, LLC through 2029.

The following are the Plant's future purchase commitments at June 30, 2024:

<b>Energy Purchase Commitments</b>								
<b>Megawatt-Hour (MWH)</b>								
<b>Fiscal Year</b>	<b>Projected MWH's</b>	<b>(1) Committed MWH's</b>	<b>Average Cost Per MWH</b>	<b>Total Commitments</b>	<b>Average Cost Per MWH</b>	<b>Total Energy Charges</b>		
2024	\$ 257,643	\$ 257,813	\$ 59.26	\$ 15,279,083	\$ 59.08	\$ 15,222,843		
2025	241,664	263,099	59.01	15,525,376	58.71	14,188,600		
2026	243,877	270,027	59.09	15,955,375	59.20	14,437,388		
2027	246,137	252,995	58.75	14,862,281	58.71	14,451,666		
2028	246,697	243,135	58.78	14,292,401	59.97	14,793,367		
2029	245,778	225,997	58.62	13,247,329	59.02	14,506,322		
	\$ 1,481,796	\$ 1,513,066		\$ 89,161,845		\$ 87,600,186		

Amounts are based on Energy New England's analysis, through June 2028, of the Plant's firm commitment with respect to future energy purchases.

(1) Energy New England forecast assumes annual growth rate of 0%.

The Plant has also established working capital reserves with Energy New England totaling \$1,078,220 as of both June 30, 2024, and June 30, 2023.

## **Town of Wellesley, Massachusetts**

### **Notes to the Basic Financial Statements**

**June 30, 2024**

#### **NOTE 14 – WELLESLEY ELECTRIC CUSTOMERS ACCELERATED REDUCTION OF EMISSIONS**

In 2022, the Plant established the Wellesley Electric Customers Accelerated Reduction of Emissions (WECARE) program. The WECARE program is an opt-out voluntary program where participants, both residential and commercial, are charged an additional 4% on their monthly electric bills to fund projects intended to reduce dependence on fossil fuels, increase energy stability, and preserve the planet. These additional fees collected from the program will fund local renewable energy projects chosen by the Plant for their impact on greenhouse gas emissions reduction including community solar generation facilities; energy storage for peak electric use times; and infrastructure such as public charging stations for electric vehicles, and other similar programs. In 2024, collections from the program totaled approximately \$1,051,000 and the Plant spent \$408,000 of program funds on energy initiatives.

The WECARE program also offers a 100% option, which is an opt-in voluntary program where participants that opt-in, both residential and commercial, are charged an increased rate on their electric bills to purchase 100% of their energy from renewable resources. In 2024, the Plant had approximately 305 users who selected this 100% option, of which 301 are residential and 4 are commercial. This program's collections totaled \$154,000 in 2024 and expenses totaled \$154,000.

#### **NOTE 15 – BATTERY ENERGY STORAGE SYSTEM ENERGY SERVICES AGREEMENT**

On September 23, 2022, the Wellesley Municipal Light Plant (WMLP) entered into a Shared Savings Agreement (Agreement) with Wellesley Bess LLC (Company), a limited liability company formed for the purposes of acquiring, developing, constructing, owning and operating a Battery Energy Storage System (System or BESS).

The Agreement stipulates that the Company would provide and WMLP would receive and pay for peak shaving services provided by the Company's operation of the BESS. The WMLP is estimated to realize cost savings through the avoidance of Forward Capacity Market and Transmission peaks charges that the WMLP would have otherwise incurred through power expenses allocated by the Independent System Operator (ISO) New England. Both the WMLP and the Company would share the monetary value of the cost savings that are realized by the WMLP.

In August of 2024 the project was deemed substantially complete. Testing will occur during the month of September and the system will be brought online in October of 2024.

While the cost savings estimates may be substantial, the ultimate future cost savings of this 20-year agreement cannot be accurately determined, especially for the outer years, because of the considerable uncertainties that exist. The full extent of the financial impact cannot be determined at the date of the financial statements.

# **Town of Wellesley, Massachusetts**

## **Notes to the Basic Financial Statements**

**June 30, 2024**

### **NOTE 16 – CONTINGENCIES**

#### Federal Award Programs

The Town participates in a number of federal award programs. Although the grant programs have been audited in accordance with the provisions of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* through June 30, 2024, these programs are still subject to financial and compliance audits. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although it is expected that such amounts, if any, would be immaterial.

#### Litigation

Various legal actions and claims are pending. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any, at June 30, 2024, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2024.

#### Per-and Polyfluoroalkyl Substances

The Town is in the process of conducting vigorous research regarding the extent and remediation of Per – and Polyfluoroalkyl Substance (PFAS) contamination in the Town’s water supply. The Town’s interim PFAS system at Morses Pond Treatment Plant is operational and functioning. The Town is assessing the updated requirements of the Environmental Protection Agency and continues to address these matters in the Town’s capital plan.

It is possible that the Town may be responsible for additional costs associated with PFAS remediation, and these future costs may be significant. While the amounts may be substantial the ultimate liability cannot be determined because of the considerable uncertainties that exist. Therefore, it is possible that there could be material negative outcomes affected by certain contingencies existing as of June 30, 2024. The full extent of the financial impact cannot be determined at the date of the financial statements.

### **NOTE 17 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through December \_\_\_, 2024, which is the date the financial statements were available to be issued.

# **Town of Wellesley, Massachusetts**

## **Notes to the Basic Financial Statements**

**June 30, 2024**

### **NOTE 18 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS**

During 2024, the following GASB pronouncements were implemented:

- GASB Statement #100, *Accounting Changes and Error Corrections*. This pronouncement did not impact the Town's Annual Comprehensive Financial Report.

The following GASB pronouncements will be implemented in the future:

- The GASB Issued Statement #101, *Compensated Absences*, which is required to be implemented in 2025.
- The GASB Issued Statement #102, *Certain Risk Disclosures*, which is required to be implemented in 2025.
- The GASB Issued Statement #103, *Financial Reporting Model Improvements*, which is required to be implemented in 2026.
- The GASB Issued Statement #104, *Disclosure of Certain Capital Assets*, which is required to be implemented in 2026.

Management is currently assessing the impact the implementation of these pronouncements will have on the basic financial statements.

## *Required Supplementary Information*

## ***General Fund Budgetary Comparison Schedule***

The General Fund is the general operating fund of the Town. It is used to account for the entire Town's financial resources, except those required to be accounted for in another fund.

# Town of Wellesley, Massachusetts

## General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual

**Year Ended June 30, 2024**

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
<b>REVENUES:</b>					
Real estate and personnel property taxes, net of tax refunds.....	\$ 171,017,009	\$ 171,017,009	\$ 171,399,465	-	\$ 382,456
Tax liens.....	-	-	281,376	-	281,376
Motor vehicle and other excise taxes.....	5,500,000	5,500,000	7,059,229	-	1,559,229
Meals tax.....	651,441	651,441	914,342	-	262,901
Penalties and interest on taxes.....	250,000	250,000	616,947	-	366,947
Payments in lieu of taxes.....	76,400	76,400	76,298	-	(102)
Intergovernmental.....	11,514,947	11,514,947	11,500,294	-	(14,653)
Departmental and other.....	3,943,159	3,943,159	6,465,320	-	2,522,161
Investment income.....	370,000	370,000	7,259,809	-	6,889,809
<b>TOTAL REVENUES.....</b>	<b>193,322,956</b>	<b>193,322,956</b>	<b>205,573,080</b>	<b>-</b>	<b>12,250,124</b>
<b>EXPENDITURES:</b>					
GENERAL GOVERNMENT:					
Executive Director's Office:					
Personnel Services.....	591,120	595,343	544,518	-	50,825
Expenses.....	1,198,911	159,203	103,560	700	54,943
Capital Outlay.....	147,262	172,262	7,444	164,818	-
	<u>1,937,293</u>	<u>926,808</u>	<u>655,522</u>	<u>165,518</u>	<u>105,768</u>
Climate Action Committee:					
Personnel Services.....	152,067	154,954	154,954	-	-
Expenses.....	9,910	9,910	4,445	120	5,345
Capital Outlay.....	56,000	56,000	-	56,000	-
	<u>217,977</u>	<u>220,864</u>	<u>159,399</u>	<u>56,120</u>	<u>5,345</u>
Central Administrative Services:					
Expenses.....	151,300	151,300	134,335	3,069	13,896
Finance Department:					
Personnel Services.....	510,364	518,122	460,349	-	57,773
Expenses.....	13,850	13,850	10,003	10	3,837
	<u>524,214</u>	<u>531,972</u>	<u>470,352</u>	<u>10</u>	<u>61,610</u>
Information Technology:					
Personnel Services.....	770,489	794,056	670,423	-	123,633
Expenses.....	854,831	845,419	690,650	115,920	38,849
Capital Outlay.....	508,418	517,830	108,926	408,904	-
	<u>2,133,738</u>	<u>2,157,305</u>	<u>1,469,999</u>	<u>524,824</u>	<u>162,482</u>
Treasurer/Collector:					
Personnel Services.....	368,484	374,226	344,715	-	29,511
Expenses.....	131,036	131,036	113,192	205	17,639
	<u>499,520</u>	<u>505,262</u>	<u>457,907</u>	<u>205</u>	<u>47,150</u>
Town Report:					
Expenses.....	2,500	2,500	1,922	-	578
Council on Aging:					
Personnel Services.....	453,888	457,773	430,630	-	27,143
Expenses.....	72,954	75,868	63,465	7,038	5,365
Capital Outlay.....	47,892	44,978	9,835	35,143	-
	<u>574,734</u>	<u>578,619</u>	<u>503,930</u>	<u>42,181</u>	<u>32,508</u>
Veterans' Services:					
Expenses.....	63,394	113,894	113,701	-	193

*See notes to required supplementary information.*

# Town of Wellesley, Massachusetts

## General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Continued)

**Year Ended June 30, 2024**

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
Youth Commission:					
Personnel Services.....	95,240	98,003	97,438	-	565
Expenses.....	20,917	20,917	14,684	5,895	338
Capital Outlay.....	90,000	90,000	-	90,000	-
	<u>206,157</u>	<u>208,920</u>	<u>112,122</u>	<u>95,895</u>	<u>903</u>
Housing Development Corporation:					
Expenses.....	6,500	6,500	4,385	-	2,115
Historical Commission:					
Expenses.....	900	900	478	-	422
Memorial Day:					
Expenses.....	5,950	3,450	3,272	-	178
Celebrations Committee:					
Expenses.....	5,000	7,500	7,500	-	-
Zoning Board of Appeals:					
Personnel Services.....	83,318	85,204	82,096	-	3,108
Expenses.....	9,403	9,403	7,049	192	2,162
	<u>92,721</u>	<u>94,607</u>	<u>89,145</u>	<u>192</u>	<u>5,270</u>
Law:					
Expenses.....	507,794	507,794	321,545	39,000	147,249
Risk Management:					
Expenses.....	736,000	736,000	620,099	-	115,901
Audit Committee:					
Expenses.....	60,850	60,850	55,030	5,500	320
Street Lighting:					
Expenses.....	142,000	142,000	131,223	-	10,777
Town Clerk/Election and Registration:					
Personnel Services.....	346,204	348,193	335,935	-	12,258
Expenses.....	92,475	92,540	78,133	-	14,407
Capital Outlay.....	33,000	33,000	18,000	15,000	-
	<u>471,679</u>	<u>473,733</u>	<u>432,068</u>	<u>15,000</u>	<u>26,665</u>
Board of Assessors:					
Personnel Services.....	324,873	319,048	303,895	-	15,153
Expenses.....	3,150	107,150	102,436	1,200	3,514
Capital Outlay.....	186,000	93,000	-	93,000	-
	<u>514,023</u>	<u>519,198</u>	<u>406,331</u>	<u>94,200</u>	<u>18,667</u>
Planning Board:					
Personnel Services.....	366,553	378,718	357,785	-	20,933
Expenses.....	81,655	81,655	29,312	450	51,893
Capital Outlay.....	75,000	75,000	-	75,000	-
	<u>523,208</u>	<u>535,373</u>	<u>387,097</u>	<u>75,450</u>	<u>72,826</u>
Human Resources Board:					
Personnel Services.....	443,178	480,272	416,582	21,450	42,240
Expenses.....	304,622	75,666	66,393	3,229	6,044
	<u>747,800</u>	<u>555,938</u>	<u>482,975</u>	<u>24,679</u>	<u>48,284</u>
Advisory Committee:					
Personnel Services.....	13,000	23,801	23,180	-	621
Expenses.....	17,300	17,300	14,841	-	2,459
	<u>30,300</u>	<u>41,101</u>	<u>38,021</u>	<u>-</u>	<u>3,080</u>

*See notes to required supplementary information.*

# Town of Wellesley, Massachusetts

## General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Continued)

**Year Ended June 30, 2024**

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
Advisory Committee - Reserve Fund: Expenses.....	175,000	175,000	-	-	175,000
<b>TOTAL GENERAL GOVERNMENT.....</b>	<b>10,330,552</b>	<b>9,257,388</b>	<b>7,058,358</b>	<b>1,141,843</b>	<b>1,057,187</b>
<b>FACILITIES MAINTENANCE:</b>					
Personnel Services.....	5,220,790	5,253,966	5,082,705	138	171,123
Expenses.....	3,966,486	3,966,690	3,592,517	108,626	265,547
Capital Outlay.....	3,487,650	3,487,650	1,630,390	1,823,626	33,634
<b>TOTAL FACILITIES MAINTENANCE.....</b>	<b>12,674,926</b>	<b>12,708,306</b>	<b>10,305,612</b>	<b>1,932,390</b>	<b>470,304</b>
<b>PUBLIC SAFETY:</b>					
Police Department:					
Personnel Services.....	6,538,148	6,903,714	6,902,802	-	912
Expenses.....	1,044,739	1,044,739	814,008	229,893	838
Capital Outlay.....	92,525	92,525	3,211	89,314	-
	<b>7,675,412</b>	<b>8,040,978</b>	<b>7,720,021</b>	<b>319,207</b>	<b>1,750</b>
Special School Police:					
Personnel Services.....	136,878	136,878	48,137	-	88,741
Expenses.....	4,183	4,183	1,285	490	2,408
	<b>141,061</b>	<b>141,061</b>	<b>49,422</b>	<b>490</b>	<b>91,149</b>
Fire Department:					
Personnel Services.....	5,957,091	6,624,589	6,606,528	-	18,061
Expenses.....	407,805	497,805	394,341	102,152	1,312
Capital Outlay.....	454,419	454,419	308,516	145,772	131
	<b>6,819,315</b>	<b>7,576,813</b>	<b>7,309,385</b>	<b>247,924</b>	<b>19,504</b>
Building Department:					
Personnel Services.....	604,304	622,851	621,552	-	1,299
Expenses.....	39,100	39,100	23,529	-	15,571
	<b>643,404</b>	<b>661,951</b>	<b>645,081</b>	<b>-</b>	<b>16,870</b>
Sealer of Weights and Measurers:					
Personnel Services.....	15,660	15,660	12,916	-	2,744
Expenses.....	2,550	2,550	2,013	-	537
	<b>18,210</b>	<b>18,210</b>	<b>14,929</b>	<b>-</b>	<b>3,281</b>
<b>TOTAL PUBLIC SAFETY.....</b>	<b>15,297,402</b>	<b>16,439,013</b>	<b>15,738,838</b>	<b>567,621</b>	<b>132,554</b>
<b>PUBLIC WORKS:</b>					
Engineering:					
Personnel Services.....	591,328	391,198	372,496	-	18,702
Expenses.....	69,471	40,540	37,132	3,408	-
Capital Outlay.....	180,000	180,000	-	180,000	-
	<b>840,799</b>	<b>611,738</b>	<b>409,628</b>	<b>183,408</b>	<b>18,702</b>
Highway:					
Personnel Services.....	1,255,628	926,325	926,325	-	-
Expenses.....	646,918	365,100	245,751	28,161	91,188
Capital Outlay.....	2,067,937	2,110,357	1,403,577	706,780	-
	<b>3,970,483</b>	<b>3,401,782</b>	<b>2,575,653</b>	<b>734,941</b>	<b>91,188</b>
Fleet Maintenance:					
Personnel Services.....	208,392	249,878	249,878	-	-
Expenses.....	44,331	44,331	44,331	-	-
	<b>252,723</b>	<b>294,209</b>	<b>294,209</b>	<b>-</b>	<b>-</b>

*See notes to required supplementary information.*

# Town of Wellesley, Massachusetts

## General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Continued)

**Year Ended June 30, 2024**

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
<b>Park:</b>					
Personnel Services.....	1,455,303	1,538,423	1,538,423	-	-
Expenses.....	520,048	520,048	436,946	13,363	69,739
Capital Outlay.....	915,931	915,931	702,070	213,861	-
	<u>2,891,282</u>	<u>2,974,402</u>	<u>2,677,439</u>	<u>227,224</u>	<u>69,739</u>
<b>Recycling and Disposal:</b>					
Personnel Services.....	1,243,904	1,259,488	1,235,613	-	23,875
Expenses.....	1,837,172	1,836,484	1,592,396	183,119	60,969
Capital Outlay.....	238,879	239,397	41,550	197,847	-
	<u>3,319,955</u>	<u>3,335,369</u>	<u>2,869,559</u>	<u>380,966</u>	<u>84,844</u>
<b>Management:</b>					
Personnel Services.....	440,406	399,343	396,695	-	2,648
Expenses.....	24,580	24,524	20,763	1,075	2,686
Capital Outlay.....	1,717,053	1,717,054	667,836	1,049,218	-
	<u>2,182,039</u>	<u>2,140,921</u>	<u>1,085,294</u>	<u>1,050,293</u>	<u>5,334</u>
<b>Winter Maintenance:</b>					
Expenses.....	379,177	779,177	494,068	-	285,109
<b>TOTAL PUBLIC WORKS.....</b>	<b>13,836,458</b>	<b>13,537,598</b>	<b>10,405,850</b>	<b>2,576,832</b>	<b>554,916</b>
<b>WELLESLEY FREE LIBRARY:</b>					
Library Trustees:					
Personnel Services.....	2,238,157	2,323,480	2,252,389	-	71,091
Expenses.....	716,749	730,619	726,322	4,192	105
Capital Outlay.....	253,621	253,621	78,806	174,815	-
	<u>3,208,527</u>	<u>3,307,720</u>	<u>3,057,517</u>	<u>179,007</u>	<u>71,196</u>
<b>RECREATION:</b>					
Recreation Commission:					
Personnel Services.....	394,072	410,012	410,012	-	-
Expenses.....	32,269	32,270	17,225	-	15,045
<b>TOTAL RECREATION.....</b>	<b>426,341</b>	<b>442,282</b>	<b>427,237</b>	<b>-</b>	<b>15,045</b>
<b>HEALTH:</b>					
Board of Health:					
Personnel Services.....	911,198	948,120	807,201	-	140,919
Expenses.....	187,560	171,132	112,366	6,229	52,537
	<u>1,098,758</u>	<u>1,119,252</u>	<u>919,567</u>	<u>6,229</u>	<u>193,456</u>
Mental Health Services:					
Expenses.....	268,404	268,404	268,356	-	48
<b>TOTAL HEALTH.....</b>	<b>1,367,162</b>	<b>1,387,656</b>	<b>1,187,923</b>	<b>6,229</b>	<b>193,504</b>
<b>NATURAL RESOURCES:</b>					
Natural Resources Commission:					
Personnel Services.....	292,659	300,837	300,837	-	-
Expenses.....	53,948	50,864	39,555	-	11,309
Capital Outlay.....	407,804	410,888	77,735	325,607	7,546
	<u>754,411</u>	<u>762,589</u>	<u>418,127</u>	<u>325,607</u>	<u>18,855</u>
Morses Pond:					
Personnel Services.....	-	-	-	-	-
Expenses.....	155,750	155,750	149,331	-	6,419
Capital Outlay.....	1,825	1,825	1,825	-	-
	<u>157,575</u>	<u>157,575</u>	<u>151,156</u>	<u>-</u>	<u>6,419</u>
<b>TOTAL NATURAL RESOURCES.....</b>	<b>911,986</b>	<b>920,164</b>	<b>569,283</b>	<b>325,607</b>	<b>25,274</b>

*See notes to required supplementary information.*

# Town of Wellesley, Massachusetts

## General Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance

### Budget and Actual (Continued)

**Year Ended June 30, 2024**

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
WELLESLEY PUBLIC SCHOOLS.....	97,140,266	97,140,261	89,921,805	6,279,964	938,492
<b>EMPLOYEE BENEFITS:</b>					
Group Insurance:					
Expenses.....	21,365,965	21,179,565	20,866,675	-	312,890
Medical - Police & Fire:					
Expenses.....	100,000	100,000	73,987	-	26,013
Worker's Compensation:					
Expenses.....	700,070	700,070	700,070	-	-
Other Postemployment Benefits Liability Fund:					
Expenses.....	3,450,000	3,450,000	3,293,629	-	156,371
Retirement Contribution:					
Expenses.....	8,846,365	8,846,365	8,846,365	-	-
Unemployment Compensation:					
Expenses.....	100,000	100,000	100,000	-	-
Compensated Absences:					
Expenses.....	120,000	130,400	130,339	-	61
<b>TOTAL EMPLOYEE BENEFITS.....</b>	<b>34,682,400</b>	<b>34,506,400</b>	<b>34,011,065</b>	<b>-</b>	<b>495,335</b>
State and County Charges.....	1,395,057	1,395,057	1,407,314	-	(12,257)
Debt service:					
Principal.....	12,785,000	12,785,000	12,785,000	-	-
Interest.....	6,531,316	6,531,316	6,358,672	-	172,644
Total debt service.....	19,316,316	19,316,316	19,143,672	-	172,644
<b>TOTAL EXPENDITURES.....</b>	<b>210,587,393</b>	<b>210,358,161</b>	<b>193,234,474</b>	<b>13,009,493</b>	<b>4,114,194</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....</b>	<b>(17,264,437)</b>	<b>(17,035,205)</b>	<b>12,338,606</b>	<b>(13,009,493)</b>	<b>16,364,318</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Use of prior year fund balance to fund carryovers.....	13,072,192	13,072,192	-	-	(13,072,192)
Free cash.....	1,624,787	2,384,787	-	-	(2,384,787)
Free cash voted to fund fiscal year 2024 budget.....	2,500,000	2,500,000	-	-	(2,500,000)
Transfers in.....	1,991,248	1,991,248	2,001,286	-	10,038
Transfers out.....	(1,923,790)	(2,913,022)	(3,125,774)	-	(212,752)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>17,264,437</b>	<b>17,035,205</b>	<b>(1,124,488)</b>	<b>-</b>	<b>(18,159,693)</b>
<b>NET CHANGE IN FUND BALANCE.....</b>	<b>-</b>	<b>-</b>	<b>11,214,118</b>	<b>(13,009,493)</b>	<b>(1,795,375)</b>
<b>BUDGETARY FUND BALANCE, Beginning of year.....</b>	<b>46,962,693</b>	<b>46,962,693</b>	<b>46,962,693</b>	<b>-</b>	<b>-</b>
<b>BUDGETARY FUND BALANCE, End of year.....</b>	<b>\$ 46,962,693</b>	<b>\$ 46,962,693</b>	<b>\$ 58,176,811</b>	<b>\$ (13,009,493)</b>	<b>\$ (1,795,375)</b>

*See notes to required supplementary information.*

## ***Pension Plan Schedules – Retirement System***

The Pension Plan's Schedule of Changes in Net Pension Liability and Related Ratios presents multi-year trend information on the Plan's net pension liability and related ratios.

The Pension Plan's Schedule of Contributions presents multi-year trend information on the required and actual contributions to the pension plan and related ratios.

The Pension Plan's Schedule of Investment Returns presents multi-year trend information on the money-weighted investment return on retirement assets, net of investment expense.

# Town of Wellesley, Massachusetts

## Schedule of the Changes in the Net Pension Liability and Related Ratios

### Wellesley Contributory Retirement System

	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023
<b>Total pension liability:</b>										
Service cost.....	\$ 5,067,998	\$ 5,629,329	\$ 5,835,095	\$ 6,056,541	\$ 6,304,678	\$ 6,466,006	\$ 6,653,787	\$ 7,592,740	\$ 8,065,078	\$ 7,924,314
Interest.....	13,553,363	14,040,337	14,622,378	14,872,702	15,690,721 <sup>1</sup>	16,505,745	17,178,584	17,198,697	17,837,029	18,102,051
Differences between expected and actual experience.....	(4,690,325)	-	(3,526,008)	-	2,850,684	184,200	(4,805,590)	-	(1,060,404)	-
Changes of benefit terms.....	10,614,112	-	2,112,997	-	-	-	-	-	-	4,948,639
Changes in assumptions.....	-	-	-	2,765,608	-	-	20,784,416	-	(4,555,975)	-
Benefit payments.....	(10,336,763)	(11,105,145)	(11,400,054)	(11,400,176)	(11,790,962)	(13,619,213)	(12,756,204)	(14,081,067)	(15,153,648)	(16,289,216)
Net change in total pension liability.....	14,208,385	8,564,521	7,644,408	12,294,675	13,055,121	9,536,738	27,054,993	10,710,370	5,132,080	14,685,788
Total pension liability - beginning.....	193,719,852	207,928,237	216,492,758	224,137,166	236,431,841	249,486,962	259,023,700	286,078,693	296,789,063	301,921,143
Total pension liability - ending (a).....	\$ 207,928,237	\$ 216,492,758	\$ 224,137,166	\$ 236,431,841	\$ 249,486,962	\$ 259,023,700	\$ 286,078,693	\$ 296,789,063	\$ 301,921,143	\$ 316,606,931
<b>Plan fiduciary net position:</b>										
Employer contributions.....	\$ 7,070,467	\$ 7,304,832	\$ 7,562,273	\$ 7,835,775	\$ 8,371,229	\$ 8,868,984	\$ 9,454,478	\$ 9,776,446	\$ 10,054,016	\$ 10,355,519
Member contributions.....	3,393,034	3,478,496	3,608,960	3,783,992	3,918,951	3,869,218	4,016,762	4,186,703	4,350,408	4,490,645
Net investment income (loss).....	10,717,718	1,152,712	11,291,223	27,868,069	(4,523,402)	29,988,757	25,662,288	47,476,307	(32,437,096)	28,250,965
Administrative expenses.....	(226,954)	(250,722)	(245,349)	(243,555)	(224,469)	(255,811)	(205,532)	(284,741)	(262,337)	(328,462)
Retirement benefits and refunds.....	(10,336,763)	(11,105,145)	(11,400,054)	(11,400,176)	(11,790,962)	(13,619,213)	(12,756,204)	(14,081,067)	(15,153,648)	(16,289,216)
Other receipts.....	-	-	-	-	-	-	402	6,011	-	-
Net increase (decrease) in fiduciary net position.....	10,617,502	580,173	10,817,053	27,844,105	(4,248,653)	28,851,935	26,173,194	47,079,659	(33,448,657)	26,479,451
Fiduciary net position - beginning of year.....	142,338,421	152,955,923	153,536,096	164,353,149	192,197,254	187,948,601	216,800,536	242,973,730	290,053,389	256,604,732
Fiduciary net position - end of year (b).....	\$ 152,955,923	\$ 153,536,096	\$ 164,353,149	\$ 192,197,254	\$ 187,948,601	\$ 216,800,536	\$ 242,973,730	\$ 290,053,389	\$ 256,604,732	\$ 283,084,183
<b>Net pension liability - ending (a)-(b).....</b>	<b>\$ 54,972,314</b>	<b>\$ 62,956,662</b>	<b>\$ 59,784,017</b>	<b>\$ 44,234,587</b>	<b>\$ 61,538,361</b>	<b>\$ 42,223,164</b>	<b>\$ 43,104,963</b>	<b>\$ 6,735,674</b>	<b>\$ 45,316,411</b>	<b>\$ 33,522,748</b>
Plan fiduciary net position as a percentage of the total pension liability.....	73.56%	70.92%	73.33%	81.29%	75.33%	83.70%	84.93%	97.73%	84.99%	89.41%
Covered payroll.....	\$ 35,228,283	\$ 35,959,727	\$ 36,836,364	\$ 38,226,711	\$ 39,169,350	\$ 40,682,134	\$ 40,939,192	\$ 42,492,899	\$ 42,803,291	\$ 44,453,210
Net pension liability as a percentage of covered payroll.....	156.05%	175.08%	162.30%	115.72%	157.11%	103.79%	105.29%	15.85%	105.87%	75.41%
Discount rate.....	7.000%	6.750%	6.750%	6.625%	6.625%	6.625%	6.00%	6.00%	6.00%	6.00%

*See notes to required supplementary information.*

# Town of Wellesley, Massachusetts

## Schedule of Contributions

### Wellesley Contributory Retirement System

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
December 31, 2023.....	\$ 10,338,575	\$ (10,355,519)	\$ (16,944)	\$ 44,453,210	23.30%
December 31, 2022.....	10,034,958	(10,054,016)	(19,058)	42,803,291	23.49%
December 31, 2021.....	9,756,209	(9,782,457)	(26,248)	42,492,899	23.02%
December 31, 2020.....	9,438,070	(9,454,478)	(16,408)	40,939,192	23.09%
December 31, 2019.....	8,851,507	(8,868,984)	(17,477)	40,682,134	21.80%
December 31, 2018.....	8,349,999	(8,371,229)	(21,230)	39,169,350	21.37%
December 31, 2017.....	7,835,775	(7,874,297)	(38,522)	38,226,711	20.60%
December 31, 2016.....	7,562,273	(7,562,273)	-	36,836,364	20.53%
December 31, 2015.....	7,285,897	(7,304,832)	(18,935)	35,959,727	20.31%
December 31, 2014.....	7,040,036	(7,070,467)	(30,431)	35,228,283	20.07%

*See notes to required supplementary information.*

## **Town of Wellesley, Massachusetts**

### **Schedule of Investment Returns**

#### **Wellesley Contributory Retirement System**

<u>Year</u>	<u>Annual money-weighted rate of return, net of investment expense</u>
December 31, 2023.....	11.16%
December 31, 2022.....	-11.34%
December 31, 2021.....	19.84%
December 31, 2020.....	12.02%
December 31, 2019.....	16.22%
December 31, 2018.....	-2.39%
December 31, 2017.....	17.19%
December 31, 2016.....	7.49%
December 31, 2015.....	0.76%
December 31, 2014.....	7.63%

*See notes to required supplementary information.*

## ***Pension Plan Schedules - Town***

The Schedule of the Town's Proportionate Share of the Net Pension Liability presents multi-year trend information on the Town's net pension liability and related ratios.

The Schedule of the Town's Contributions presents multi-year trend information on the Town's required and actual contributions to the pension plan and other ratios.

The Schedule of the Special Funding Amounts of the Net Pension Liability for the Massachusetts Teachers' Contributory Retirement System presents multi-year trend information on the liability and expense assumed by the Commonwealth of Massachusetts on behalf of the Town along with related ratios.

## Town of Wellesley, Massachusetts

### Schedule of the Town's Proportionate Share of the Net Pension Liability

#### Wellesley Contributory Retirement System

Year	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered payroll	Net pension liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
December 31, 2023.....	99.13%	\$ 33,232,041	\$ 44,067,715	75.41%	89.41%
December 31, 2022.....	99.17%	44,940,515	42,448,024	105.87%	84.99%
December 31, 2021.....	99.16%	6,678,767	42,133,894	15.85%	97.73%
December 31, 2020.....	99.14%	42,738,004	40,587,115	105.30%	84.93%
December 31, 2019.....	99.23%	41,868,634	40,368,882	103.72%	83.70%
December 31, 2018.....	99.22%	61,059,446	38,863,829	157.11%	75.33%
December 31, 2017.....	99.15%	43,857,182	37,901,784	115.71%	81.29%
December 31, 2016.....	99.16%	59,284,672	36,526,939	162.30%	73.33%
December 31, 2015.....	99.20%	62,453,930	35,672,049	175.08%	70.92%
December 31, 2014.....	99.20%	54,529,625	34,946,457	156.04%	73.56%

*See notes to required supplementary information.*

## Town of Wellesley, Massachusetts

### Schedule of the Town's Contributions

#### Wellesley Contributory Retirement System

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
June 30, 2024.....	\$ 10,248,920	\$ (10,282,500)	\$ (33,580)	\$ 44,897,742	22.90%
June 30, 2023.....	9,951,668	(9,983,171)	(31,503)	43,231,324	23.09%
June 30, 2022.....	9,673,783	(9,710,677)	(36,894)	42,917,828	22.63%
June 30, 2021.....	9,431,956	(9,448,364)	(16,408)	41,348,584	22.85%
June 30, 2020.....	8,844,772	(8,862,249)	(17,477)	41,088,955	21.57%
June 30, 2019.....	8,285,437	(8,306,667)	(21,230)	39,252,467	21.16%
June 30, 2018.....	7,784,319	(7,822,841)	(38,522)	38,280,802	20.44%
June 30, 2017.....	7,512,624	(7,512,624)	-	36,892,208	20.36%
June 30, 2016.....	7,224,702	(7,243,637)	(18,935)	36,028,770	20.11%
June 30, 2015.....	6,983,288	(6,983,288)	-	35,295,921	19.78%

*See notes to required supplementary information.*

## **Town of Wellesley, Massachusetts**

### **Schedule of the Special Funding Amounts of the Net Pension Liability**

#### **Massachusetts Teachers' Retirement System**

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers which creates a special funding situation. Therefore, there is no net pension liability to recognize. This schedule discloses the Commonwealth's 100% share of the associated collective net pension liability; the portion of the collective pension expense as both a revenue and pension expense recognized; and the Plan's fiduciary net position as a percentage of the total liability.

<b>Year</b>	<b>Commonwealth's 100% Share of the Associated Net Pension Liability</b>	<b>Expense and Revenue Recognized for the Commonwealth's Support</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Liability</b>
2024.....	\$ 189,089,676	\$ 17,655,329	58.48%
2023.....	186,752,539	15,362,218	57.75%
2022.....	173,045,569	13,886,186	62.03%
2021.....	212,253,250	26,216,317	50.67%
2020.....	187,118,342	22,691,347	53.95%
2019.....	175,120,312	17,745,908	54.84%
2018.....	166,750,488	17,404,234	54.25%
2017.....	161,173,004	16,440,703	52.73%
2016.....	145,970,533	11,839,507	55.38%
2015.....	113,081,320	7,856,302	61.64%

## ***Other Postemployment Benefit Plan Schedules***

The Schedule of Changes in the Town's Net Other Postemployment Benefit Liability and Related Ratios presents multi-year trend information on changes in the Plan's total OPEB liability, changes in the Plan's net position, and ending net OPEB liability. It also demonstrates the Plan's net position as a percentage of the total liability and the Plan's net other postemployment benefit liability as a percentage of covered employee payroll.

The Schedule of the Town's Contributions presents multi-year trend information on the Town's actual contributions to the other postemployment benefit plan and related ratios.

The Schedule of Investment Returns presents multi-year trend information on the money-weighted investment return on the Plan's other postemployment assets, net of investment expense.

These schedules are intended to present information for ten years. Until a ten year trend is compiled, information is presented for those years for which information is available.

## Town of Wellesley, Massachusetts

### Schedule of Changes in the Town's Net OPEB Liability and Related Ratios

#### Other Postemployment Benefit Plan

	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024
<b>Total OPEB Liability</b>								
Service Cost.....	\$ 3,695,446	\$ 3,793,326	\$ 4,018,416	\$ 4,217,478	\$ 4,247,728	\$ 4,994,842	\$ 5,348,412	\$ 4,931,842
Interest.....	7,545,735	7,990,117	8,431,566	8,120,416	8,470,561	8,509,474	9,400,896	8,826,420
Changes of benefit terms.....	-	-	-	-	(888,614)	-	(19,227,500)	-
Differences between expected and actual experience.....	-	(5,332,500)	-	(1,847,908)	7,093,397	6,729,387	1,040,455	7,510,229
Changes of assumptions.....	-	(4,380,595)	-	(5,088,867)	(5,468,869)	(5,936,215)	(5,518,162)	(5,928,384)
Benefit payments.....	(4,614,800)	(5,078,148)	(5,619,307)	(5,088,867)	(5,468,869)	(5,936,215)	(5,518,162)	(5,928,384)
Net change in total OPEB liability.....	6,626,381	(3,007,800)	6,830,675	5,401,119	13,454,203	14,297,488	(8,955,899)	15,340,107
Total OPEB liability - beginning.....	<u>110,450,012</u>	<u>117,076,393</u>	<u>114,068,593</u>	<u>120,899,268</u>	<u>126,300,387</u>	<u>139,754,590</u>	<u>154,052,078</u>	<u>145,096,179</u>
Total OPEB liability - ending (a).....	<u>\$ 117,076,393</u>	<u>\$ 114,068,593</u>	<u>\$ 120,899,268</u>	<u>\$ 126,300,387</u>	<u>\$ 139,754,590</u>	<u>\$ 154,052,078</u>	<u>\$ 145,096,179</u>	<u>\$ 160,436,286</u>
<b>Plan fiduciary net position</b>								
Employer contributions.....	\$ 3,464,970	\$ 3,646,371	\$ 3,645,843	\$ 3,648,209	\$ 3,493,370	\$ 3,616,009	\$ 3,631,505	\$ 3,441,000
Employer contributions for OPEB payments.....	4,614,800	5,078,148	5,619,307	5,088,867	5,468,869	5,936,215	5,518,162	5,928,384
Net investment income (loss).....	5,975,037	5,307,352	3,713,928	1,392,631	22,763,568	(4,077,957)	5,940,942	10,874,575
Benefit payments.....	(4,614,800)	(5,078,148)	(5,619,307)	(5,088,867)	(5,468,869)	(5,936,215)	(5,518,162)	(5,928,384)
Net change in plan fiduciary net position.....	9,440,007	8,953,723	7,359,771	5,040,840	26,256,938	(461,948)	9,572,447	14,315,575
Plan fiduciary net position - beginning of year.....	<u>44,229,961</u>	<u>53,669,968</u>	<u>62,623,691</u>	<u>69,983,462</u>	<u>75,024,302</u>	<u>101,281,240</u>	<u>100,819,292</u>	<u>110,391,739</u>
Plan fiduciary net position - end of year (b).....	<u>\$ 53,669,968</u>	<u>\$ 62,623,691</u>	<u>\$ 69,983,462</u>	<u>\$ 75,024,302</u>	<u>\$ 101,281,240</u>	<u>\$ 100,819,292</u>	<u>\$ 110,391,739</u>	<u>\$ 124,707,314</u>
<b>Net OPEB liability - ending (a)-(b).....</b>	<b><u>\$ 63,406,425</u></b>	<b><u>\$ 51,444,902</u></b>	<b><u>\$ 50,915,806</u></b>	<b><u>\$ 51,276,085</u></b>	<b><u>\$ 38,473,350</u></b>	<b><u>\$ 53,232,786</u></b>	<b><u>\$ 34,704,440</u></b>	<b><u>\$ 35,728,972</u></b>
Plan fiduciary net position as a percentage of the total OPEB liability.....	45.84%	54.90%	57.89%	59.40%	72.47%	65.44%	76.08%	77.73%
Covered-employee payroll.....	\$ 96,595,069	\$ 98,526,970	\$ 100,497,509	\$ 102,507,459	\$ 104,557,608	\$ 106,648,760	\$ 108,781,735	\$ 110,957,370
Net OPEB liability as a percentage of covered-employee payroll.....	65.64%	52.21%	50.66%	50.02%	36.80%	49.91%	31.90%	32.20%
Discount rate.....	6.750%	6.750%	6.625%	6.625%	6.00%	6.00%	6.00%	6.00%

Note: this schedule is intended to present information for 10 years.

Until a 10-year trend is compiled, information is presented for those years for which information is available.

*See notes to required supplementary information.*

## Town of Wellesley, Massachusetts

### Schedule of the Town's Contributions

#### Other Postemployment Benefit Plan

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered-employee payroll
June 30, 2024.....	\$ 8,132,926	\$ (9,369,384)	\$ (1,236,458)	\$ 110,957,370	8.44%
June 30, 2023.....	8,056,967	(9,149,667)	(1,092,700)	108,781,735	8.41%
June 30, 2022.....	8,653,738	(9,552,224)	(898,486)	106,648,760	8.96%
June 30, 2021.....	9,173,192	(8,962,239)	210,953	104,557,608	8.57%
June 30, 2020.....	8,041,954	(8,737,076)	(695,122)	102,507,459	8.52%
June 30, 2019.....	7,825,463	(9,265,150)	(1,439,687)	100,497,509	9.22%
June 30, 2018.....	8,750,052	(8,724,519)	25,533	98,526,970	8.85%
June 30, 2017.....	8,484,223	(8,079,770)	404,453	96,595,069	8.36%

Note: this schedule is intended to present information for 10 years.

Until a 10-year trend is compiled, information is presented for those years for which information is available.

*See notes to required supplementary information.*

## **Town of Wellesley, Massachusetts**

### **Schedule of Investment Returns**

#### **Other Postemployment Benefit Plan**

<b>Year</b>	<b>Annual money-weighted rate of return, net of investment expense</b>
June 30, 2024.....	9.64%
June 30, 2023.....	5.83%
June 30, 2022.....	-3.93%
June 30, 2021.....	29.58%
June 30, 2020.....	1.93%
June 30, 2019.....	5.79%
June 30, 2018.....	9.62%
June 30, 2017.....	12.80%

Note: this schedule is intended to present information for 10 years. Until a 10-year trend is compiled, information is presented for those years for which information is available.

# **Town of Wellesley, Massachusetts**

## **Notes to the Required Supplementary Information**

### **For the Year Ended June 30, 2024**

#### **NOTE A – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

##### Budgetary Information

Municipal Law requires the adoption of a balanced budget for the general fund that is approved at the Annual Town Meeting. The Town has an Advisory Committee that submits reports on proposed appropriations at Town Meetings. The appropriated budget is prepared by fund, function and department. Transfers of appropriations among departments require the approval of Town Meeting.

The majority of appropriations are non-continuing which lapse at the end of each year. Others are continuing appropriations for which the governing body has authorized that an unspent balance from a prior year be carried forward and made available for spending in the current year. These carry forwards are included as part of the subsequent year's original budget.

In the budgetary schedule, revenues are reported on a cash basis and expenditures that relate to the current year appropriations are recorded when incurred. Generally, expenditures may not exceed the legal level of spending (salaries, expenses and capital) authorized for an appropriation account. However, the payment of debt service is statutorily required, regardless of whether such amounts are appropriated. Additionally, expenditures for disasters, natural or otherwise, and final judgments may exceed the level of spending authorized by two-thirds majority vote of the Select Board and written approval from the Massachusetts Department of Revenue.

An annual budget is adopted for the general fund in conformity with the guidelines described above. The original 2024 budget included \$199.4 million in appropriations and other amounts to be raised and \$13.1 million in amounts carried over from previous years. During 2024, the Town approved \$760,000 of supplemental appropriations primarily for public safety functional expenditures and winter maintenance. These supplemental appropriations were financed through the use of free cash.

The Financial Services Department has the responsibility to ensure that budgetary control is maintained. Budgetary control is exercised through the accounting system.

##### Budgetary – GAAP Reconciliation

For budgetary financial reporting purposes, the Uniform Municipal Accounting System basis of accounting (established by the Commonwealth) is followed, which differs from the GAAP basis of accounting.

# **Town of Wellesley, Massachusetts**

## **Notes to the Required Supplementary Information**

### **For the Year Ended June 30, 2024**

A reconciliation of budgetary-basis to GAAP-basis results for the general fund for the year ended June 30, 2024, is presented below:

Net change in fund balance - budgetary basis.....	\$ 11,214,118
---------------------------------------------------	---------------

#### Perspective differences:

Activity of the stabilization fund recorded in the general fund for GAAP.....	395,080
-------------------------------------------------------------------------------	---------

#### Basis of accounting differences:

Net change in recording tax refunds payable.....	(18,569)
Net change in recording 60 day receipts.....	248,000
Net change in recording accrued expenditures.....	331,867
Recognition of revenue for on-behalf payments.....	17,655,329
Recognition of expenditures for on-behalf payments.....	<u>(17,655,329)</u>

Net change in fund balance - GAAP basis.....	\$ <u>12,170,496</u>
----------------------------------------------	----------------------

#### Appropriation Deficits

During 2024, actual expenditures exceeded appropriations for state and county charges. State and county charges are assessments from the Commonwealth, which are directly deducted from local receipts provided by the State. The Town is not required to raise the state and county assessment deficit.

## **NOTE B – PENSION PLAN**

### ***Pension Plan Schedules – Retirement System***

#### Schedule of Changes in the Net Pension Liability and Related Ratios

The Schedule of Changes in the Net Pension Liability and Related Ratios includes the detailed changes in the System's total pension liability, changes in the System's net position, and the ending net pension liability. It also demonstrates the plan's net position as a percentage of the total pension liability and the net pension liability as a percentage of covered payroll.

#### Schedule of Contributions

Governmental employers are required to pay an annual appropriation as established by PERAC. The total appropriation includes the amounts to pay the pension portion of each member's retirement allowance, an amount to amortize the actuarially determined unfunded liability to zero in accordance

# **Town of Wellesley, Massachusetts**

## **Notes to the Required Supplementary Information**

### **For the Year Ended June 30, 2024**

with the System's funding schedule, and additional appropriations in accordance with adopted early retirement incentive programs. The total appropriations are payable on July 1 and January 1. Employers may choose to pay the entire appropriation in July at a discounted rate. Accordingly, actual employer contributions may be less than the "total appropriation". The pension fund appropriations are allocated amongst employers based on an actuarial valuation.

#### Schedule of Investment Returns

The money weighted rate of return is calculated as the internal rate of return on pension plan investments, net of pension plan investment expense. A money weighted rate of return expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested. Inputs to the money weighted rate of return calculation are determined monthly.

#### ***Pension Plan Schedules - Town***

##### Schedule of the Town's Proportionate Share of the Net Pension Liability

The Schedule of the Town's Proportionate Share of the Net Pension Liability details the allocated percentage of the net pension liability (asset), the proportionate share of the net pension liability, and the covered employee payroll. It also demonstrates the net position as a percentage of the pension liability and the net pension liability as a percentage of covered payroll.

##### Schedule of the Town's Contributions

Governmental employers are required to pay an annual appropriation as established by PERAC. The appropriation includes the amounts to pay the pension portion of each member's retirement allowance, an amount to amortize the actuarially determined unfunded liability to zero in accordance with the system's funding schedule, and additional appropriations in accordance with adopted early retirement incentive programs. The appropriations are payable on July 1 and January 1. The Town may choose to pay the entire appropriation in July at a discounted rate. Accordingly, actual contributions may be less than the "total appropriation". The pension fund appropriation is allocated to the Town on an actuarial basis.

##### Schedule of the Special Funding Amounts of the Net Pension Liabilities

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers which creates a special funding situation. Since the Town does not contribute directly to MTRS, there is no net pension liability to recognize. This schedule discloses the Commonwealth's 100% share of the collective net pension liability that is associated with the Town; the portion of the collective pension expense as both revenue and pension expense recognized by the Town; and the Plan's fiduciary net position as a percentage of the total liability.

# **Town of Wellesley, Massachusetts**

## **Notes to the Required Supplementary Information**

### **For the Year Ended June 30, 2024**

#### Changes in Assumptions

None.

#### Changes in Plan Provisions

The Retirement Board approved a one time increase in the COLA from 3% to 5% effective July 1, 2022 and increased the COLA Base from \$18,000 to \$19,000 effective July 1, 2023.

## **NOTE C – OTHER POSTEMPLOYMENT BENEFITS**

The Town administers a single-employer defined benefit healthcare plan (“The Other Postemployment Benefit Plan”). The plan provides lifetime healthcare and life insurance for eligible retirees and their spouses through the Town’s group health insurance plan, which covers both active and retired members.

### **The Other Postemployment Benefit Plan**

#### The Schedule of Changes in the Town’s Net Other Postemployment Benefit Liability and Related Ratios

The Schedule of Changes in the Town’s Net Other Postemployment Benefit Liability and Related Ratios presents multi-year trend information on changes in the Plan’s total OPEB liability, changes in the Plan’s net position, and ending net OPEB liability. It also demonstrates the Plan’s net position as a percentage of the total liability and the Plan’s net other postemployment benefit liability as a percentage of covered-employee payroll.

#### Schedule of the Town’s Contributions

The Schedule of the Town’s Contributions includes the Town’s annual required contribution to the Plan, along with the contribution made in relation to the actuarially determined contribution and the covered-employee payroll. The Town is not required to fully fund this contribution. It also demonstrates the contributions as a percentage of covered-employee payroll. Methods and assumptions used to determine contribution rates are as noted on the following page.

# **Town of Wellesley, Massachusetts**

## **Notes to the Required Supplementary Information**

### **For the Year Ended June 30, 2024**

Valuation date.....	Actuarially determined contribution for the fiscal year ending June 30, 2024 was determined with the December 31, 2022, actuarial valuation.
Actuarial cost method.....	Entry age normal - level percentage of payroll.
Amortization method.....	Payments increase at 3.0% per year.
Remaining amortization period.....	14 years as of July 1, 2023.
Asset valuation method.....	Fair Value
Discount rate/Investment rate of return.....	6.00%
Inflation rate.....	3.00%
Health care trends rate.....	Medical and Prescription Drug (Non-Medicare): 9.14%, then 7.75% graded by 0.25% for 13 years to an ultimate level of 4.50% Medical and Prescription Drug (Medicare): 7.09%, 17.47% then 7.50% graded by 0.25% for 12 years to an ultimate level of 4.50% Medical Part B Premium: 4.50%.
Mortality rates.....	Pre-Retirement (Non-Teachers): RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2021 set forward one year for females.  Healthy (Non-Teachers): RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2021 set forward one year for females.  Disabled (Non-Teachers): RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2021 set forward one year.  Pre-Retirement (Teachers): Pub-2010 Teacher Employee Mortality Table (headcount weighted) projected generationally with Scale MP-  Healthy (Teachers): Pub-2010 Teacher Mortality Table (headcount weighted) projected generationally with Scale MP-2020.  Disabled (Teachers): Pub-2010 Teacher Mortality Table (headcount weighted) projected generationally with Scale-2020.

## **Town of Wellesley, Massachusetts**

### **Notes to the Required Supplementary Information**

**For the Year Ended June 30, 2024**

#### Schedule of Investment Returns

The Schedule of Investment Returns includes the money-weighted investment return on the Plan's other postemployment assets, net of investment expense.

#### Changes of Assumptions

The medical and prescription drug trend assumption was revised to reflect known increases in the estimated impact of the Inflation Reduction Act of 2022.

#### Changes in Plan Provisions

None.

## *Combining Statements*

# ***Nonmajor Governmental Funds***

## **SPECIAL REVENUE FUNDS**

Special Revenue Funds are used to account for specific revenue sources that are restricted by law or administrative action to expenditures for specific purposes.

***School Lunch Fund*** – This fund accounts for the school cafeteria activities and is funded by user fees and grants.

***Community Preservation Fund*** – This fund is used to account for funds received in accordance with the Community Preservation Act (the CPA). Funds are received under the CPA through a surcharge of 1% of the real property tax levy and matching state grants. The funds are spent for the acquisition, creation and preservation of open space, historic resources and affordable housing.

***State and Federal Grant Programs*** – This fund accounts for Federal and state grants which are designated for specific programs.

***Receipts Reserved Fund*** – This fund accounts for specific receipts identified by the Commonwealth that are to be held until appropriated.

***Revolving Fund*** – This fund accounts for self-supporting programs sponsored by the Town.

***Recreation Revolving Fund*** – This fund accounts for self-supporting recreational programs sponsored by the Town's recreation department.

***Other Special Revenue for Governmental Purposes*** – This fund accounts for all other legally established special revenues where the funds are spent on governmental purposes.

***Highway Chapter 90*** – This fund accounts for activities associated with on-going road and sidewalk projects that are funded with grants from the Commonwealth.

## **PERMANENT FUND**

The Permanent Fund is used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the Town's programs. The Town maintains one fund to account for nonexpendable contributions and expendable earnings that can be spent on governmental purposes.

# Town of Wellesley, Massachusetts

## Nonmajor Governmental Funds Combining Balance Sheet

June 30, 2024

Special Revenue Funds											Total Nonmajor Governmental Funds
School Lunch	Community Preservation	State and Federal Grant Programs	Receipts Reserved	Revolving	Recreation Revolving	Other For Governmental Purposes	Highway Chapter 90	Subtotal	Permanent Fund		
<b>ASSETS</b>											
Cash and cash equivalents.....	\$ 714,498	\$ 12,119,080	\$ 1,339,999	\$ 2,479,336	\$ 4,998,369	\$ 480,892	\$ 5,056,337	\$ 27,188,511	\$ 461,383	\$ 27,649,894	
Investments.....	-	-	-	-	-	-	299,748	-	299,748	1,281,515	1,581,263
Receivables, net of uncollectibles:											
Community preservation fund surcharge.....	-	4,713	-	-	-	-	-	4,713	-	4,713	
Departmental and other.....	-	-	-	364,963	-	745,528	-	1,110,491	-	1,110,491	
Intergovernmental.....	-	237,565	-	-	-	-	446,441	684,006	-	-	684,006
<b>TOTAL ASSETS</b> .....	<b>\$ 714,498</b>	<b>\$ 12,361,358</b>	<b>\$ 1,339,999</b>	<b>\$ 2,479,336</b>	<b>\$ 5,363,332</b>	<b>\$ 480,892</b>	<b>\$ 6,101,613</b>	<b>\$ 446,441</b>	<b>\$ 29,287,469</b>	<b>\$ 1,742,898</b>	<b>\$ 31,030,367</b>
<b>LIABILITIES</b>											
Warrants payable.....	\$ 2,378	\$ 10,099	\$ 40,344	\$ 56,000	\$ 5,985	\$ 30,827	\$ 40,699	\$ 113,401	\$ 299,733	\$ 500	\$ 300,233
Accrued payroll.....	-	-	37,718	3,341	89,361	11,960	2,153	-	144,533	-	144,533
Due to other funds.....	-	-	-	-	-	-	-	69,165	69,165	-	69,165
Other liabilities.....	-	-	-	-	-	-	719,743	-	719,743	-	719,743
<b>TOTAL LIABILITIES</b> .....	<b>2,378</b>	<b>10,099</b>	<b>78,062</b>	<b>59,341</b>	<b>95,346</b>	<b>42,787</b>	<b>762,595</b>	<b>182,566</b>	<b>1,233,174</b>	<b>500</b>	<b>1,233,674</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>											
Taxes paid in advance.....	-	33,165	-	-	-	-	-	-	33,165	-	33,165
Unavailable revenue.....	-	242,278	-	-	364,963	-	-	263,875	871,116	-	871,116
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b> .....	<b>-</b>	<b>275,443</b>	<b>-</b>	<b>-</b>	<b>364,963</b>	<b>-</b>	<b>-</b>	<b>263,875</b>	<b>904,281</b>	<b>-</b>	<b>904,281</b>
<b>FUND BALANCES</b>											
Nonspendable.....	-	-	-	-	-	-	-	-	-	386,018	386,018
Restricted.....	712,120	12,075,816	1,261,937	2,419,995	4,903,023	438,105	5,339,018	-	27,150,014	1,356,380	28,506,394
<b>TOTAL FUND BALANCES</b> .....	<b>712,120</b>	<b>12,075,816</b>	<b>1,261,937</b>	<b>2,419,995</b>	<b>4,903,023</b>	<b>438,105</b>	<b>5,339,018</b>	<b>-</b>	<b>27,150,014</b>	<b>1,742,398</b>	<b>28,892,412</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b> .....	<b>\$ 714,498</b>	<b>\$ 12,361,358</b>	<b>\$ 1,339,999</b>	<b>\$ 2,479,336</b>	<b>\$ 5,363,332</b>	<b>\$ 480,892</b>	<b>\$ 6,101,613</b>	<b>\$ 446,441</b>	<b>\$ 29,287,469</b>	<b>\$ 1,742,898</b>	<b>\$ 31,030,367</b>

# Town of Wellesley, Massachusetts

## Nonmajor Governmental Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2024

Special Revenue Funds											Total Nonmajor Governmental Funds
School Lunch	Community Preservation	State and Federal Grant Programs	Receipts Reserved	Revolving	Recreation Revolving	Other For Governmental Purposes	Highway Chapter 90	Subtotal	Permanent Fund		
<b>REVENUES:</b>											
Charges for services.....	\$ 579,620	\$ -	\$ -	\$ 22,349	\$ -	\$ 867,517	\$ -	\$ 1,469,486	\$ -	\$ 1,469,486	
Parking meter receipts.....				\$ 759,966							\$ 759,966
Intergovernmental.....	1,677,446	329,314	6,690,100	-	270,372	-	2,923,316	1,245,062	13,135,610	-	13,135,610
Departmental and other.....	-	-	-	-	4,789,288	1,379,899	258,806	-	6,427,993	-	6,427,993
Community preservation surcharge.....	-	1,612,458	-	-	-	-	-	-	1,612,458	-	1,612,458
Contributions and donations.....	-	-	-	-	299,805	-	1,841,122	-	2,140,927	12,000	2,152,927
Investment income.....	-	624,845	535	-	-	-	-	-	625,380	101,595	726,975
<b>TOTAL REVENUES.....</b>	<b>2,257,066</b>	<b>2,566,617</b>	<b>6,690,635</b>	<b>782,315</b>	<b>5,359,465</b>	<b>1,379,899</b>	<b>5,890,761</b>	<b>1,245,062</b>	<b>26,171,820</b>	<b>113,595</b>	<b>26,285,415</b>
<b>EXPENDITURES:</b>											
Current:											
General government.....	-	-	245,951	-	144,518	-	481,367	-	871,836	68,613	940,449
Natural resources.....	-	-	-	-	7,765	-	15,817	-	23,582	2,702	26,284
Public safety.....	-	-	294,749	269,751	1,634,176	-	168,185	-	2,366,861	-	2,366,861
Public education.....	1,936,580	-	3,928,363	-	2,990,606	-	4,287,456	-	13,143,005	11,818	13,154,823
Public works.....	-	-	2,131,088	-	439,877	-	49,781	1,245,062	3,865,808	-	3,865,808
Health.....	-	-	78,025	-	9,920	-	17,693	-	105,638	-	105,638
Recreation.....	-	-	2,750	-	-	1,323,322	81,946	-	1,408,018	-	1,408,018
Library.....	-	-	59,648	-	21,378	-	300,731	-	381,757	18,700	400,457
Community preservation.....	-	402,637	-	-	-	-	-	-	402,637	-	402,637
Traffic and parking management.....	-	-	-	713,380	-	-	-	-	713,380	-	713,380
<b>TOTAL EXPENDITURES.....</b>	<b>1,936,580</b>	<b>402,637</b>	<b>6,740,574</b>	<b>983,131</b>	<b>5,248,240</b>	<b>1,323,322</b>	<b>5,402,976</b>	<b>1,245,062</b>	<b>23,282,522</b>	<b>101,833</b>	<b>23,384,355</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....</b>											
320,486	2,163,980	(49,939)	(200,816)	111,225	56,577	487,785	-	2,889,298	11,762	2,901,060	
<b>OTHER FINANCING SOURCES (USES):</b>											
Transfers in.....	-	-	-	399,003	212,752	-	89,538	-	701,293	-	701,293
Transfers out.....	-	(550,644)	(519,350)	-	(105,245)	(85,000)	-	-	(1,260,239)	-	(1,260,239)
<b>TOTAL OTHER FINANCING SOURCES (USES)....</b>	<b>-</b>	<b>(550,644)</b>	<b>(519,350)</b>	<b>399,003</b>	<b>107,507</b>	<b>(85,000)</b>	<b>89,538</b>	<b>-</b>	<b>(558,946)</b>	<b>-</b>	<b>(558,946)</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>320,486</b>	<b>1,613,336</b>	<b>(569,289)</b>	<b>198,187</b>	<b>218,732</b>	<b>(28,423)</b>	<b>577,323</b>	<b>-</b>	<b>2,330,352</b>	<b>11,762</b>	<b>2,342,114</b>
<b>FUND BALANCES AT BEGINNING OF YEAR.....</b>	<b>391,634</b>	<b>10,462,480</b>	<b>1,831,226</b>	<b>2,221,808</b>	<b>4,684,291</b>	<b>466,528</b>	<b>4,761,695</b>	<b>-</b>	<b>24,819,662</b>	<b>1,730,636</b>	<b>26,550,298</b>
<b>FUND BALANCES AT END OF YEAR.....</b>	<b>\$ 712,120</b>	<b>\$ 12,075,816</b>	<b>\$ 1,261,937</b>	<b>\$ 2,419,995</b>	<b>\$ 4,903,023</b>	<b>\$ 438,105</b>	<b>\$ 5,339,018</b>	<b>\$ -</b>	<b>\$ 27,150,014</b>	<b>\$ 1,742,398</b>	<b>\$ 28,892,412</b>

## ***Internal Service Funds***

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other governmental units, on a cost reimbursement basis.

***Fleet Maintenance Fund*** – This fund is used to account for the maintenance and fuel costs of all Town vehicles.

***Health Insurance Fund*** – This fund is used to account for the payment of health and other employee benefit programs.

***Unemployment Fund*** – This fund is used to account for required unemployment benefits of former Town employees.

***Workers' Compensation Fund*** – This fund is used to account for self-insured activities of providing workers compensation benefits to Town employees.

# Town of Wellesley, Massachusetts

## Internal Service Funds Combining Statement of Net Position

**June 30, 2024**

	Fleet Maintenance	Health Insurance	Unemployment	Workers' Compensation	Total Internal Service Funds
<b>ASSETS</b>					
CURRENT:					
Cash and cash equivalents.....	\$ 51,768	\$ 470,494	\$ 44,666	\$ 5,076	\$ 572,004
Investments.....	-	-	950,392	1,116,655	2,067,047
Receivables, net of allowance for uncollectibles:					
Departmental and other.....	-	11,463	-	-	11,463
TOTAL ASSETS.....	<u>51,768</u>	<u>481,957</u>	<u>995,058</u>	<u>1,121,731</u>	<u>2,650,514</u>
<b>LIABILITIES</b>					
CURRENT:					
Warrants payable.....	1,373	5,270	-	-	6,643
Accrued payroll.....	-	473,695	-	-	473,695
Workers' compensation.....	-	-	-	368,000	368,000
Total current liabilities.....	<u>1,373</u>	<u>478,965</u>	<u>-</u>	<u>368,000</u>	<u>848,338</u>
NONCURRENT:					
Workers' compensation.....	-	-	-	326,000	326,000
TOTAL LIABILITIES.....	<u>1,373</u>	<u>478,965</u>	<u>-</u>	<u>694,000</u>	<u>1,174,338</u>
<b>NET POSITION</b>					
Unrestricted.....	\$ 50,395	\$ 2,992	\$ 995,058	\$ 427,731	\$ 1,476,176

**Town of Wellesley, Massachusetts**

**Internal Service Funds**  
**Combining Statement of Revenues, Expenses and Changes in Net Position**

**Year Ended June 30, 2024**

	Fleet Maintenance	Health Insurance	Unemployment	Workers' Compensation	Total Internal Service Funds
<b>OPERATING REVENUES:</b>					
Employee contributions.....	\$ -	\$ 8,683,820	\$ -	\$ -	\$ 8,683,820
Employer contributions.....	-	21,430,240	-	-	21,430,240
Charges for services.....	1,404,346	-	100,000	730,000	2,234,346
<b>TOTAL OPERATING REVENUES .....</b>	<b>1,404,346</b>	<b>30,114,060</b>	<b>100,000</b>	<b>730,000</b>	<b>32,348,406</b>
<b>OPERATING EXPENSES:</b>					
Employee benefits.....	-	30,121,239	72,915	742,208	30,936,362
Fleet maintenance.....	1,358,152	-	-	-	1,358,152
<b>TOTAL OPERATING EXPENSES.....</b>	<b>1,358,152</b>	<b>30,121,239</b>	<b>72,915</b>	<b>742,208</b>	<b>32,294,514</b>
<b>OPERATING INCOME (LOSS).....</b>	<b>46,194</b>	<b>(7,179)</b>	<b>27,085</b>	<b>(12,208)</b>	<b>53,892</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>					
Investment income.....	-	-	39,612	79,461	119,073
<b>CHANGE IN NET POSITION.....</b>	<b>46,194</b>	<b>(7,179)</b>	<b>66,697</b>	<b>67,253</b>	<b>172,965</b>
<b>NET POSITION AT BEGINNING OF YEAR.....</b>	<b>4,201</b>	<b>10,171</b>	<b>928,361</b>	<b>360,478</b>	<b>1,303,211</b>
<b>NET POSITION AT END OF YEAR.....</b>	<b>\$ 50,395</b>	<b>\$ 2,992</b>	<b>\$ 995,058</b>	<b>\$ 427,731</b>	<b>\$ 1,476,176</b>

# Town of Wellesley, Massachusetts

## Internal Service Funds Combining Statement of Cash Flows

**Year Ended June 30, 2024**

	Fleet Maintenance	Health Insurance	Unemployment	Workers' Compensation	Total Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Receipts from customers and users.....	\$ -	\$ 8,690,997	\$ -	\$ -	\$ 8,690,997
Receipts from interfund services provided.....	1,404,346	21,430,240	100,000	730,000	23,664,586
Payments for interfund services used.....	(1,397,742)	(30,075,615)	(72,915)	(579,208)	(32,125,480)
NET CASH FROM OPERATING ACTIVITIES.....	6,604	45,622	27,085	150,792	230,103
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Purchase of investments.....	- -	- -	(22,031)	(264,790)	(286,821)
Investment income.....	- -	- -	39,612	79,461	119,073
NET CASH FROM INVESTING ACTIVITIES.....	- -	- -	17,581	(185,329)	(167,748)
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	6,604	45,622	44,666	(34,537)	62,355
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR.....	45,164	424,872	- -	39,613	509,649
CASH AND CASH EQUIVALENTS, END OF YEAR.....	\$ 51,768	\$ 470,494	\$ 44,666	\$ 5,076	\$ 572,004
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:</b>					
Operating income (loss).....	\$ 46,194	\$ (7,179)	\$ 27,085	\$ (12,208)	\$ 53,892
Adjustments to reconcile operating income (loss) to net cash from operating activities:					
Changes in assets and liabilities:					
Departmental and other.....	- -	7,177	- -	- -	7,177
Warrants payable.....	(39,590)	5,270	- -	- -	(34,320)
Accrued payroll.....	- -	40,354	- -	- -	40,354
Workers' compensation.....	- -	- -	- -	163,000	163,000
Total adjustments.....	(39,590)	52,801	- -	163,000	176,211
NET CASH FROM OPERATING ACTIVITIES.....	\$ 6,604	\$ 45,622	\$ 27,085	\$ 150,792	\$ 230,103

# *Statistical Section*

Statistical tables differ from financial statements since they usually cover more than one fiscal year and may present non-accounting data. The following tables reflect social and economic data, financial trends, and fiscal capacity.



Police Department Hybrid Cruiser  
Photo courtesy of Town of Wellesley

Town of Wellesley, Massachusetts  
Annual Comprehensive Financial Report  
For the year ended June 30, 2024



# ***Statistical Section***

This part of the Town of Wellesley's Annual Comprehensive Financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

## ***Financial Trends***

- These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.

## ***Revenue Capacity***

- These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.

## ***Debt Capacity***

- These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.

## ***Demographic and Economic Information***

- These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.

## ***Operating Information***

- These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

*SOURCES: Unless otherwise noted, the information in these schedules is derived from the audited financial reports for the relevant year.*

## Town of Wellesley, Massachusetts

### Net Position by Component

#### Last Ten Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Governmental activities</b>										
Net investment in capital assets.....	\$ 141,158,278	\$ 148,818,623	\$ 155,132,937	\$ 157,153,332	\$ 162,153,159	\$ 162,479,778	\$ 166,963,845	\$ 173,603,803	\$ 188,561,362	\$ 215,208,177
Restricted.....	10,394,774	10,572,176	10,236,030	10,715,597	11,918,885	12,883,650	13,494,223	17,161,426	18,786,037	20,419,169
Unrestricted.....	(1,065,091)	(126,380)	(60,532,686)	(56,118,900)	(61,737,797)	(45,077,981)	(31,580,628)	(13,628,765)	(1,281,081)	3,039,082
<b>Total governmental activities net position.....</b>	<b>\$ 150,487,961</b>	<b>\$ 159,264,419</b>	<b>\$ 104,836,281</b>	<b>\$ 111,750,029</b>	<b>\$ 112,334,247</b>	<b>\$ 130,285,447</b>	<b>\$ 148,877,440</b>	<b>\$ 177,136,464</b>	<b>\$ 206,066,318</b>	<b>\$ 238,666,428</b>
<b>Business-type activities</b>										
Net investment in capital assets.....	\$ 84,703,679	\$ 85,594,311	\$ 87,359,541	\$ 87,482,288	\$ 88,572,516	\$ 88,576,032	\$ 91,095,111	\$ 93,340,179	\$ 96,012,889	\$ 97,368,112
Restricted.....	2,000,000	2,000,000	2,000,000	2,000,000	1,000,000	1,000,000	1,000,000	1,000,000	3,063,993	3,348,540
Unrestricted.....	7,808,653	12,792,675	11,907,658	9,481,231	7,303,769	7,743,526	9,373,516	10,722,603	13,878,523	21,067,786
<b>Total business-type activities net position.....</b>	<b>\$ 94,512,332</b>	<b>\$ 100,386,986</b>	<b>\$ 101,267,199</b>	<b>\$ 98,963,519</b>	<b>\$ 96,876,285</b>	<b>\$ 97,319,558</b>	<b>\$ 101,468,627</b>	<b>\$ 105,062,782</b>	<b>\$ 112,955,405</b>	<b>\$ 121,784,438</b>
<b>Primary government</b>										
Net investment in capital assets.....	\$ 225,861,957	\$ 234,412,934	\$ 242,492,478	\$ 244,635,620	\$ 250,725,675	\$ 251,055,810	\$ 258,058,956	\$ 266,943,982	\$ 284,574,251	\$ 312,576,289
Restricted.....	12,394,774	12,572,176	12,236,030	12,715,597	12,918,885	13,883,650	14,494,223	18,161,426	21,850,030	23,767,709
Unrestricted.....	6,743,562	12,666,295	(48,625,028)	(46,637,669)	(54,434,028)	(37,334,455)	(22,207,112)	(2,906,162)	12,597,442	24,106,868
<b>Total primary government net position.....</b>	<b>\$ 245,000,293</b>	<b>\$ 259,651,405</b>	<b>\$ 206,103,480</b>	<b>\$ 210,713,548</b>	<b>\$ 209,210,532</b>	<b>\$ 227,605,005</b>	<b>\$ 250,346,067</b>	<b>\$ 282,199,246</b>	<b>\$ 319,021,723</b>	<b>\$ 360,450,866</b>

The Town implemented GASB Statements #75 in 2018 which required the net OPEB liability to be recorded for the first time. This also required the revision of the ending net position in 2017.

The 2019 column reflects the change in measurement date for GASB Statement #75.

The Town implemented GASB Statement #84 in 2021 which required the revision of 2020 ending net position.

# Town of Wellesley, Massachusetts

## Changes in Net Position

### Last Ten Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Expenses</b>										
Governmental activities:										
General government.....	\$ 14,818,677	\$ 16,065,450	\$ 8,805,331	\$ 8,814,934	\$ 9,652,907	\$ 10,204,381	\$ 10,467,922	\$ 10,958,616	\$ 12,402,900	\$ 12,073,624
Facilities maintenance.....	-	-	11,880,224	12,350,521	13,992,663	12,484,919	13,141,670	11,941,920	13,287,414	14,156,474
Natural resources.....	-	-	636,909	725,662	650,341	578,406	685,339	676,064	802,668	814,513
Public safety.....	18,190,686	19,814,209	17,132,944	17,548,998	19,494,235	18,065,791	16,528,319	14,950,639	20,277,444	22,811,429
Public education.....	107,336,897	111,214,742	118,927,884	122,811,840	129,130,514	127,392,966	134,824,373	125,111,284	130,815,799	144,433,762
Public works.....	11,612,335	11,467,571	14,112,079	13,920,456	14,862,889	14,829,916	15,186,863	15,541,723	17,619,602	15,408,045
Health.....	1,771,888	1,762,755	1,103,030	1,001,200	1,188,145	1,292,687	1,372,574	1,284,722	1,585,051	1,804,992
Library.....	4,092,547	4,509,513	4,251,592	4,420,548	4,477,590	4,582,627	4,206,811	4,010,995	5,330,772	5,762,209
Recreation.....	2,861,127	2,798,705	3,176,831	2,607,564	2,549,221	1,992,957	981,190	1,654,409	2,105,835	2,305,860
Traffic and parking management.....	651,374	761,292	832,610	789,994	725,300	1,039,262	663,265	632,053	742,804	713,380
Community preservation.....	35,941	75,855	187,011	687,669	357,988	331,855	240,468	153,550	137,844	402,637
Interest.....	3,080,832	5,219,877	4,830,418	4,391,453	4,416,324	4,008,703	3,752,244	4,157,954	5,953,469	4,905,304
Total government activities expenses.....	164,452,304	173,689,969	185,876,863	190,070,839	201,498,117	196,804,470	202,051,038	191,073,929	211,061,602	225,592,229
Business-type activities:										
Sewer.....	7,183,205	7,065,470	7,403,979	7,452,341	7,548,483	7,725,163	7,691,315	7,916,278	7,669,340	8,486,469
Water.....	6,293,253	5,741,906	6,100,706	6,707,078	6,736,557	7,879,097	7,633,496	7,174,603	8,694,792	9,766,876
Stormwater.....	-	-	-	-	-	-	-	-	-	978,162
Municipal light.....	33,471,296	31,752,049	33,237,686	38,605,006	39,338,634	34,014,913	34,296,172	34,756,415	35,449,813	35,272,264
Total business-type activities expenses.....	46,947,754	44,559,425	46,742,371	52,764,425	53,623,674	49,619,173	49,620,983	49,847,296	51,813,945	54,503,771
Total primary government expenses.....	\$ 211,400,058	\$ 218,249,394	\$ 232,619,234	\$ 242,835,264	\$ 255,121,791	\$ 246,423,643	\$ 251,672,021	\$ 240,921,225	\$ 262,875,547	\$ 280,096,000
<b>Program Revenues</b>										
Governmental activities:										
Education charges for services.....	\$ 4,133,754	\$ 4,588,795	\$ 4,868,667	\$ 4,968,173	\$ 5,242,307	\$ 4,102,835	\$ 1,894,437	\$ 3,879,929	\$ 3,639,467	\$ 4,466,059
Public safety charges for services.....	4,095,532	4,272,574	3,852,917	6,577,435	5,600,029	4,395,145	5,618,531	4,844,361	6,066,895	5,829,984
Other charges for services.....	3,739,997	4,044,264	4,804,745	4,061,182	4,249,760	3,337,844	3,160,222	3,740,089	4,161,944	4,494,509
Education operating grants and contributions.....	21,027,295	26,120,256	30,971,700	32,205,325	33,102,976	38,117,534	45,911,233	32,119,179	33,301,387	37,159,724
Other operating grants and contributions.....	752,440	1,358,563	872,209	1,063,246	1,493,174	3,346,835	2,302,433	5,844,112	2,902,555	2,188,282
Education capital grant and contributions.....	-	1,174,029	3,020,319	-	-	-	-	592,026	2,153,068	8,142,280
Other capital grant and contributions.....	1,950,446	2,446,151	1,028,260	580,951	1,169,737	1,968,482	748,470	1,484,735	2,638,059	3,773,871
Total government activities program revenues.....	35,699,464	44,004,632	49,418,817	49,456,312	50,857,983	55,268,675	59,635,326	52,504,431	54,863,375	66,054,709
Business-type activities:										
Municipal light charges for services.....	34,209,512	34,885,519	34,592,292	35,313,607	37,268,992	35,661,467	37,299,444	37,663,105	39,783,403	42,539,846
Sewer and water charges for services.....	14,350,065	14,683,479	15,837,178	15,119,727	15,088,805	14,859,420	16,204,322	15,138,294	19,727,494	18,105,880
Operating grants and contributions.....	-	-	-	-	-	-	-	-	71,520	-
Municipal light capital grant and contributions.....	1,151,012	1,636,744	663,708	880,585	771,777	541,559	454,547	1,640,052	1,124,151	1,085,346
Sewer and water capital grant and contributions.....	-	228,337	-	146,826	-	-	811,739	-	-	1,612,500
Total business-type activities program revenues.....	49,710,589	51,434,079	51,093,178	51,460,745	53,129,574	51,062,446	54,770,052	54,441,451	60,706,568	63,343,572
Total primary government program revenues.....	\$ 85,410,053	\$ 95,438,711	\$ 100,511,995	\$ 100,917,057	\$ 103,987,557	\$ 106,331,121	\$ 114,405,378	\$ 106,945,882	\$ 115,569,943	\$ 129,398,281
<b>Net (Expense)/Revenue</b>										
Governmental activities.....	\$ (128,752,840)	\$ (129,685,337)	\$ (136,458,046)	\$ (140,614,527)	\$ (150,640,134)	\$ (141,535,795)	\$ (142,415,712)	\$ (138,569,498)	\$ (156,198,227)	\$ (159,537,520)
Business-type activities.....	2,762,835	6,874,654	4,350,807	(1,303,680)	(494,100)	1,443,273	5,149,069	4,594,155	8,892,623	8,839,801
Total primary government net expense.....	\$ (125,990,005)	\$ (122,810,683)	\$ (132,107,239)	\$ (141,918,207)	\$ (151,134,234)	\$ (140,092,522)	\$ (137,266,643)	\$ (133,975,343)	\$ (147,305,604)	\$ (150,697,719)

## Town of Wellesley, Massachusetts

### Changes in Net Position (Continued)

#### Last Ten Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>General Revenues and other Changes in Net Position</b>										
Governmental activities:										
Real estate and personal property taxes, net of tax refunds payable and tax liens.....	\$ 120,017,005	\$ 127,800,794	\$ 131,146,331	\$ 135,997,161	\$ 140,554,509	\$ 144,857,998	\$ 149,157,707	\$ 155,928,386	\$ 167,102,451	\$ 171,545,098
Community preservation surcharge.....	1,084,562	1,153,629	1,201,441	1,247,964	1,301,988	1,341,104	1,383,742	1,416,834	1,568,581	1,612,458
Motor vehicle and other excise taxes.....	5,065,773	5,464,687	5,265,624	5,847,263	5,919,710	5,650,461	5,622,515	5,716,542	5,670,815	7,200,187
Meals tax.....	583,551	620,369	637,046	658,814	684,631	611,589	470,833	653,495	799,721	914,342
Nonrestricted grants, contributions, and other.....	1,793,829	1,794,382	2,102,798	1,735,859	2,057,273	1,914,868	2,457,810	2,199,463	2,596,703	2,456,670
Unrestricted investment income (loss).....	262,241	627,934	582,309	1,041,214	2,229,856	2,357,181	915,098	(86,198)	6,389,810	8,398,107
Transfers.....	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	10,768
Total governmental activities.....	<u>129,806,961</u>	<u>138,461,795</u>	<u>141,935,549</u>	<u>147,528,275</u>	<u>153,747,967</u>	<u>157,733,201</u>	<u>161,007,705</u>	<u>166,828,522</u>	<u>185,128,081</u>	<u>192,137,630</u>
Business-type activities:										
Transfers.....	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(10,768)
Total primary government.....	<u>\$ 128,806,961</u>	<u>\$ 137,461,795</u>	<u>\$ 140,935,549</u>	<u>\$ 146,528,275</u>	<u>\$ 152,747,967</u>	<u>\$ 156,733,201</u>	<u>\$ 160,007,705</u>	<u>\$ 165,828,522</u>	<u>\$ 184,128,081</u>	<u>\$ 192,126,862</u>
<b>Changes in Net Position</b>										
Governmental activities.....	\$ 1,054,121	\$ 8,776,458	\$ 5,477,503	\$ 6,913,748	\$ 3,107,833	\$ 16,197,406	\$ 18,591,993	\$ 28,259,024	\$ 28,929,854	\$ 32,600,110
Business-type activities.....	1,762,835	5,874,654	3,350,807	(2,303,680)	(1,494,100)	443,273	4,149,069	3,594,155	7,892,623	8,829,033
Total primary government.....	<u>\$ 2,816,956</u>	<u>\$ 14,651,112</u>	<u>\$ 8,828,310</u>	<u>\$ 4,610,068</u>	<u>\$ 1,613,733</u>	<u>\$ 16,640,679</u>	<u>\$ 22,741,062</u>	<u>\$ 31,853,179</u>	<u>\$ 36,822,477</u>	<u>\$ 41,429,143</u>

Note: In 2017 the Town ACFR renamed/revised the functional expense groupings. Functional groupings prior to 2017 were not revised.

Note: In 2024 the Town established new operations for stormwater management, which was established as an enterprise fund.

## Town of Wellesley, Massachusetts

### Fund Balances, Governmental Funds

#### Last Ten Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Committed.....	\$ 4,240,335	\$ 2,990,300	\$ 3,950,943	\$ 5,080,885	\$ 1,880,827	\$ 1,743,287	\$ 2,005,167	\$ 4,433,910	\$ 4,779,923	\$ 6,303,046
Assigned.....	3,726,971	3,834,068	5,949,459	3,478,397	5,021,045	6,332,723	5,573,169	4,011,368	5,644,649	3,927,945
Unassigned.....	14,521,699	18,092,104	18,566,100	20,788,871	24,245,720	26,918,753	34,191,300	39,870,878	37,500,832	49,864,909
Total general fund.....	<u>\$ 22,489,005</u>	<u>\$ 24,916,472</u>	<u>\$ 28,466,502</u>	<u>\$ 29,348,153</u>	<u>\$ 31,147,592</u>	<u>\$ 34,994,763</u>	<u>\$ 41,769,636</u>	<u>\$ 48,316,156</u>	<u>\$ 47,925,404</u>	<u>\$ 60,095,900</u>
All Other Governmental Funds										
Nonspendable.....	\$ 357,953	\$ 357,953	\$ 357,953	\$ 357,952	\$ 474,055	\$ 437,266	\$ 387,519	\$ 386,023	\$ 386,022	\$ 386,018
Restricted.....	34,628,603	29,736,594	20,707,687	26,564,000	28,739,533	24,372,120	33,145,424	111,395,628	84,284,050	41,282,744
Total all other governmental funds.....	<u>\$ 34,986,556</u>	<u>\$ 30,094,547</u>	<u>\$ 21,065,640</u>	<u>\$ 26,921,952</u>	<u>\$ 29,213,588</u>	<u>\$ 24,809,386</u>	<u>\$ 33,532,943</u>	<u>\$ 111,781,651</u>	<u>\$ 84,670,072</u>	<u>\$ 41,668,762</u>

The Town implemented GASB Statement #84 in 2021, which required the revision of 2020 ending fund balance.

# Town of Wellesley, Massachusetts

## Changes in Fund Balances, Governmental Funds

### Last Ten Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Revenues:</b>										
Real estate and personal property taxes, net of tax refunds.....	\$ 119,526,163	\$ 127,955,497	\$ 131,692,216	\$ 135,032,080	\$ 140,561,739	\$ 144,447,614	\$ 149,493,703	\$ 155,843,154	\$ 167,216,652	\$ 171,910,272
Motor vehicle and other excise taxes.....	4,956,214	5,616,703	5,544,062	5,843,270	5,901,008	5,534,128	5,582,870	5,738,573	5,712,236	7,059,229
Meals tax.....	583,551	620,369	637,046	658,814	684,631	611,589	470,833	653,495	799,721	914,342
Community preservation surcharge.....	1,084,562	1,153,629	1,201,441	1,247,964	1,301,988	1,341,104	1,383,742	1,416,834	1,568,581	1,612,458
Charges for service.....	1,215,693	1,291,915	1,482,112	1,503,011	1,549,919	1,102,284	204,022	778,871	1,541,079	1,469,486
Intergovernmental.....	24,027,252	29,706,452	36,376,415	34,095,554	35,948,591	41,425,334	49,800,383	38,793,414	41,948,652	50,433,513
Departmental and other.....	12,833,870	16,715,684	14,967,860	17,205,908	18,088,147	15,400,684	13,822,023	15,011,328	21,417,144	24,778,485
<b>Total Revenue.....</b>	<b>164,227,305</b>	<b>183,060,249</b>	<b>191,901,152</b>	<b>195,586,601</b>	<b>204,036,023</b>	<b>209,862,737</b>	<b>220,757,576</b>	<b>218,235,669</b>	<b>240,204,065</b>	<b>258,177,785</b>
<b>Expenditures:</b>										
General government.....	11,684,930	12,860,407	4,540,347	4,610,308	5,263,101	5,164,269	7,025,102	7,124,001	8,214,812	8,830,455
Facilities maintenance.....	-	-	8,539,854	8,692,135	9,858,158	9,226,047	9,064,289	8,396,523	9,098,438	10,064,765
Natural resources.....	-	-	440,230	510,259	465,353	415,933	495,394	476,376	573,390	595,567
Public safety.....	11,805,762	12,339,995	12,296,502	13,592,778	13,889,443	13,892,751	14,668,588	14,911,699	16,534,308	17,149,095
Public education.....	77,020,768	77,139,421	79,160,007	84,322,361	86,595,124	87,167,344	90,011,076	91,517,951	94,502,716	100,799,272
Public works.....	9,215,863	8,640,708	7,909,141	8,301,071	8,290,037	8,355,908	8,821,106	9,540,649	10,540,210	10,227,309
Health.....	1,182,446	1,127,921	707,180	754,201	828,863	997,006	1,162,678	1,198,288	1,230,472	1,348,137
Recreation.....	1,584,791	1,488,351	2,246,211	1,847,868	1,975,394	1,740,630	929,511	1,548,888	1,727,652	2,168,897
Library.....	2,486,348	2,663,336	2,734,755	2,921,632	2,624,097	2,911,780	3,035,952	3,031,601	3,188,700	3,457,974
Pension benefits - Teachers Retirement.....	7,856,302	11,839,507	16,440,703	17,404,000	17,746,000	22,691,000	26,216,317	13,886,186	15,362,218	17,655,329
Pension benefits.....	5,952,739	6,161,639	6,408,377	6,640,351	7,073,362	7,487,909	7,967,738	8,234,817	8,586,426	8,846,365
Employee benefits.....	20,025,444	20,170,637	20,188,388	21,869,262	21,387,830	21,980,846	22,326,853	22,208,024	24,038,041	25,209,031
Capital outlay.....	52,519,057	20,205,770	22,588,576	12,460,987	10,480,193	12,669,833	14,656,315	22,870,687	50,065,788	79,994,284
Community preservation.....	35,941	75,855	187,011	687,669	357,988	331,855	240,468	344,800	449,660	402,637
State and county charges.....	1,172,460	1,222,643	1,230,199	1,239,256	1,262,764	1,263,722	1,316,042	1,286,137	1,330,131	1,407,314
Other.....	651,374	761,292	832,610	789,994	725,300	1,039,262	663,265	632,053	742,804	713,380
Debt service.....										
Principal.....	8,825,000	11,245,000	11,380,000	11,840,000	11,643,000	11,020,000	9,970,000	10,820,000	14,685,000	12,785,000
Interest.....	3,364,814	5,502,309	5,227,790	4,883,736	5,022,317	5,235,696	4,690,924	4,713,529	7,835,630	6,364,556
<b>Total Expenditures.....</b>	<b>215,384,039</b>	<b>193,444,791</b>	<b>203,057,880</b>	<b>203,367,868</b>	<b>205,488,324</b>	<b>213,591,791</b>	<b>223,261,618</b>	<b>222,742,209</b>	<b>268,706,396</b>	<b>308,019,367</b>
<b>Excess (Deficiency) of revenues over (under) expenditures.....</b>	<b>(51,156,734)</b>	<b>(10,384,542)</b>	<b>(11,156,728)</b>	<b>(7,781,267)</b>	<b>(1,452,301)</b>	<b>(3,729,054)</b>	<b>(2,504,042)</b>	<b>(4,506,540)</b>	<b>(28,502,331)</b>	<b>(49,841,582)</b>
<b>Other Financing Sources (Uses)</b>										
Issuance of bonds.....	68,840,000	15,445,700	5,860,000	12,443,000	4,245,000	18,530,000	14,347,500	81,785,000	-	18,040,000
Issuance of refunding bonds.....	-	-	-	-	-	-	8,907,500	-	-	-
Premium from issuance of bonds.....	1,973,541	1,612,743	392,000	1,076,230	298,376	2,905,345	2,977,679	6,516,768	-	960,000
Premium from issuance of refunding bonds.....	-	-	-	-	-	-	2,207,059	-	-	-
Payments to refunded bond escrow agent.....	(4,274,541)	(11,738,443)	-	-	-	(21,000,000)	(11,000,000)	-	-	-
Transfers in.....	10,797,345	7,523,635	1,852,893	1,906,337	4,694,134	4,632,213	3,286,535	8,291,699	18,420,443	4,289,145
Transfers out.....	(8,839,156)	(4,923,635)	(1,869,135)	(906,337)	(3,694,134)	(3,632,213)	(3,286,535)	(7,291,699)	(17,420,443)	(4,278,377)
<b>Total other financing sources (uses).....</b>	<b>68,497,189</b>	<b>7,920,000</b>	<b>6,235,758</b>	<b>14,519,230</b>	<b>5,543,376</b>	<b>1,435,345</b>	<b>17,439,738</b>	<b>89,301,768</b>	<b>1,000,000</b>	<b>19,010,768</b>
<b>Net change in fund balance.....</b>	<b>\$ 17,340,455</b>	<b>\$ (2,464,542)</b>	<b>\$ (4,920,970)</b>	<b>\$ 6,737,963</b>	<b>\$ 4,091,075</b>	<b>\$ (2,293,709)</b>	<b>\$ 14,935,696</b>	<b>\$ 84,795,228</b>	<b>\$ (27,502,331)</b>	<b>\$ (30,830,814)</b>
Debt service as a percentage of noncapital expenditures.....	7.48%	9.67%	9.20%	8.76%	8.55%	8.09%	7.03%	7.77%	10.30%	8.40%

Notes: In 2015 Intergovernmental revenues and Teacher's pension benefits were lower due to the way the State calculated these amounts in that year.

In 2017 the Town ACFR renamed/revised the functional expenditure groupings. Functional groupings prior to 2017 were not revised.

# Town of Wellesley, Massachusetts

## Assessed Value and Actual Value of Taxable Property by Classification and Tax Rates

### Last Ten Years

Year	Assessed and Actual Values and Tax Rates										
	Residential Value	Residential Tax Rate	Residential % of Total Value	Commercial Value	Industrial Value	Personal Property	Total Commercial Value	Commercial Tax Rate	Commercial % of Total Value	Total Direct Rate	Total Town Value
2015	\$9,116,045,000	11.56	87.76%	\$1,159,807,000	\$8,155,000	\$103,805,900	\$1,271,767,900	11.56	12.24%	11.56	\$10,387,812,900
2016	\$9,382,323,000	11.83	87.76%	\$1,269,582,000	\$8,380,000	\$114,193,700	\$1,392,155,700	11.83	12.92%	11.83	\$10,774,478,700
2017	\$9,721,777,000	11.79	87.16%	\$1,309,028,000	\$7,801,000	\$115,324,400	\$1,432,153,400	11.79	12.84%	11.79	\$11,153,930,400
2018	\$9,935,541,000	11.95	87.33%	\$1,318,844,000	\$7,330,000	\$115,824,600	\$1,441,998,600	11.95	12.67%	11.95	\$11,377,539,600
2019	\$10,654,218,000	11.57	87.39%	\$1,406,187,000	\$8,593,000	\$122,039,081	\$1,536,819,081	11.57	12.61%	11.57	\$12,191,037,081
2020	\$10,908,678,000	11.56	87.03%	\$1,490,134,000	\$6,543,000	\$128,979,400	\$1,625,656,400	11.56	12.97%	11.56	\$12,534,334,400
2021	\$11,072,021,000	11.75	87.07%	\$1,494,659,000	\$6,543,000	\$142,724,500	\$1,643,926,500	11.75	12.93%	11.75	\$12,715,947,500
2022	\$11,626,593,000	11.68	87.38%	\$1,517,327,000	\$6,543,000	\$154,922,000	\$1,678,792,000	11.68	12.62%	11.68	\$13,305,385,000
2023	\$12,824,125,000	11.45	87.33%	\$1,700,429,000	\$7,358,000	\$152,211,900	\$1,859,998,900	11.45	12.67%	11.45	\$14,684,123,900
2024	\$14,633,876,000	10.41	88.69%	\$1,685,511,000	\$7,867,000	\$172,981,800	\$1,866,359,800	10.41	11.31%	10.41	\$16,500,235,800

**Total Assessed Value by Classification**  
Year Ended June 30, 2023

■ \$12,824,125,000	■ \$1,700,429,000
■ \$7,358,000	■ \$152,211,900

**Total Assessed Value by Classification**  
Year Ended June 30, 2024

■ \$14,633,876,000	■ \$1,685,511,000
■ \$7,867,000	■ \$172,981,800

**Commercial Value as % of Total Value**

2015	12.3%
2016	12.9%
2017	12.8%
2018	12.7%
2019	12.6%
2020	12.9%
2021	12.9%
2022	12.6%
2023	12.7%
2024	11.3%

Source: Assessor's Department, Town of Wellesley

All property in the Commonwealth of Massachusetts is assessed at 100% of fair cash value.

Note: Chapter 59, Section 21C of the Massachusetts General Laws, known as "Proposition 2 1/2", imposes 2 separate limits on the annual tax levy of the Town. The primary limitation is that the tax levy cannot exceed 2 1/2 percent of the full and fair cash value. The secondary limitation is that the tax levy cannot exceed the maximum levy limit for the preceding fiscal year as determined by the State Commissioner of Revenue by more than 2 1/2 percent, subject to an exception for property added to the tax rolls and for certain substantial valuation increases other than as part of a general revaluation. The secondary limit may be exceeded in any year by a majority vote of the voters, however it cannot exceed the primary limitation.

# Town of Wellesley, Massachusetts

## Principal Taxpayers

### Current Year and Nine Years Ago

Name	Nature of Business	2024			2015			Percentage of Total Taxable Assessed Value	
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value		
John Hancock	Insurance and Financial Services	\$ 378,818,000	1	2.30%	\$ 170,925,000	1	1.65%		
Haynes Management	Office Buildings/Real Estate	171,612,000	2	1.04%	170,649,000	2	1.64%		
FR Linden Square, Federal Realty	Retail/Real Estate	143,175,000	3	0.87%	108,964,000	3	1.05%		
Wellesley College (only taxable properties)	Higher Education	127,091,000	4	0.77%	88,700,000	5	0.85%		
Wellesley Gateway (fka Harvard Pilgrim Health)	Real Estate	121,959,000	5	0.74%	70,070,000	6	0.67%		
Wellesley St Ground Owner (fka Sun Life)	Insurance and Financial Services	114,608,000	6	0.69%	96,451,000	4	0.93%		
National Grid/Essex Gas	Utilities	74,026,000	7	0.45%	N/A	N/A	N/A		
Wellesley Washington Street / Waterstone	Senior Living	71,000,000	8	0.43%	34,000,000	7	0.33%		
Linear Realty	Retail	59,748,000	9	0.36%	N/A	N/A	N/A		
Babar, LLC	Various Commercial	54,240,000	10	0.33%	N/A	N/A	N/A		
Newton Wellesley Executive Office Park	Office Buildings	N/A	N/A	N/A	32,144,000	9	0.31%		
Hunnewell Family	Residential	N/A	N/A	N/A	32,637,000	8	0.31%		
Grignaffini & Sons	Real Estate Development	N/A	N/A	N/A	23,139,000	10	0.22%		
<b>Totals</b>		<u>\$ 1,316,277,000</u>		<u>7.98%</u>	<u>\$ 827,679,000</u>		<u>7.97%</u>		

Source: Board of Assessors

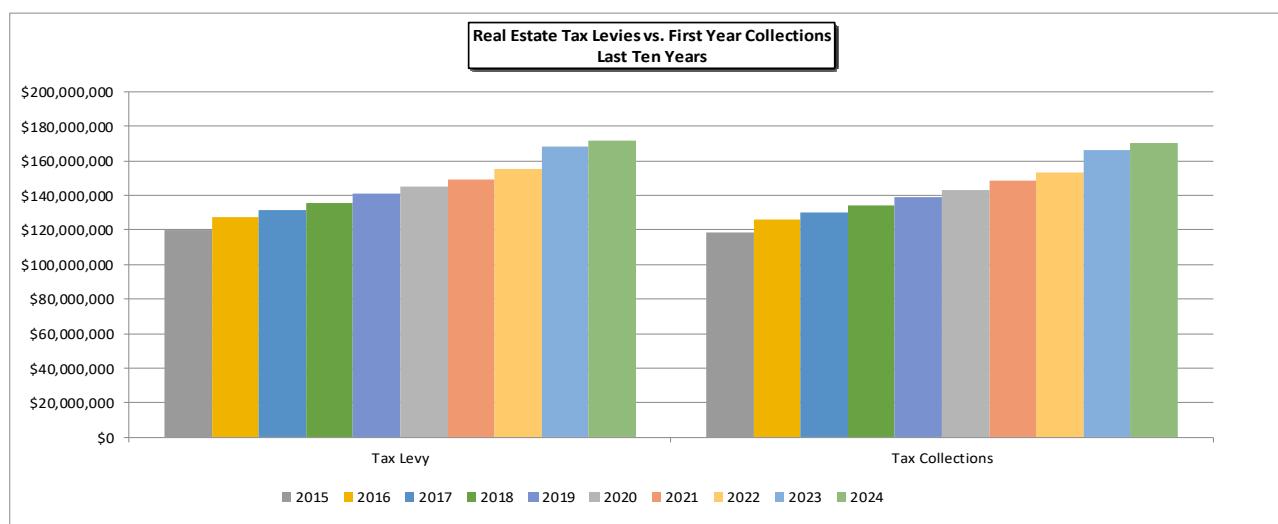
N/A = Value not included because not in the Top 10 taxpayers.

# Town of Wellesley, Massachusetts

## Property Tax Levies and Collections

### Last Ten Years

Year	(1) Total Tax Levy	Less Abatements & Exemptions	(1) Net Tax Levy	First Year Current Tax Collections	Percent of Net Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Net Tax Levy (2)
2015	\$120,083,117	\$748,894	\$119,334,223	\$118,816,355	99.6%	\$289,485	\$119,105,840	99.81%
2016	\$127,462,083	\$445,139	\$127,016,944	\$126,399,234	99.5%	\$617,760	\$127,016,994	100.00%
2017	\$131,504,839	\$436,914	\$131,067,925	\$130,108,550	99.3%	\$833,634	\$130,942,184	99.90%
2018	\$135,961,598	\$431,814	\$135,529,784	\$134,533,542	99.3%	\$467,956	\$135,001,498	99.61%
2019	\$141,050,299	\$482,325	\$140,567,974	\$138,984,438	98.9%	\$900,210	\$139,884,648	99.51%
2020	\$144,896,906	\$464,738	\$144,432,168	\$143,428,814	99.3%	\$861,004	\$144,289,818	99.90%
2021	\$149,412,383	\$352,376	\$149,060,007	\$148,267,110	99.5%	\$464,519	\$148,731,629	99.78%
2022	\$155,406,896	\$643,768	\$154,763,128	\$153,432,940	99.1%	\$324,754	\$153,757,694	99.35%
2023	\$168,133,219	\$379,373	\$167,753,846	\$166,193,728	99.1%	\$823,705	\$167,017,432	99.56%
2024	\$171,767,455	\$301,520	\$171,465,934	\$170,539,181	99.5%	\$1,106,618	\$171,645,800	100.10%



Source: Assessor's Department, Town of Wellesley

(1) Includes tax liens.

(2) If the actual abatements and exemptions are lower than the estimate, the actual collections can exceed the net levy.

# Town of Wellesley, Massachusetts

## Ratios of Outstanding Debt and General Bonded Debt

### Last Ten Years

Year	U. S. Census Population (1)	Personal Income	Assessed Value	Governmental Activities Debt			
				General Obligation Bonds	Per Capita	Percentage of Personal Income	Percentage of Assessed Value
2015	27,982	\$2,015,991,172	\$10,387,812,900	\$148,129,507	\$5,294	7.35%	1.43%
2016	27,982	\$2,007,232,806	\$10,774,478,700	\$142,800,780	\$5,103	7.11%	1.33%
2017	27,982	\$2,058,875,872	\$11,153,930,400	\$137,232,552	\$4,904	6.67%	1.23%
2018	27,982	\$2,228,234,642	\$11,377,539,600	\$138,365,189	\$4,961	6.21%	1.22%
2019	27,982	\$2,236,181,530	\$12,191,037,081	\$130,629,055	\$4,668	5.84%	1.07%
2020	27,982	\$2,327,067,066	\$12,534,334,400	\$118,961,669	\$4,251	5.11%	0.95%
2021	27,982	\$2,400,407,888	\$12,715,947,500	\$125,350,126	\$4,480	5.22%	0.99%
2022	29,550	\$2,632,934,550	\$13,305,385,000	\$201,875,432	\$6,832	7.67%	1.52%
2023	29,550	\$2,874,092,100	\$14,684,123,900	\$185,382,299	\$6,274	6.45%	1.26%
2024	29,550	\$3,300,439,500	\$16,500,235,800	\$190,076,897	\$6,432	5.76%	1.15%

Year	Business-Type Activities (2)			Total Primary Government			
	General Obligation Bonds	Direct Borrowings	Total Business-Type	Total Debt Outstanding	Per Capita	Percentage of Personal Income	Percentage of Assessed Value
2015	\$5,470,000	\$728,628	\$6,198,628	\$154,328,135	\$5,515	7.66%	1.49%
2016	\$5,307,672	\$690,033	\$5,997,705	\$148,798,485	\$5,318	7.41%	1.38%
2017	\$4,776,696	\$505,091	\$5,281,787	\$142,514,339	\$5,093	6.92%	1.28%
2018	\$5,250,722	\$560,289	\$5,811,011	\$144,176,200	\$5,169	6.47%	1.27%
2019	\$4,632,748	\$416,742	\$5,049,490	\$135,678,545	\$4,849	6.07%	1.11%
2020	\$4,003,915	\$273,194	\$4,277,109	\$123,238,778	\$4,404	5.30%	0.98%
2021	\$3,385,232	\$475,104	\$3,860,336	\$129,210,462	\$4,618	5.38%	1.02%
2022	\$2,775,866	\$341,191	\$3,117,057	\$204,992,489	\$6,937	7.79%	1.54%
2023	\$2,175,819	\$1,779,275	\$3,955,094	\$189,337,393	\$6,407	6.59%	1.29%
2024	\$1,717,680	\$2,090,483	\$3,808,163	\$193,885,060	\$6,561	5.87%	1.18%

(1) 2010/2020 Census, US Census Bureau

(2) Municipal Light Plant, Sewer Fund, and Water Fund.

Source: Audited Financial Statements, U. S. Census.

## Town of Wellesley, Massachusetts

### Direct and Overlapping Governmental Activities Debt

**As of June 30, 2024**

<u>Town of Wellesley, Massachusetts</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes:</b>			
Norfolk County.....	\$ 14,600,000	7.71%	\$ 1,125,660
Town direct debt.....	<u>190,076,897</u>		<u>190,076,897</u>
Total direct and overlapping debt.....	<u>\$ 204,676,897</u>		<u>\$ 191,202,557</u>

The overlapping debt percentage used to arrive at the Town's share of the total Norfolk County outstanding debt is the ratio of the Town's operating assessment for FY24 paid to the County divided by the total of all assessments paid by each municipality within the jurisdictional boundary of the County.

Source: Norfolk County Treasurer's Office

## Town of Wellesley, Massachusetts

### Computation of Legal Debt Margin

#### Last Ten Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Equalized Valuation.....	\$ 10,212,968,600	\$ 11,749,686,900	\$ 11,749,686,900	\$ 11,377,539,600	\$ 11,377,539,600	\$ 13,524,019,800	\$ 13,524,019,800	\$ 14,471,634,900	\$ 14,471,634,900	\$ 18,013,343,600
Debt Limit -5% of Equalized Valuation....	\$ 510,648,430	\$ 587,484,345	\$ 587,484,345	\$ 568,876,980	\$ 568,876,980	\$ 676,200,990	\$ 676,200,990	\$ 723,581,745	\$ 723,581,745	\$ 900,667,180
Less:										
Outstanding debt applicable to limit.....	138,860,700	142,232,552	137,232,552	138,365,189	126,545,700	113,055,700	115,340,700	186,305,700	171,620,700	190,076,897
Authorized and unissued debt.....	13,269,526	18,282,590	13,856,229	8,125,350	11,938,021	11,962,297	14,005,451	52,687,464	58,087,838	19,997,779
Legal debt margin.....	\$ 358,518,204	\$ 426,969,203	\$ 436,395,564	\$ 422,386,441	\$ 430,393,259	\$ 551,182,993	\$ 546,854,839	\$ 484,588,581	\$ 493,873,207	\$ 690,592,504
Total debt applicable to the limit as a percentage of debt limit.....	29.79%	27.32%	25.72%	25.75%	24.34%	18.49%	19.13%	33.03%	31.75%	23.32%

Source: Massachusetts Department of Revenue - Equalized valuations are established as of January 1 of even-numbered years for the next two years.

## Town of Wellesley, Massachusetts

### Demographic and Economic Statistics

#### Last Ten Years

Year	Population Estimates	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
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2015	27,982	\$2,015,991,172	\$72,046	37.1	4,970	4.2%
2016	27,982	\$2,007,232,806	\$71,733	38.2	4,923	3.9%
2017	27,982	\$2,065,519,312	\$73,816	38.2	4,917	2.9%
2018	27,982	\$2,228,234,642	\$79,631	38.2	4,908	2.7%
2019	27,982	\$2,236,181,530	\$79,915	38.2	4,863	2.7%
2020	27,982	\$2,327,067,066	\$83,163	38.2	4,758	9.4% *
2021	27,982	\$2,400,407,888	\$85,784	38.2	4,362	4.1%
2022	29,550	\$2,632,934,550	\$89,101	38.2	4,280	2.8%
2023	29,550	\$2,874,092,100	\$97,262	38.2	4,158	3.0%
2024	29,550	\$3,300,439,500	\$111,690	37.6	4,069	3.9%

Sources: 2010/2020 US Census, Wellesley Public Schools, Mass. Executive Office of Labor and Workforce Development.

\* COVID - 19

## Town of Wellesley, Massachusetts

### Principal Employers (excluding the Town)

#### Current Year and Nine Years Ago

Employer	Nature of Business	2024		Percentage of Total Town Employment	2015		Percentage of Total Town Employment
		Employees	Rank		Employees	Rank	
Sun Life Financial	Insurance Company	1,237	1	8.81%	1,158	1	8.55%
Wellesley College	Higher Education	1,180	2	8.40%	1,100	2	8.13%
Babson College	Higher Education	1,025	3	7.30%	975	3	7.20%
Harvard Pilgrim Health Care	Insurance Company	434	4	3.09%	398	4	2.94%
Harvard Vanguard Medical Associates	Healthcare	351	5	2.50%	352	5	2.60%
Mass Bay Community College	Higher Education	287	6	2.04%	253	8	1.87%
Dana Hall School	Private School	270	7	1.92%	255	7	1.88%
Whole Foods	Grocery	240	8	1.71%	200	10	1.48%
Wellesley Country Club	Private Recreation Club	237	9	1.69%	239	9	1.77%
Roche Brothers	Grocery	224	10	1.59%	277	6	2.05%
		<u>5,485</u>		<u>39.04%</u>	<u>5,207</u>		<u>38.46%</u>

According to the Massachusetts Workforce Development Data, in June 2024 Wellesley had a total labor force of 14,048, of whom 13,503 were employed and 545 were unemployed.

Sources: Mass. Labor and Workforce Development, Wellesley local employers

N/A = No previous historical data

# Town of Wellesley, Massachusetts

## Operating Indicators by Function/Program

### Last Ten Years

<b>Function/Program</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
General Government										
Facilities maintenance work orders.....	1,371	1,102	1,006	1,763	1,525	1,329	1,081	1,236	1,339	1,221
Building										
New home building permits.....	69	69	79	37	45	49	51	65	44	36
Residential Additions.....	119	108	100	83	97	68	113	94	86	82
Residential Alterations.....	425	419	348	332	348	300	349	332	442	251
Residential Demolition.....	65	104	89	36	45	44	49	57	47	41
Commercial Alterations.....	103	121	104	120	143	57	69	81	81	80
Police										
Physical arrests.....	206	167	169	140	189	146	146	129	94	64
Motor vehicle violations.....	8,460	7,681	6,723	7,041	5,717	5,046	2,280	3,178	2,652	4,794
Police personnel and officers.....	58	58	59	60	60	60	60	60	60	60
Fire										
Inspections.....	2,469	2,222	1,967	2,130	2,158	1,150	1,350	1,570	1,673	2,157
Emergency responses.....	4,140	4,233	4,221	4,311	4,226	3,878	3,534	4,015	4,207	4,411
Fire personnel and officers.....	57	57	58	58	57	57	57	57	57	58
Education										
Number of public school students.....	4,970	4,923	4,917	4,908	4,863	4,758	4,362	4,280	4,158	4,069
Health services										
Number of vaccinations.....	680	669	946	712	1,040	1,045	1,639	984	726	722
Reported Disease Investigations.....	197	174	283	283	194	581	1,347	4,428	1,287	640
Library										
Volumes in circulation.....	743,337	739,316	760,434	774,617	782,598	628,787	511,552	517,471	629,713	665,333
eBook Collection (1).....	66,894	171,292	85,824	90,966	60,153	62,856	122,673	76,244	97,737	103,061
Reference Questions Answered.....	110,256	86,184	106,089	110,760	133,368	126,684	51,996	27,237	36,026	46,402
Recreation										
Total program revenue.....	\$1,060,831	\$1,205,072	\$1,369,561	\$1,417,819	\$1,582,803	\$1,265,017	\$576,836	\$1,051,155	\$1,381,025	\$1,502,058
Programs Ran.....	605	610	702	1,021	774	749	569	787	880	576
Program Participants.....	6,920	9,551	7,267	7,241	9,624	9,280	4,339	6,312	5,804	5,261
Morses Pond Attendance.....	24,170	24,263	28,387	23,367	18,199	21,619	42,405	14,674	8,077	6,780
Traffic and parking management										
Total parking revenue.....	\$832,488	\$905,227	\$881,374	\$874,404	\$950,212	\$730,185	\$165,953	\$420,885	\$623,669	\$782,316
Meters Repaired.....	659	302	unavailable	212	88	33	45	60	130	150
Sewer										
Number of accounts.....	8,093	8,181	8,129	8,173	8,059	8,188	8,207	8,252	8,269	8,248
Feet rodded/flushed.....	293,000	254,755	303,770	233,573	158,144	111,070	51,760	176,100	88,951	49,685
Water										
Number of accounts.....	8,296	8,388	8,373	8,357	8,250	8,381	13,495	8,396	8,388	8,381
Consumption in gallons (millions).....	919	942	973	915	849	897	1,002	891	1,118	823
Daily consumption (millions).....	2.52	2.57	3.00	2.50	2.33	2.45	2.74	2.44	3.06	2.25
Municipal Light										
Total kilowatt hour sales.....	245,245,456	236,712,233	240,208,941	237,285,787	250,561,304	237,580,900	242,118,183	241,048,682	240,762,544	244,479,367
Municipal kilowatt hour usage.....	11,527,241	11,283,168	11,626,264	11,712,227	11,459,336	9,875,581	9,983,606	10,178,223	10,316,110	10,687,549
Streetlight kilowatt hour usage (2).....	1,879,505	1,880,308	1,880,192	1,880,192	970,060	925,581	925,681	925,681	925,681	925,681

Source: Various Town Departments

(1) The eBook collection is lower in 2017 as a result of a vendor changing contracts to reduce the number of available titles and increase the quality of selection.

(2) The LED lighting project decreased usage beginning in 2019.

## Town of Wellesley, Massachusetts

### Full-time Equivalent Town Employees by Function

#### Last Ten Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Function</b>										
General government.....	72	74	78	79	79	80	80	80	79	79
Public safety.....	122	122	124	124	125	125	125	125	125	125
School custodians.....	40	40	40	39	39	39	39	39	39	39
* Public education.....	804	822	843	853	868	885	887	888	880	870
Public works.....	89	89	87	87	89	89	89	89	89	89
Health services.....	5	5	5	5	5	6	7	8	9	11
Library.....	31	31	31	31	31	31	31	31	37	37
Recreation.....	5	5	5	5	5	5	5	5	5	5
Water/Sewer.....	29	29	28	28	28	28	28	27	27	27
Municipal light.....	33	32	32	32	32	32	32	32	32	32
<b>Total .....</b>	<b>1,230</b>	<b>1,249</b>	<b>1,273</b>	<b>1,283</b>	<b>1,301</b>	<b>1,320</b>	<b>1,323</b>	<b>1,324</b>	<b>1,322</b>	<b>1,314</b>

Source: Various Town Departments, Payroll count

\* Public Education employee count was recast and is now based on numbers provided in the Advisory Report.

## Town of Wellesley, Massachusetts

### Capital Asset Statistics by Function/Program

#### Last Ten Years

<u>Function/Program</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General Government										
Number of buildings.....	4	4	5	5	5	5	5	5	5	5
Police										
Number of stations.....	1	1	1	1	1	1	1	1	1	1
Fire										
Number of stations.....	2	2	2	2	2	2	2	2	2	2
Education										
Number of elementary schools.....	7	7	7	7	7	7	7	7	7	7
Number of preschools.....	1	1	1	1	1	1	1	1	1	1
Number of middle schools.....	1	1	1	1	1	1	1	1	1	1
Number of high schools.....	1	1	1	1	1	1	1	1	1	1
Public Works										
Streets to maintain (miles).....	110	110	110	110	110	110	110	110	110	110
Sidewalks to maintain (miles).....	118	118	118	118	118	118	118	118	118	118
Library										
Buildings.....	3	3	3	3	3	3	3	3	3	3
Recreation										
Park and playground (acreage).....	365	365	365	365	365	365	365	365	365	365
Feet of public beach front.....	660	660	660	660	660	660	660	660	600	600
Public beaches.....	1	1	1	1	1	1	1	1	1	1
Tennis courts.....	16	16	16	16	16	16	16	16	16	16

Source: Various Town Departments

# Town of Wellesley, Massachusetts

## Free Cash and Stabilization Fund Balances

### Last Ten Years

Year	Free Cash	Stabilization Funds			SPED Fund
		General	Baler Fund	IOD Fund	
2024.....	\$ 28,171,581	\$ 3,753,091	\$ 941,912	\$ 791,572	\$ 1,815,741
2023.....	27,250,546	3,599,216	892,656	727,805	1,687,559
2022.....	27,138,344	3,568,667	872,799	684,072	1,410,044
2021.....	25,830,840	3,692,805	888,816	663,837	1,427,061
2020.....	18,319,871	3,555,097	846,430	593,257	789,808
2019.....	16,171,779	3,371,774	806,179	564,669	760,775
2018.....	14,615,285	3,289,225	741,191	502,818	106,133
2017.....	12,129,416	3,274,957	732,942	500,332	-
2016.....	11,858,182	3,271,285	732,000	387,888	-
2015.....	8,831,500	3,170,851	-	292,471	-

Source: Town Records

Baler Fund = Reserve for the replacement of the Town's baler

IOD Fund = Injured on Duty stabilization fund

SPED Fund = Special Education stabilization fund

## 7. 7:00 Annual Town Meeting Preparation

- **Discuss Potential Special Act for Police and Fire Living Distance**

Due to the housing crisis and cost of housing in the region personnel from both Fire and Police find themselves having to find housing, based on state law, within a 25 mile radius of our border. The Fire Department negotiated a greater distance and their contract, although it cannot be employed until state law changes. Corey has prepared a draft article for ATM for your consideration that would require special legislation to increase the mileage limit to 35 miles.

- **Discuss Potential Special Act for Digital Posting of Legal Notices**

Representative Peisch alerted the Town that she successfully filed and passed special legislation for Lincoln, MA allowing for digital only posting of legal notices to the limited/lack of local newspapers. This will ensure maximum access for our residents as most people get their information from digital sources. This could allow the Town to use Swellesley Report as a posting for public hearings and legal notices.

- **Discuss Adoption of Heros Act**

Please find the DLR Bulletin on the Hero's Act. The Town currently has 44 Veterans that take advantage of the Statutory tax exemptions open to Veterans. The Assessor's have an information sheet which details the rates (attached). The rates for the exemptions are follows:

Clause 22 - \$400

Clause 22A - \$750

Clause 22B - \$1,250

Clause 22C - \$1,500

Clause 22D - \$2,500 (cap after 5 years)

Clause 22E - \$1,000

Heros Act allows for adoption of 22I which states that of the values above, the Dept. of Revenue shall annually inform the town of a CPI increase, and the exemption would be updated automatically. For example if a Veteran was receiving \$400 under Clause 22 and the CPI increased by 5%, the Veteran's exemption would be increased to \$420.

If the Town also adopts 22J, this would allow the Town to increase the statutory exemption allowance on a percentage basis, up to 100%. If the Town authorized 100% exemption then the \$400 exemption under Clause 22 would be increased to \$800.

If the Town moves forward with both the increase in percentage at 100% and the CPI increase, the same \$400 exemption allowed today, would be \$840 in the example.

- **Discuss New Cultural Council Town Bylaw**

The Board in discussions in September regarding the Cultural Council, suggested adding a Town bylaw for residents to be aware of the organization and the mission. The Board should determine if this is something that should be added to the Warrant, and staff can work with Town Counsel to prepare a draft for review.

- **Discuss and Vote Co-Sponsorship of Affordable Housing Trust Proposal**

The Board at the December 3<sup>rd</sup> meeting voted 4-1 to support the WHDC proposal to convert to an Affordable Housing Trust. The WHDC is seeking co-sponsorship of the article from the Select

Board and the Planning Board. The WHDC will be at Planning on 12/16/24. Please find updated documents. Please find attached:

1. Clean version of 2024 proposal
2. Redline version of current proposal as compared to 2021 version.
3. Simplified comparison of powers
4. Outline of changes between 2021 and 2024 versions

- **Discuss and Vote Co-Sponsorship of Rezoning Proposal of 156 Weston Road**

The Board at the December 3<sup>rd</sup> meeting voted 4-1 to support the proposal to rezone 20,000 sf of land on the North 40 to General Residence to allow for up to 4 units of affordable housing. The WHDC is seeking co-sponsorship of the article from the Select Board.

- **Discuss and Vote Co-Sponsorship of “Skip the Stuff”**

The Climate Action Committee has voted to bring forward the Skip the Stuff article, and the Board of Health has voted support. The Select Board is being asked to co-sponsor the article. Please see a slightly updated version of the proposal for your consideration.

**Article-Special Act:** To see if the Town will vote to authorize the Select Board, on its behalf of the Town, to petition the General Court for passage of a special law substantially as provided below. The Legislature may make clerical or editorial changes in form only to the bill, unless the Select Board approves amendments to the bill before enactment by the Legislature. The Select Board is hereby authorized to approve amendments that shall be within the scope of the general public objectives of this petition.

**AN ACT RELATIVE TO NON-CIVIL SERVICE PUBLIC SAFETY PERSONNEL IN THE TOWN OF WELLESLEY**

SECTION 1. Notwithstanding section 99A of chapter 41 of the General Laws, or any other general or special law to the contrary, the town of Wellesley may increase the 15-mile residency limit contained in said section 99A of said chapter 41 for members of the Wellesley police and fire departments. Provided, that any increase in the residency limit shall be subject to a collective bargaining agreement negotiated in accordance with chapter 150E of the General Laws.

SECTION 2. This act shall take effective upon its passage.

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***Article 23: Residence [for reference only]***

*"All employees with Civil Service status shall maintain residency within 25 miles of the Town, measured border to border. Employees without Civil Service status shall comply with the residency requirements of Massachusetts General Laws Chapter 41, s. 99A; provided, however, that should statute be amended to allow employees to reside in a community 25 or more miles distant, the Town will permit employees to reside in a community that is 35 miles border to border from Wellesley. In all circumstances employees must be residents of the Commonwealth of Massachusetts."*



**Article-Special Act:** To see if the Town will vote to authorize the Select Board, on its behalf of the Town, to petition the General Court for passage of a special law substantially as provided below. The Legislature may make clerical or editorial changes in form only to the bill, unless the Select Board approves amendments to the bill before enactment by the Legislature. The Select Board is hereby authorized to approve amendments that shall be within the scope of the general public objectives of this petition.

## **AN ACT ALLOWING “PRINT-FREE” DIGITAL LEGAL NOTICES FOR THE TOWN OF WELLESLEY**

### **SECTION 1. Purpose**

The purpose of this act is to allow the Town of Wellesley and its subdivisions to satisfy the legal notice requirements entirely by digital publications as voted necessary by its Select Board, School Committee, and all other elected and/or appointed boards, committees, commissions, subcommittees, working groups, task forces, or government entities for which public notice of activities and/or meetings are required in light of the lack of an available adequate print newspaper in the community.

### **SECTION 2. Means of Legal Notice Publication**

Notwithstanding Massachusetts General Law c. 4 § 13(b), wherever the Town of Wellesley, Wellesley Public Schools and/or their subdivisions, elected and/or appointed boards, committees, commissions, subcommittees, working groups, task forces, or government entities for which public notice of activities and/or meetings are required by statute, ordinance, bylaw or judicial order to publish a legal notice in a newspaper or newspaper of general circulation, the person, corporation, agency, authority, municipality, or legal entity shall satisfy such requirement by one or more of the following means:

- (A) A print newspaper of local or general circulation;
- (B) A newspaper’s website;
- (C) Websites reporting local news and opinion which satisfy the criteria for digital publication as set forth in G.L c. 4 § 13(b);
- (D) A statewide website that may be maintained as a repository for such notices; or
- (E) A townwide website that may be maintained as a repository for such notices.

### **SECTION 3.**

Nothing set forth in this Act shall be construed to alter or amend the timing requirements of the publication of legal notices set forth in the Massachusetts General Laws.

### **SECTION 4.**

This Act shall take effect upon its passage subject to any editorial changes of form that only may be suggested by the General Court and any amendments that the Select Board determines to be within the scope of the general purpose of the objectives of this petition.

**Article-Special Act:** To see if the Town will vote to authorize the Select Board, on its behalf of the Town, to petition the General Court for passage of a special law substantially as provided below. The Legislature may make clerical or editorial changes in form only to the bill, unless the Select Board approves amendments to the bill before enactment by the Legislature. The Select Board is hereby authorized to approve amendments that shall be within the scope of the general public objectives of this petition.

## **AN ACT RELATIVE TO THE SENIOR CITIZENS PROPERTY TAX DEFERRAL PROGRAM IN THE TOWN OF WELLESLEY**

SECTION 1. With respect to each qualifying residential parcel of property in the town of Wellesley, there shall be a deferral from the property tax equal for certain qualifying individuals. The deferral shall be applied to the domicile of the taxpayer only and shall be subject to interest at a rate set by the board of assessors and/or Chief Assessor. For the purposes of this act, “parcel” shall be a unit of real property as defined by the assessors under the deed of the property and shall include a condominium unit.

SECTION 2. Real property shall qualify for the deferral program under section 1 if all the following criteria are met:

- (a) the qualifying real property is owned and occupied by a person who reached the age of sixty-five years old as of July 1<sup>st</sup> of the tax year; and
- (b) the qualifying real property is owned and occupied for at least five years as of July 1<sup>st</sup> of the tax year; and
- (c) the qualifying real property is owned and occupied by an applicant who has resided in Massachusetts for at least ten consecutive years; and
- (d) the applicant, single or married, who owns and occupies the qualifying real property has gross receipts that do not exceed \$100,000; and
- (e) the board of assessors has approved the application.

SECTION 3. A person who seeks to qualify for the deferral under section 1 shall, before the deadline established by the board of assessors, file an application, on a form to be adopted by the board of assessors, with the supporting documentation of the applicant's income and assets as described in the application. The application shall be filed each year for which the applicant seeks the deferral.

SECTION 4. This act shall take effect upon its passage. The General Court may make such amendments that are within the scope of the public objectives of this petition. The Select

Board shall be authorized to adopt any amendments to this act that are within the scope of the public objectives of this petition.



Geoffrey E. Snyder  
Commissioner of Revenue

Sean R. Cronin  
Senior Deputy Commissioner

# Bulletin

BUL-2024-5

## **RECENT LEGISLATION**

TO: Local Officials

FROM: Kenneth Woodland, Chief, Municipal Finance Law Bureau

DATE: August 2024

SUBJECT: An Act Honoring, Empowering and Recognizing Our Servicemembers and Veterans (“HERO” Act) Chapter 178 of the Acts 2024.

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To keep you informed of legislative developments, the Division of Local Services (“Division”) periodically publishes a **BULLETIN** summarizing new laws that affect municipal budgets and local tax assessment, administration and collection. Each issue usually contains a cumulative summary of session laws enacted to that time and indicates whether the Division has issued any further implementation guidelines. This edition of the **BULLETIN** instead focuses on a recent legislative change affecting municipal finance found in [Chapter 178 of the Acts 2024](#) (hereinafter “Act”), entitled [An Act Honoring, Empowering and Recognizing Our Servicemembers and Veterans \(“HERO” Act\)](#).

These changes provide two new local options that increase certain veteran exemption amounts and changes how to determine eligibility for the motor vehicle exemption for a veteran with a 100% disability rating or is unemployable due to their service-connected disability.

### **1. Generally, what are the municipal finance related provisions in the “HERO” Act?**

[Section 23](#) adds two new veteran property tax exemption clauses, [Clauses 22I and 22J](#), to [General Laws, c. 59, §5](#), which is the statute that establishes local property tax exemptions for individuals and organizations. Additionally, [Section 24](#) changes how eligibility for the motor vehicle exemption for a veteran with a service-connected disability is established under [G.L. c. 60A, § 1](#).

## 2. When do these provisions go into effect?

As the Act contained a preamble, the Act's effective date is the date it was signed by the Governor – August 8, 2024. However, for exemptions allowed under [G.L. c. 59, § 5](#), the exemption qualifying date is generally July 1. Changes in property tax exemption laws will generally apply prospectively as of the next qualification date after the effective date of the amendments. As such, municipalities will be able to adopt [Clauses 22I and 22J](#), as described herein, for Fiscal Year 2026.

Conversely, the change under [G.L. c. 60A, § 1](#) is effective presently for calendar year 2024 excises.

## 3. How does a municipality implement these changes?

[Clauses 22I and 22J](#) are local options that must be accepted by a city or town to apply in that municipality. [Acceptance requires a vote of the legislative body](#) (town meeting, town council or city council) subject to the municipality's charter. [G.L. c. 4, § 4](#). No local action is needed for the change under [G.L. c. 60A, § 1](#) to go into effect.

## 4. What would be the impact of [Clause 22I](#)?

[Clause 22I](#), if accepted, would increase the amount of the tax exemption granted to veterans on their domiciles under [Clause 22, Clause 22A, Clause 22B, Clause 22C, Clause 22E and Clause 22F](#) annually by a cost-of-living adjustment (COLA) determined by the Department of Revenue (DOR) based on the consumer price index (CPI). This would work like the annual COLA adjustment determined by DOR that is already a local option for certain senior exemption amounts and financial means standards. See [G.L. c. 59, § 5, Clauses 17E, 17F and 41D](#).

For example, if a Clause 22 recipient will receive a \$400 exemption and the community accepts this option, and the CPI increases by 5%, the total exemption amount would increase to \$420.

## 5. What would be the impact of [Clause 22J](#)?

[Clause 22J](#), if accepted, provides an additional exemption up to 100% of the amount of the tax exemption granted to veterans on their domiciles under [Clause 22, Clause 22A, Clause 22B, Clause 22C, Clause 22E and Clause 22F](#). This would work like the optional additional exemption that is already a local option under [G.L. c. 59, § 5C½](#) for all persons granted exemptions on their domiciles as veterans, seniors, blind persons, and surviving spouses. [Clause 22J](#) will not apply in a year in which the city or town already uses [G.L. c. 59, § 5C½](#) to grant an additional exemption to all persons granted exemptions. It is an option for cities and towns that do not use that general additional exemption to be able to just grant one for persons granted veteran exemptions. As with the general additional exemption, the application of the [Clause 22J](#) additional exemption cannot reduce the tax owed below what the taxpayer would owe on 10% of the current assessed valuation of the domicile. However, unlike the general additional exemption, the exemption granted to veterans can result in the taxpayer paying less than the taxes paid in the preceding fiscal year. To implement, the city or town must vote to accept the statute and establish the additional exemption percentage before the July 1 beginning of the fiscal year in which that percentage will first apply. The voted percentage will continue to apply in subsequent years unless and until another percentage is voted before the July 1 beginning of a later fiscal year.

## **6. How does the change to [G.L. c. 60A, § 1](#) effect the veteran motor vehicle excise process?**

This section changes how eligibility for the motor vehicle exemption for a veteran with a service-connected disability is established under [G.L. c. 60A, § 1](#). Currently, the Medical Advisory Board (MAB) within the Registry of Motor Vehicles (RMV) determines that the veteran has the qualifying disability. Under the amendment, eligibility will be based on a disability determination by the U.S Department of Veteran Affairs (VA), as is the case with other motor vehicle and property tax exemptions available to veterans. Now, a veteran will qualify for a motor vehicle exemption if the VA determines they have a 100% disability rating or deems them unemployable due to their service-connected disability.

## **7. What is the impact in a community that adopts both [Clause 22I and 22J](#)?**

Both Clauses would operate together. For example, if a Clause 22 recipient will receive a \$400 exemption and the community accepts [Clause 22I](#), and the CPI increases by 5%, the total exemption amount would increase to \$420. If the community further accepts [Clause 22J](#) (or [G.L. c. 59, § 5C½](#)) and increases by the maximum 100% the amount of the tax exemption granted to veterans, in this example, the total exemption will increase to \$840.

## **8. Do any of these provisions effect the state reimbursement?**

As [Clauses 22I and 22J](#) are local options that must be accepted by a city or town to apply in that municipality, there is no additional state reimbursement for the cost of the additional exemptions.

Conversely, the veteran exemptions granted pursuant to the new provisions in [G.L. c. 60A, § 1](#) will be fully reimbursed by the Commonwealth.

### **SAMPLE ACCEPTANCE VOTES (Consult with municipal counsel)**

#### **ADJUSTED EXEMPTION AMOUNT CLAUSE 22I**

VOTED: That the city/town accept General Laws Chapter 59, Section 5, Clause 22I, which authorizes an annual increase in the amount of the exemption granted under General Laws Chapter 59, Section 5, Clause 22, Clause 22A, Clause 22B, Clause 22C, Clause 22E and Clause 22F by the percentage increase in the U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index (CPI) for the previous year as determined by the Commissioner of Revenue, to be effective for applicable exemptions granted for any fiscal year beginning on or after July 1, \_\_\_\_\_.

#### **OPTIONAL ADDITIONAL VETERAN EXEMPTION CLAUSE 22J**

VOTED: That the city/town accept General Laws Chapter 59, Section 5, Clause 22J, which authorizes an annual increase in the amount of the exemption granted under General Laws Chapter 59, Section 5, Clause 22, Clause 22A, Clause 22B, Clause 22C, Clause 22E and Clause 22F by **[insert percentage increase up to 100% e.g., 50%, 70%, 100%]** of the personal exemption amount, subject to the conditions in Clause 22J, to be effective for applicable exemptions granted for any fiscal year beginning on or after July 1, \_\_\_\_\_.



## WHAT IS AN EXEMPTION?

An exemption is a release from the obligation to pay all or a portion of the taxes assessed on a parcel of property.

The definition of “Veteran” found in G. L. Ch.4 §7, Clause 43 has been expanded to include several categories of persons who do not have wartime service, i.e., they served during peacetime. But a change in the definition alone would not have made peacetime veterans who came within the new definition eligible since the exemption statutes themselves expressly require wartime service. Those provisions have been deleted with Ch. 352 §§24 and 25 of the Acts of 2004 this has made peace time veterans eligible.

To be eligible to receive these benefit(s) the veteran will need to provide a Certificate (from the Department of Veterans Affairs) stating the loss is service related.

The Clause 22\* exemptions provide assistance to veterans who meet the disability and residency requirements. Please note that if you are an elderly veteran and have a limited income, you may be eligible for a greater amount of assistance under Clause 41C.

## HOW DO I APPLY?

Applications must be filed annually with the Board of Assessors by April 1. If you filed in a previous year, an application will be automatically mailed to you. For new applications, contact us at 781-431-1019 x2272 or download the form at [www.wellesleyma.gov](http://www.wellesleyma.gov) and go to the Tax Relief Programs on the Assessors page.

\*Massachusetts General Laws, Chapter 59, Sect. 5, Clause 22

## RESIDENCY REQUIREMENTS

An individual must (1) have been a Massachusetts domiciliary for at least 6 months prior to entering the service **OR** (2) have lived in Massachusetts for not less than 2 years prior to filing for an

### OWNERSHIP

1. A qualifying applicant must possess a sufficient ownership interest in the domicile. To satisfy this ownership requirement, the person’s interest must be worth \$2,000-\$10,000 depending on the exemption. The person may own this interest solely, as a joint owner or as a tenant in common.

2. The holder of a life estate satisfies the ownership requirement.

3. If the property is in a trust, the applicant must be a trustee or co-trustee and have beneficial interest in that trust.

### ELIGIBILITY REQUIREMENTS AND EXEMPTION AMOUNTS/EACH CLAUSE

#### Clause 22 - \$400

This exemption is available to the following:

1. Veterans with a service-related disability of 10% or more as determined by the Veterans Administration or the branch of service from which discharged.
2. Veterans who have been awarded the Purple Heart.
3. Gold Star mothers and fathers.
4. Spouses (where the domicile is owned by the veteran’s spouse and as long as the surviving spouse remains unmarried) and surviving spouses of veterans entitled to exemption.

#### Clause 22A - \$750

This exemption is available to veterans (or their surviving spouse) who:

1. Suffered a service-related loss or permanent loss of use of one foot or one hand or one eye. Or
  2. Received the Congressional Medal of Honor, Distinguished Service Cross, Navy Cross or Air Force Cross.

If the subject property is greater than a single-family house, only that fraction of \$425 which corresponds to the segment occupied by the veteran will be allowed.

#### Clause 22B - \$1,250

This exemption is available to veterans (and their spouses) who suffered a service related loss or permanent loss of use of both feet or both hands or both eyes.

If the subject property is greater than a single-family house, only that fraction of \$775 which corresponds to the segment occupied by the veteran will be allowed.

#### Clause 22C - \$1,500

This exemption is available to veterans (or their surviving spouse) who (1) suffered total disability in a service-related incident and (2) who received assistance in acquiring “especially adapted housing” which they own and occupy as their domicile, and their spouses or surviving spouses.

5. Surviving spouses of World War I veterans so long as they remain unmarried and so long as their whole worth, less any mortgage on the property, does not exceed \$20,000.

If the subject property is greater than a single-family house, only that fraction of \$950 which corresponds to the segment occupied by the veteran will be allowed.

**Clause 22D – Full, with a cap of \$2,500 after 5 years**

This exemption is available to surviving spouses (who do not remarry) of service members or guardsmen who died from injury or disease due to being in a combat zone, or who are missing in action and presumed dead due to combat.

**Clause 22E - \$1,000**

This exemption is available to surviving spouses (surviving spouse) who suffered total disability in a service-related incident and are incapable of working.

If the subject property is greater than a single-family house, only the fraction of \$1000 which corresponds to the segment occupied by the veteran will be allowed.

**Clause 22Z – Total Exemption**

Paraplegic veterans, those with service-related injuries as determined by the US Dept of Veterans Affairs, or their surviving spouses, are eligible for total exemption on their property taxes. The surviving spouse may keep the exemption upon remarriage.

veteran”, a Lebanese peace-keeping force veteran”, a “Grenada rescue mission veteran”, a “Panamanian intervention force veteran”, a “Persian Gulf veteran”, or a member of the “WAAC.” The dates for each qualifying military action are in G.L. Ch. 4 §7(43).

**HOW DO I APPLY?**

Applications must be filed annually with the Board of Assessors by April 1. A current Certificate of Eligibility from the Veteran Affairs Office must be included.

**Clause 22E - \$1,000**

This exemption is available to surviving spouses (surviving spouse) who suffered total disability in a service-related incident and are incapable of working.

If you filed in a previous year, an application will be automatically mailed to you.

For new applications, contact us at 781-431-1019 x2272 or download the form on our website at [www.wellesleyma.gov/taxrelief](http://www.wellesleyma.gov/taxrelief)

**Please note:** filing an application does not mean you can postpone the payment of your tax.

**Wartime Service**

Wartime service is service performed by a

“World War I veteran”, a “World War II

veteran”, a “Korean veteran”, a “Vietnam

# QUALIFYING VETERANS

Statutory  
Exemption

*Taxpayer Information Guide*



Monday – Friday 8:00 a.m. to 4:00 p.m.

## Wartime Service

Wartime service is service performed by a “World War I veteran”, a “World War II veteran”, a “Korean veteran”, a “Vietnam

Town of Wellesley  
BOARD OF ASSESSORS

7/2024

**0ARTICLE \_\_.** To see if the Town will take the following actions:

1. Vote to accept the provisions of Chapter 44, Section 55C of the Massachusetts General Laws to establish a trust to be known as the Wellesley Affordable Housing Trust, whose purpose shall be to provide for the creation and preservation of housing that is affordable in the Town of Wellesley for the benefit of low- and moderate-income households;
2. Amend the General Bylaws of the Town by inserting a new Article [20] to be entitled "Wellesley Affordable Housing Trust," as follows:

#### WELLESLEY AFFORDABLE HOUSING TRUST

20.1 There shall be a Board of Trustees (Trustees) of the Wellesley Affordable Housing Trust, composed of seven Wellesley residents, of whom at least one shall be a member of the Select Board, in addition to the Executive Director or his/her designee. The Executive Director shall not have the power to vote.

The Select Board shall appoint Trustees with complimentary skills and expertise from the following areas to the extent possible: affordable housing/affordable housing advocacy (including consideration of a member of Wellesley Housing Authority), development and construction, law, real estate, banking, finance, and social services. A lower/moderate income tenant living in subsidized housing, receiving rent subsidies, or living in workforce housing shall also be appointed.

The Select Board shall appoint the Trustees for terms not to exceed three years, except that two of the initial trustee appointments shall be for a term of two years. Trustees may be re-appointed at the discretion of the Select Board. Vacancies shall be filled by the Select Board for the remainder of the unexpired term. Any Trustee may be removed by the Select Board for cause after the opportunity of a hearing.

20.2 The Trustees are hereby authorized to execute a Declaration of Trust and Certificate of Trust for the Wellesley Affordable Housing Trust to be recorded with the Norfolk Registry of Deeds and filed with the Norfolk Registry District of the Land Court.

20.3 The powers of the Trustees, all of which shall be carried on in furtherance of the purposes set forth in G. L. c. 44, § 55C, shall include the following:

- a. To accept and receive real property, personal property or money, by gift, grant, contribution, devise or transfer from any person, firm, corporation or other public or private entity, including but not limited to money, grants of funds or other property tendered to the trust in connection with any ordinance or by-law or any general or special law or any other source, including money from G. L. c. 44B;
- b. By vote of a supermajority of the Trustees, to purchase and retain real or personal property, including without restriction investments that yield a high rate of income or no income;

- c. By a vote of a supermajority of Trustees, to sell, lease, exchange, transfer or convey any personal, mixed, or real property at public auction or by private contract for such consideration and on such terms as appropriately related to credit or otherwise, and to make such contracts and enter into such undertaking relative to trust property as the Trustees deem advisable notwithstanding the length of any such lease or contract;
- d. To execute, acknowledge and deliver deeds, assignments, transfers, pledges, leases, covenants, contracts, promissory notes, releases, grant agreements and other instruments sealed or unsealed, necessary, proper or incident to any transaction in which the Trustees engage for the accomplishment of the purposes of the Trust;
- e. To employ advisors and agents, such as accountants, appraisers and lawyers as the Trustees deem necessary;
- f. To pay reasonable compensation and expenses to all advisors and agents and to apportion such compensation between income and principal as the Trustees deem advisable;
- g. To apportion receipts and charges between incomes and principal as the Trustees deem advisable, to amortize premiums and establish sinking funds for such purpose, and to create reserves for depreciation depletion or otherwise;
- h. To participate in any reorganization, recapitalization, merger or similar transactions; and to give proxies or powers of attorney with or without power of substitution to vote any securities or certificates of interest; and to consent to any contract, lease, mortgage, purchase or sale of property, by or between any corporation and any other corporation or person;
- i. To deposit any security with any protective reorganization committee, and to delegate to such committee such powers and authority with relation thereto as the Trustees may deem proper and to pay, out of Trust property, such portion of expenses and compensation of such committee as the Trustees may deem necessary and appropriate;
- j. To carry property for accounting purposes other than acquisition date values;
- k. To make distributions or divisions of principal in kind;
- l. To comprise, attribute, defend, enforce, release, settle or otherwise adjust claims in favor or against the Trust, including claims for taxes, and to accept any property, either in total or partial satisfaction of any indebtedness or other obligation, and subject to the provisions of this act, to continue to hold the same for such period of time as the Trustees may deem appropriate;
- m. To manage or improve real property; and to abandon any property which the Trustees determine not to be worth retaining;
- n. To hold all or part of the trust property uninvested for such purposes and for such time as the Trustees may deem appropriate; and
- o. To extend the time for payment of any obligation to the Trust.

The powers of the Trustees, which shall be carried on in furtherance of the purposes set forth in G. L. c. 44, § 55C, shall also include the following:

With prior approval of the Select Board, to borrow money on such terms and conditions and from such sources as the Trustees deem advisable, to mortgage and pledge Trust assets as collateral;

20.4 The Trustees shall develop an action plan which includes: the Trustees' priorities for their work for the coming three to five (3-5) years in furtherance of the objectives as set forth in this Bylaw, as well as a plan to coordinate their work with other Boards, Committees and Commissions in Wellesley which address the issue of housing. The action plan shall be updated as appropriate, and a new action plan developed within five years of each previous plan.

20.5 The Trustees shall provide for an annual audit of the books and records of the Trust. Such audit shall be conducted by an independent auditor in accordance with accepted accounting practices. Upon receipt of the audit by the Trustees, a copy shall be provided forthwith to the Select Board, and upon request, to the Advisory Committee.

3. Deleting all instances of the term "Housing Development Corporation" from any amendment to the General Bylaws approved at the Annual Town Meeting beginning April 1, 2025, and inserting, in place thereof, the term "Affordable Housing Trust" or "Board of Trustees", as applicable;
4. Dissolve the Wellesley Housing Development Corporation upon the appointment of all Trustees of the Affordable Housing Trust;

And

5. Direct the Town Treasurer to create a new municipal account with the Treasurer as custodian, transfer the entire balance of the Wellesley Housing Development Corporation account into this new municipal account; and invest the balance in accordance with the Town's financial policy on investment of trust funds.

or to take any other action in relation thereto.

**(Wellesley Housing Development Corporation, Select Board)**



**ARTICLE 26. 0ARTICLE** . To see if the Town will take the following actions:

- - 1. 1. Vote to accept the provisions of Chapter 44, Section 55C of the Massachusetts General Laws to establish a trust to be known as the Wellesley Affordable Housing Trust Fund Wellesley Affordable Housing Trust, whose purpose shall be to provide for the creation and preservation of housing that is affordable in the Town of Wellesley for the benefit of low- and moderate-income households;
  - 2. 2. Amend the General Bylaws of the Town by inserting a new Article [20] to be entitled "Wellesley Affordable Housing Trust Fund," as follows:

**WELLESLEY AFFORDABLE HOUSING TRUST FUND**

20.1 There shall be a Board of Trustees (Trustees) of the Wellesley Affordable Housing Trust Fund, composed of membersseven Wellesley residents, of whom at least one shall be a member of the Select Boardof Selectmen, and at least one shall be, in addition to the Executive Director— or his/her designee. The Executive Director shall not have the power to vote.

The Select Boardof Selectmen shall appoint Trustees with complimentary skills and expertise from the following areas to the extent possible: affordable housing/affordable housing advocacy (including consideration of a member of Wellesley Housing Authority), development and construction, law, real estate, banking, finance, and social services. A lower/moderate income tenant living in subsidized housing, receiving rent subsidies, or living in workforce housing shall also be appointed.

The Select Board shall appoint the Trustees for terms not to exceed twothree years, except that two of the initial trustee appointments shall be for a term of oneyear, provided saidtwoyears. Trustees may be re-appointed at the discretion of the Select Boardof Selectmen. Vacancies shall be filled by the Select Boardof Selectmen for the remainder of the unexpired term. Any member of the Board of TrusteesTrustee may be removed by the Select Boardof Selectmen for cause after the opportunity of a hearing.

20.2 The Trustees are hereby authorized to execute a Declaration of Trust and Certificate of Trust for the Wellesley Affordable Housing Trust to be recorded with the Norfolk Registry of Deeds and filed with the Norfolk Registry District of the Land Court.

20.3 The powers of the Boardof Trustees, all of which shall be carried on in furtherance of the purposes set forth in G. L. c. 44, § 55C, shall include the following:

- a. a. To accept and receive real property, personal property or money, by gift, grant, contribution, devise or transfer from any person, firm, corporation or other public or private entity, including but not limited to money, grants of funds or other property tendered to the trust in connection with any ordinance or by-law or any general or special law or any other source, including money from G. L. c. 44B;
- b. b. By vote of a supermajority of the Trustees, to purchase and retain real or personal property, including without restriction investments that yield a high rate of income or no income;
- c. c. By a vote of a supermajority of Trustees, to sell, lease, exchange, transfer or convey any personal, mixed, or real property at public auction or by private contract for such consideration and on such terms as appropriately related to credit or otherwise, and to make such contracts and enter into such undertaking relative to trust property as the Board deems Trustees deem advisable notwithstanding the length of any such lease or contract;
- d. d. To execute, acknowledge and deliver deeds, assignments, transfers, pledges, leases, covenants, contracts, promissory notes, releases, grant agreements and other instruments sealed or unsealed, necessary, proper or incident to any transaction in which the Board engages Trustees engage for the accomplishment of the purposes of the Trust;
- e. e. To employ advisors and agents, such as accountants, appraisers and lawyers as the Board deems Trustees deem necessary;
- f. f. To pay reasonable compensation and expenses to all advisors and agents and to apportion such compensation between income and principal as the Board deems Trustees deem advisable;
- g. g. To apportion receipts and charges between incomes and principal as the Board deems Trustees deem advisable, to amortize premiums and establish sinking funds for such purpose, and to create reserves for depreciation depletion or otherwise;
- h. h. To participate in any reorganization, recapitalization, merger or similar transactions; and to give proxies or powers of attorney with or without power of substitution to vote any securities or certificates of interest; and to consent to any contract, lease, mortgage, purchase or sale of property, by or between any corporation and any other corporation or person;
- i. i. To deposit any security with any protective reorganization committee, and to delegate to such committee such powers and authority with relation thereto as the Board Trustees may deem proper and to pay, out of Trust property, such portion of expenses and compensation of such committee as the Board Trustees may deem necessary and appropriate;
- j. j. To carry property for accounting purposes other than acquisition date values;
- k. To borrow money on such terms and conditions and from such sources as the Board deems advisable, to mortgage and pledge Trust assets as collateral;
- l. k. To make distributions or divisions of principal in kind;

- m. l. To comprise, attribute, defend, enforce, release, settle or otherwise adjust claims in favor or against the Trust, including claims for taxes, and to accept any property, either in total or partial satisfaction of any indebtedness or other obligation, and subject to the provisions of this act, to continue to hold the same for such period of time as the BoardTrustees may deem appropriate;
- n. m. To manage or improve real property; and to abandon any property which the BoarddeterminedTrusteesdetermine not to be worth retaining;
- o. n. To hold all or part of the trust property uninvested for such purposes and for such time as the BoardTrustees may deem appropriate; and
- p. o. To extend the time for payment of any obligation to the Trust.

20.4 The Board ofThe powers of the Trustees, which shall be carried on in furtherance of the purposes set forth in G. L. c. 44, § 55C, shall also include the following:

With prior approval of the Select Board, to borrow money on such terms and conditions and from such sources as the Trustees deem advisable, to mortgage and pledge Trust assets as collateral;

20.4 The Trustees shall develop an action plan which includes: the Trustees' priorities for their work for the coming three to five (3-5) years in furtherance of the objectives as set forth in this Bylaw, as well as a plan to coordinate their work with other Boards, Committees and Commissions in Wellesley which address the issue of housing. The action plan shall be updated as appropriate, and a new action plan developed within five years of each previous plan.

20.5 The Trustees shall provide for an annual audit of the books and records of the Trust. Such audit shall be performedconducted by an independent auditor in accordance with accepted accounting practices. Upon receipt of the audit by the Boardof Trustees, a copy shall be provided forthwith to the BoardofSelectmenSelect Board, and upon request, to the Advisory Committee.

And

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- 3. 3. Deleting all instances of the term “WellesleyHousing Development Corporation” from any amendment to the General Bylaws approved at the Annual Town Meeting beginning April 26, 2021, 2025, and inserting, in place thereof, the term “Affordable Housing Trust” or “Board of TrusteeTrustees”, as applicable;
- 4. Dissolve the Wellesley Housing Development Corporation upon the appointment of all Trustees of the Affordable Housing Trust;

And

5. Direct the Town Treasurer to create a new municipal account with the Treasurer as custodian, transfer the entire balance of the Wellesley Housing Development Corporation account into this new municipal account; and invest the balance in accordance with the Town's financial policy on investment of trust funds.

or to take any other action in relation thereto.

(Board of Selectmen)

(Wellesley Housing Development Corporation, Select Board)

# Comparison of WHDC and AHT Powers

<b>Housing Development Corp. (Through Special Act)</b>	<b>Affordable Housing Trust (Through Adoption of State Statute)</b>
<p><b>Contracts:</b></p> <ul style="list-style-type: none"> <li>• Make and execute contracts (requires Select Board approval).</li> </ul>	<p><b>Contracts and Agreements:</b></p> <ul style="list-style-type: none"> <li>• Make and execute deeds, leases, contracts, promissory notes, releases, grant agreements, and other instruments related to Trust purposes.</li> </ul>
<p><b>Property Transactions:</b></p> <ul style="list-style-type: none"> <li>• Acquire, lease, own, hold, use, exchange, sell, transfer, convey, assign, pledge, mortgage, encumber, or otherwise dispose of real, personal, or mixed property (requires Select Board approval).</li> <li>• Town-owned land transactions require landowner authorization and Town Meeting vote.</li> </ul>	<p><b>Property Transactions:</b></p> <ul style="list-style-type: none"> <li>• Purchase, retain, sell, lease, or exchange real or personal property.</li> <li>• Manage, improve, or abandon property as deemed necessary.</li> <li>• Town-owned land transactions require landowner authorization and Town Meeting vote.</li> </ul>
<p><b>Financial Activities:</b></p> <ul style="list-style-type: none"> <li>• Borrow money and execute notes (requires Select Board approval).</li> <li>• Invest funds or hold mortgages.</li> <li>• Fix, revise, charge, and collect rates, fees, rentals, and sales prices for housing facilities (requires Select Board approval).</li> </ul>	<p><b>Financial Activities:</b></p> <ul style="list-style-type: none"> <li>• Borrow money and mortgage/pledge Trust assets as collateral (requires Select Board approval).</li> <li>• Accept and receive real property, personal property, or money from public or private entities.</li> <li>• Participate in financial reorganizations, mergers, and similar transactions.</li> </ul>
<p><b>Fund Management:</b></p> <ul style="list-style-type: none"> <li>• Receive funds from public or private sources by gift, grant, bequest, loan, or other means (requires Select Board approval).</li> <li>• Expend or utilize received funds on behalf of the Board (requires Select Board approval).</li> </ul>	<p><b>Fund Management:</b></p> <ul style="list-style-type: none"> <li>• Apportion receipts and charges between income and principal per Town financial policies.</li> <li>• Amortize premiums, establish sinking funds, and create reserves.</li> </ul>
<p><b>Legal and Operational Actions:</b></p> <ul style="list-style-type: none"> <li>• Employ advisors and agents, such as accountants, appraisers, and lawyers, and pay reasonable compensation.</li> </ul>	<p><b>Legal and Operational Actions:</b></p> <ul style="list-style-type: none"> <li>• Employ advisors and agents, such as accountants, appraisers, and lawyers, and pay reasonable compensation.</li> </ul>

## Comparison of WHDC and AHT Powers

compensation (requires Select Board approval)	<ul style="list-style-type: none"><li>• Defend, enforce, or settle claims in favor of or against the Trust.</li><li>• Accept property in satisfaction of obligations.</li></ul>
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## **WHDC changes in AHT TM article 2021-2024**

### **Membership**

- 7 members
- Appointed by Select Board
- All Wellesley residents
- ED may have a designee
- ED does not vote
- Specific areas of expertise **desired** added
- Terms changed to 3 years with 2 Trustees appointed initially to 2-year terms so terms are staggered

### **Authority**

- Votes to purchase property require supermajority (5 out of 7)
- Votes to sell or lease property requires supermajority
- Amended so that prior approval of the Select Board is required to borrow money, or mortgage or pledge Trust assets as collateral

### **Actions**

- Requires development of an action plan for 3-5 years plus new plan within 5 years
- Advisory Committee entitled to copy of annual audit by request
- WHDC be dissolved following appointment of all Trustees
- Town Treasurer creates municipal fund and transfers all WHDC assets to that fund, to be invested according to Town's investment policy related to trust assets



## ARTICLE XX

To see if the Town Meeting will vote to amend the Town Bylaws Article 34 Board of Health to establish customer opt-in for single-use service ware and single serving packaged condiments or take any other action in relation thereto.

### MOTION 1

That this Town Meeting hereby adopt the following amendments to Town Bylaw 34.

#### **34.5D CUSTOMER OPT-IN FOR SINGLE-USE SERVICE WARE AND SINGLE SERVING PACKAGED CONDIMENTS**

##### **Section I Findings and Purpose**

The purpose of this Bylaw is to reduce single-use service wear and packaged condiments. For the health and welfare of our community and in accordance with the sustainability goals of Wellesley's Climate Action Plan, this bylaw serves a public purpose to minimize the impact of single-use items on the environment by advancing solid waste reduction and reducing the carbon footprint of Wellesley's businesses and residents.

##### **Section II Definitions**

- a. "Director" means the director of community and public health services of the Town of Wellesley.
- b. "Condiment" means a single-use packet containing relishes, spices, sauces, confections, or seasonings, that requires no additional preparation, and that is used with food or beverages, including, but not limited to, ketchup, mustard, mayonnaise, soy sauce, wasabi, sauerkraut, salsa, syrup, jam, jelly, salad dressings, salt, sugar, sugar substitutes, pepper, and chile pepper.
- c. "Food Establishment" means an operation that stores, prepares, packages, serves, vends food directly to the consumer or otherwise provides food for human consumption such as a restaurant, mobile food, satellite or catered feeding locations.
- d. "Online Food Ordering Platform" means the digital technology provided on a website or mobile application through which a consumer can place an order for pick-up or delivery of Prepared Food. Such platforms include those operated directly by a Food Establishment, by companies that provide delivery of Prepared Meals to consumers, and by online food ordering systems that connect consumers to a Food Establishment directly.
- e. "Prepared Food" means food or beverages that are serviced, packaged, cooked, chopped, sliced, mixed, brewed, frozen, squeezed, poured, or otherwise prepared (collectively "prepared") in a Food

Establishment for individual customers or consumers. Prepared Food does not include raw eggs or raw, butchered meats, fish, and/or poultry sold from a butcher case, a refrigerator case, or similar retail appliance.

f. "Reusable" refers to food and beverage service ware that will be used multiple times in the same form by a food establishment. Such products are intended to be washed multiple times in a commercial dishwasher and to retain their form and function over multiple usage and washing cycles.

g. "Single Item Dispenser" means bulk dispensers that only dispense one item at a time.

h. "Single-Use" means designed to be used once and then discarded, and not designed for repeated use and sanitizing.

i. "Single-Use Articles" means utensils and food containers designed and constructed to be used once and discarded. All types of single-use items provided alongside Prepared Food including but not limited to utensils, tongs, chopsticks, napkins, condiment cups and packages, straws, stirrers, splash sticks, cocktail sticks, toothpicks, cup sleeves, cup trays, and food trays designed for a single-use for Prepared Foods.

j. "Utensil" means a food contact implement or container used in the storage, dispensing or service of food, including but not limited to forks, spoons, knives, sporks, chopsticks, or other instruments used to serve food or to eat food.

### **Section III Regulated Conduct**

a. Except as provided by Section IV Exemptions, a Food Establishment, for on-premises dining, takeout, and delivery orders, or when using a third-party delivery or Online Food Ordering Platform, shall only provide Single-Use Articles or Condiments to a customer when specifically requested by the consumer. Customers must specify which specific Single-Use Articles and/or Condiments they want included with their order. Food establishments may have single-use accessories available at self-service stations.

b. Online Food Ordering Platforms must provide Food Establishments with a method to list each Single-Use Article and Condiment that is offered by the Food Establishment such that customers can specifically request the Single-Use Articles and Condiments that they wish to have included with their order.

c. Single-Use Articles and Condiments packaged for single-use provided by Food Establishments for use by consumers shall not be bundled or packaged in a manner that prohibits a consumer from taking only the type of Single-Use Article or Condiment desired without also having to take additional Single-Use Articles or Condiments.

## **Section IV Enforcement**

- a. The Board of Health and its Health Agent shall have the authority to administer and enforce this bylaw.
- b. The enforcing authority, upon a determination that a violation has occurred, shall issue a written warning notice to the establishment specifying the violation. A written warning notice shall be issued for the first three violations.
- c. The following penalties shall apply:
  1. A fine of \$50 shall apply for the first violation following the issuance of at least three written warning notices.
  2. A fine of \$100 shall apply for the second violation following the issuance of at least three written warning notices, and for each additional violation of this by-law.
- d. Fines shall be cumulative and each day on which a violation occurs shall constitute a separate offense.

## **Section V Exemptions**

- a. Any food establishment may seek an exemption from the requirements of this bylaw by filing a request in writing with the Director of Community and Public Health. The request must state specifically which section and products they are seeking an exemption from and state reasons why application of the specific requirement would cause undue hardship. The Director may waive any specific requirement of this bylaw for a period of not more than one year. A food establishment granted an exemption must re-apply prior to the end of the one-year exemption period and demonstrate continued undue hardship if the food establishment wishes to have the exemption extended. The Director's decision to grant or deny an exemption or to grant or deny an extension of a previously issued exemption shall be in writing and shall be final.

## **Section VI Effective Date**

- a. This bylaw shall take effect on January 1, 2026.

## **Section VII Regulations**

- a. The Board of Health may adopt and amend rules and regulations to effectuate the purposes of this bylaw.

## **Section VIII Severability**

- a. If any provision of this bylaw is declared invalid or unenforceable the other provisions shall not be affected thereby.



**8. 7:45 Discuss FY26 Budget Updates**

The staff is working through edits from the Budget Summit held on December 10<sup>th</sup>. Please find updates to the Traffic and Parking Budget, which removes personal services for the Lieutenant, Patrol Officer, Parking Clerk, DPW Sign Worker, and associated benefits (\$40,000) and places those into the operational budgets as discussed.

DPW is working on their amendments, but please find attached the following updated budgets:

1. Traffic and Parking
2. Police Budget
3. Treasurer

We are working to update narratives and will send any further amendments on Monday.





# Town of Wellesley

## FY2026 Budget Request

Fund: 27

Department #: 293

Department Head: Chief Scott Whitemore

The mission of the Traffic and Parking Department is to facilitate vehicular and pedestrian safety and orderly movement throughout the community through the appropriate application of traffic regulatory and warning devices. The Department also maintains municipal parking lots and on-street parking meters. This budget is funded from parking meter receipts.

DEPARTMENT EXPENDITURES	FY22 Actual	FY23 Actual	FY24 Actual	FY25 Budget	FY26 Request	\$ Variance FY25-26	% Variance FY25-26
Personal Services	\$ 108,450	\$ 110,190	\$ 116,150	\$ 120,240	\$ -	\$ (120,240)	-100.00%
Full Time	64,993	67,794	76,572	101,598	\$ 5,637	\$ 5,637	5.55%
Part Time/Temp/Seasonal	59,691	59,728	61,489	60,000	\$ (40,000)	\$ (40,000)	-66.67%
Other (Meter/Sign Repair)	36,556	37,168	38,137	41,473	\$ (41,473)	\$ (41,473)	-100.00%
Traffic Officer	<b>269,689</b>	<b>274,879</b>	<b>292,348</b>	<b>323,311</b>	<b>\$ 127,235</b>	<b>\$ (196,076)</b>	<b>-60.65%</b>
<b>Subtotal, Personal Services</b>	<b>397,684</b>	<b>505,092</b>	<b>597,326</b>	<b>711,400</b>	<b>\$ 615,900</b>	<b>\$ (95,500)</b>	<b>-13.42%</b>
Expenses							
Capital							
<b>P/S &amp; Expenses TOTAL</b>	<b>\$ 667,373</b>	<b>\$ 779,971</b>	<b>\$ 839,674</b>	<b>\$ 1,034,711</b>	<b>\$ 743,135</b>	<b>\$ (291,576)</b>	<b>-28.18%</b>

Capital Request	\$ -	\$ 100,000	\$ -				
<b>GRAND TOTAL</b>	<b>\$ 667,373</b>	<b>\$ 879,971</b>	<b>\$ 839,674</b>	<b>\$ 1,034,711</b>	<b>\$ 743,135</b>	<b>\$ (291,576)</b>	<b>-28.18%</b>
Cash Capital							
Debt Service							
<b>General Fund Transf and Debt Srvcs Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

GRAND TOTAL (Operating + Debt)	\$ 667,373	\$ 779,971	\$ 839,674	\$ 1,034,711	\$ 743,135	\$ (291,576)	-28.18%
Revenues - Parking Charges	FY22 Actual	FY23 Actual	FY24 Actual	FY25 Budget	FY26 Estimated		
Annual Permits							
Debit Card Sales							
Ticket Machines							
Lot Meters							
Street Meters							
Passport/PaybyPhone							
EV Charging Stations							
Other Revenue (Rental, etc)							
General Fund Subsidy							
<b>Total Revenue</b>	<b>1,044,079</b>	<b>1,030,587</b>	<b>1,170,505</b>	<b>995,500</b>	<b>\$ 751,000</b>		
<b>PERMANENT STAFFING (FTEs)</b>							
<b>Full Time-Equivalent Employees</b>							
Position Titles:							
Administrator	0.5	0.5	0.5	0.5	0.5	0.0	0.0
Parking Clerk	0.5	0.5	0.5	0.5	0.5	0.0	0.0
Meter/Sign Repair	0.5	0.5	0.5	0.5	0.5	0.2	0.2
Parking Attendants	2.6	2.6	2.6	2.6	2.1	2.1	2.1
<b>Total Number of Positions</b>	<b>4.1</b>	<b>4.1</b>	<b>4.1</b>	<b>4.1</b>	<b>3.6</b>	<b>2.3</b>	

Traffic & Parking Operating Request									
Org	Obj	Munis Object # Account Title	Explanation	FY22		FY23		FY24	
				Actual	Actual	Actual	Budget	Budget	Request
<b>PERSONAL SERVICES</b>									
27293100	511010	Senior Administrator	50% Police Lieutenant	\$ 75,749	\$ 76,969	\$ 81,275	\$ 84,355	\$ -	\$ (84,355)
27293100	511220	Other Professional	Parking Clerk	\$ 32,701	\$ 33,221	\$ 34,875	\$ 35,885	\$ -	\$ (35,885)
27293100	511240	Unif Staff	4 part-time positions 18 hours/week	64,693	67,794	76,572	99,598	105,235	\$ 5,637
27293100	514010	Shift Diff	\$2.00/hour stipend	300	-	-	2,000	2,000	\$ -
27293100	511350	Laborer	HWY sign/meter repair/maint MLP traffic signal maint	59,691	59,728	61,489	60,000	20,000	\$ (40,000)
27293100	511230	Traffic Officer	One Patrolman in Police paid 50% from Traffic and Parking - made as a departmental transfer	36,556	37,168	38,137	41,473	-	\$ (41,473)
				<b>269,689</b>	<b>274,879</b>	<b>292,348</b>	<b>323,311</b>	<b>127,235</b>	<b>\$ (196,076)</b>
<b>EXPENSES</b>									
27293200	521005	Station	Electricity - Charging Station	2,123	3,077	10,322	5,500	12,000	\$ 6,500
27293200	521010	Electricity	Parking Lot Lighting traffic signals pedestrian lights	10,213	10,505	11,824	10,500	10,500	\$ -
27293200	524015	Grounds Maint	Municipal Parking Lots monthly	40,318	41,002	48,571	35,000	-	\$ (35,000)
27293200	524030	Equip Maint	Yearly replacement parking meter batteries	-	1,736	2,963	2,000	2,000	\$ -
27293200	529030	Snow Removal	Municipal parking Lots	44,028	-	13,800	60,000	60,000	\$ -
27293200	530700	Arch/Eng	On-call traffic consultants	22,298	81,665	51,217	80,000	80,000	\$ -
27293200	530900	Other Prof	Violation Processing	51,426	92,569	64,080	95,000	65,000	\$ (30,000)
27293200	534010	Postage	Meter collection	371	299	153	500	500	\$ -
			Postage						
27293200	534020	Telephone	Cellular phones parking attendants (3) parking clerk	-	-	-	-	-	\$ -
27293200	534030	Advertising - General	Advertising - General	-	-	281	500	500	\$ -
27293200	534040	Printing and Mailing	Printing and Mailing	-	316	-	-	-	\$ -
27293200	536100	DPW-PW Services	Fringe per DPW Transfers	22,325	23,891	23,931	25,000	25,000	\$ -

Traffic & Parking Operating Request							
Org	Obj	Munis Object #	Account Title	Explanation	FY22 Actual	FY23 Actual	FY24 Actual
27293200	538090	Other Services	Traffic signal maintenance	15,261	51,642	65,648	60,000
27293200	542010	Office Supplies	Office Supplies	35	317	30	400
27293200	542110	Uniforms	Uniforms	281	96	366	2,000
27293200	543040	Equipment Supplies	Meter maintenance supplies	9,290	2,598	3,179	7,000
27293200	543050	Paint Supplies	Line Painting contract	106,637	93,849	74,732	65,000
27293200	543090	Other M &R	CALE meter maintenance agreement CALE meter supplies				
27293200	552030	Signs Supplies	Regulatory Signs	19,624	22,214	28,277	30,000
27293200	571010	Travel-Mileage	Travel-Mileage	1,913	2,227	2,518	3,000
27293200	571540	Parking Lot Imp	Landscaping Improvements	717	6,520	270	20,000
27293200	571550	Traffic Calming	Fencing Improvements Pothole Repair	1,240	21,976	8,453	60,000
27293200	575210	Health Insurance	Various traffic calming projects	40,000	40,000	40,000	-
27293200	578015	Late Fees	Benefits	20	-		\$ (40,000)
			Credit card fees (max 2.88%) coin count verification from meters	9,564	8,593	8,739	10,000
27293200	578020	Credit card	Passport/PBP App Usage Fee	-	397,684	505,092	137,974
			Expense Total	\$ 667,373	\$ 779,971	\$ 889,674	100,000
<b>P/S and Expenses Total</b>				<b>\$ 667,373</b>	<b>\$ 779,971</b>	<b>\$ 1,034,711</b>	<b>\$ 743,135</b>
<b>Capital Request</b>				\$ 100,000	\$ -	\$ -	\$ -
<b>Grand Total</b>				<b>\$ 667,373</b>	<b>\$ 879,971</b>	<b>\$ 889,674</b>	<b>\$ 1,034,711</b>
						<b>\$ 743,135</b>	<b>\$ (291,576)</b>
							<b>-28.18%</b>
							<b>0%</b>

# Traffic & Parking Operating Request

\*\*\*Note: FY26 salary is based on a 52.2 week year.

\*50% Charged to Police



# Town of *Wellesley* FY2026 Budget Request

Department: 210

Department Head: Scott Whittmore, Police Chief

Police Department Operating Request

Department: 210

Department Head: Scott Whitemore, Police Chief

DEPARTMENT EXPENDITURES		FY22 Actual	FY23 Actual	FY24 Actual	FY25 Budget	FY26 Request	\$ Variance FY25-26	% Variance FY25-26
Personal Services								
Full Time	\$ 4,860,917	\$ 4,728,395	\$ 5,127,046	\$ 5,896,686	\$ 6,213,863	\$ 317,176	5,38%	
Longevity	14,969	16,183	17,298	20,006	21,725	\$ 1,719	8.59%	
Vacation Coverage, Holiday Pay, Illness, etc.	1,349,611	1,760,421	1,758,456	1,333,640	1,434,365	\$ 100,725	7.55%	
<b>Subtotal, Personal Services Without Traffic &amp; Parking Reallocation</b>	<b>6,225,497</b>	<b>6,504,999</b>	<b>6,902,800</b>	<b>7,250,332</b>	<b>7,540,679</b>	<b>290,347</b>	<b>4.00%</b>	
<b>Subtotal, Personal Services Expenses</b>	<b>6,225,497</b>	<b>6,504,999</b>	<b>6,902,800</b>	<b>7,250,332</b>	<b>7,669,952</b>	<b>419,620</b>	<b>5.79%</b>	
Expenses Encumbered Expended	488,871	524,976	576,466	863,565	902,429	\$ 38,864	4.50%	
<b>Subtotal, Expenses</b>	<b>488,871</b>	<b>524,976</b>	<b>576,466</b>	<b>863,565</b>	<b>902,429</b>	<b>38,864</b>	<b>4.50%</b>	
<b>Total Without Traffic &amp; Parking Reallocation</b>	<b>\$ 6,714,368</b>	<b>\$ 7,029,975</b>	<b>\$ 7,479,266</b>	<b>\$ 8,113,897</b>	<b>\$ 8,443,108</b>	<b>\$ 329,211</b>	<b>4.06%</b>	
<b>TOTAL</b>	<b>\$ 6,714,368</b>	<b>\$ 7,029,975</b>	<b>\$ 7,479,266</b>	<b>\$ 8,113,897</b>	<b>\$ 8,572,381</b>	<b>\$ 458,484</b>	<b>5.65%</b>	
PERMANENT STAFFING (FTEs)		FY22 Actual	FY23 Actual	FY24 Actual	FY25 Budget	FY26 Request		
Position Titles:								
Chief	1.0	1.0	1.0	1.0	1.0	1.0		
Deputy Chief	1.0	1.0	1.0	1.0	1.0	1.0		
Lieutenants	4.0	4.0	4.0	4.0	4.0	4.0		
Sergeants	6.0	6.0	6.0	6.0	6.0	6.0		
Patrol Officers	34.0	34.0	34.0	34.0	34.0	34.0		
Animal Control Officer	1.0	1.0	1.0	1.0	1.0	1.0		
Dispatchers	10.0	10.0	10.0	10.0	10.0	10.0		
Staff	4.0	4.0	4.0	4.0	4.0	4.0		
<b>Total Number of Positions</b>	<b>61.0</b>							

## Position Titles:

**Police Department FY26 Operating Budget Request**

Org	Object	Account # 01-210 Account Title	Explanation	FY22 Actual	FY23 Actual	FY24 Actual	FY25 Budget	FY26 Request	\$ Variance FY25-26	% Variance FY25-26
<b>PERSONAL SERVICES</b>										
01210100 511010	Chief / Deputy Chief		Based on contractual obligations and potential for merit pay increase.	\$ 380,643	\$ 394,762	\$ 424,586	\$ 445,977	\$ 440,013	\$ (5,964)	-1.34%
01210100 511140	Lieutenants		Increase per collective bargaining agreement.	377,010	384,844	431,596	588,244	692,446	\$ 104,202	17.71%
01210100 511220	Sergeants		Increase per collective bargaining agreement and 11 officers eligible for step increases.	757,180	743,971	734,592	753,117	781,418	\$ 28,301	3.76%
01210100 511230	Police Officers		Increase per guidelines and step increase.	2,557,868	2,630,763	2,835,710	3,199,330	3,351,264	\$ 151,934	4.75%
01210100 511240	Animal Control		Increase per guidelines and step increase.	57,505	61,813	84,940	72,264	77,388	\$ 5,124	7.08%
01210100 511370	Clerical		Increase per guidelines.	124,001	130,250	134,729	136,749	140,845	\$ 4,096	3.00%
01210100 511245	IT Programmer Analyst		Increase per guidelines.	68,311	70,477	73,916	77,765	79,320	\$ 1,555	2.00%
01210100 511420	Dispatchers		Increase per collective bargaining agreement and 5 dispatchers eligible for step increases.	538,400	311,513	406,978	623,240	651,168	\$ 27,928	4.48%
01210100 513210	Vacation Coverage		Increase based on actual usage and collective bargaining agreement.	161,663	179,020	186,716	134,881	144,997	\$ 10,116	7.50%
01210100 513220	Illness Coverage		Increase based on actual usage and collective bargaining agreement.	129,668	136,978	193,544	143,440	154,198	\$ 10,758	7.50%
01210100 513250	Other Coverage		Increase based on contractual obligations, actual usage and increased training mandates. This budget line item accounts for the provision of the following items: Training; includes annual mandated in-service, firearms, less lethal force options, de-escalation training, EMT and other training needs as noted in the departments services; Special Investigations; jail Suicide Prevention and care of prisoners; Special Events Coverage, including election, parades, marathon, Town Meetings, fireworks and other community celebrations. Additionally it accounts for school security and community security initiatives.	653,539	1,045,187	933,564	573,000	630,300	\$ 57,300	10.00%
01210100 514010	Night Shift Differential		Changes based on shift assignments and changes in employees who are eligible for night shift differential.	70,909	67,999	69,997	92,486	99,134	\$ 6,648	7.19%
01210100 515010	Holiday Pay		Based on collective bargaining and step increases for 16 employees eligible for holiday pay benefits.	173,814	158,334	203,524	238,865	247,219	\$ 8,354	3.50%
01210100 515030	Sick Leave Buy Back		Increase based on actual usage and collective bargaining agreement.	63,009	55,223	76,015	49,749	52,236	\$ 2,487	5.00%
01210100 515050	Longevity		Increase based on eligible employees reaching a higher longevity tier.	14,969	16,183	17,298	20,006	21,725	\$ 1,719	8.56%
01210100 515080	Court Time/personal days		Increase based on actual usage and collective bargaining agreement.	70,621	59,983	51,793	68,774	72,213	\$ 3,439	5.00%
01210100 519020	Sick Leave/Vac. Buy Back		Increase based on actual usage and collective bargaining agreement.	26,389	57,696	43,304	32,445	34,067	\$ 1,622	5.00%
			<b>PERSONAL SERVICES SUBTOTAL WITHOUT TRAFFIC &amp; PARKING REALLOCATION</b>	<b>6,225,497</b>	<b>6,504,999</b>	<b>6,902,800</b>	<b>7,250,332</b>	<b>7,540,679</b>	<b>\$ 290,347</b>	<b>4.00%</b>
			<b>PERSONAL SERVICES SUBTOTAL</b>	<b>6,225,497</b>	<b>6,504,999</b>	<b>6,902,800</b>	<b>7,250,332</b>	<b>7,669,952</b>	<b>\$ 419,620</b>	<b>5.79%</b>

**Police Department FY26 Operating Budget Request**

Org	Object	Account # 01-210 Account Title	Explanation	FY22 Actual	FY23 Actual	FY24 Actual	FY25 Budget	FY26 Request	\$ Variance FY25-26	% Variance FY25-26
<b>EXPENSES</b>										
01210200 517020	Medical Checkup	Medical and psychological evaluation of applicants for all positions in the department. New departmental drug policy will require annual random drug testing of employees.	1,319	3,724	964	3,500	3,500	-	0.00%	
01210200 517030	Meal Allowance	Provides meals for officers away from town for court, training programs and investigations.	129	67	98	250	250	-	0.00%	
01210200 517040	Tuition Reimbursement	Tuition for members enrolled in degree programs in accordance with the Town's policy and initiative to recruit experienced and educated police officers and to encourage current police officers to pursue higher education. College educated police officers develop the skills and broad perspective to provide quality police services for the residents of Wellesley.	7,000	-	15,800	13,000	15,000	2,000	15.38%	
01210200 524020	Vehicle Maintenance	The department's initiative to make full use of new car warranties and to dispose of surplus vehicles through a used car wholesaler helps to hold the line on maintenance costs while returning a greater dollar value to the Town for the sale of the surplus cruisers.	42,336	70,348	43,717	44,000	46,000	2,000	4.55%	
01210200 524030	Equip. & Maint. Contracts	Yearly or seasonal equipment service contracts for security systems and the many new technologies that help make policing more effective. The department's computers, telephone system, jail cell monitors and investigative equipment are some of the areas covered by maintenance contracts.	53,532	52,246	87,845	53,000	55,000	2,000	3.77%	
01210200 524040	Equipment Maintenance	Some maintenance contracts are more expensive than simply providing service when needed. The department evaluates every area of equipment maintenance to determine the most cost effective means to maintain operational readiness.	6,179	16,845	16,994	20,000	20,000	-	0.00%	
01210200 527050	Copier Rental	This covers the monthly lease fee and other expenses associated with the lease and maintenance of one new copier.	4,277	3,963	4,764	4,800	4,800	-	0.00%	
01210200 527090	Other Rental	This covers the monthly fee and other expenses associated with an internet based investigative support system.	2,445	2,405	1,542	2,425	2,425	-	0.00%	
01210200 530310	Public Safety Health Care Svcs	This covers contract services with O'Donnell Ponter Counseling and Consulting, LLC for Law Enforcement Community Mental Health Programs.	34,440	38,565	39,232	45,772	47,832	2,060	4.50%	
01210200 530500	Training & Development	The relative youth of police personnel places a priority on continuous training in the variety of skills required of community policing professionals. The continuing training of all members of the department in areas such as Narcan administration, fair and impartial policing, de-escalation, emerging mental health issues and implicit bias training are just a few examples of the training the department provides to keep up with ever changing expectations and requirements of community policing and modern police professionals.	77,119	31,406	30,869	60,000	60,000	-	0.00%	
01210200 534010	Postage	The department mails invoices for police services and collecting amounts due on those invoices.	1,793	3,659	2,040	2,000	2,000	-	0.00%	

**Police Department FY26 Operating Budget Request**

Org	Object	Account # 01-210 Account Title	Explanation	FY22 Actual	FY23 Actual	FY24 Actual	FY25 Budget	FY26 Request	\$ Variance FY25-26	% Variance FY25-26
01210200 534020	Telephone	Telephone services cover a broad spectrum of departmental electronic systems including mobile data terminals, ground lines for radio transmitters and radio satellite receivers and cellular phones.		33,888	32,453	39,478	36,820	38,000	1,180	3.20%
01210200 534030	Advertising-General	The department advertises to fill non-police positions (i.e. dispatchers, clerks, secretary) and to publicize requests for contracts.		-	-	-	500	500	-	0.00%
01210200 534055	Cable and Internet	Internet services for computers and equipment.		3,180	3,180	3,180	3,180	3,180	-	0.00%
01210200 534070	National Crime Information Computer (NCIC)	The NCIC system is the means by which the Police Department communicates with regional, state and national crime information data bases. The NCIC also broadcasts terrorist alerts, missing person notification, weather hazards and storm warnings and violent offender reports. Community policing officers utilize this system to identify crime trends and prepare local initiatives to prevent crime, apprehend criminals and recover lost and stolen property.		1,605	1,605	1,715	1,605	1,715	110	6.85%
01210200 541010	Gasoline	Police cruisers provide a mobile office for community policing officers. Maintaining these cruisers on neighborhood patrol requires gasoline. The Police Department participates in the Town's bulk purchase of fuel and maintains the cruisers for optimum fuel mileage.		80,084	76,725	66,827	80,628	83,047	2,419	3.00%
01210200 541020	Diesel	Diesel fuel is used for generators utilized by the department at the firearms range and emergency power generator.		786	738	986	650	750	100	15.38%
01210200 542010	Office Supplies	The department makes bulk purchases and strives to acquire supplies in a cost effective manner.		12,530	12,182	16,285	15,610	16,000	390	2.50%
01210200 542020	Copier Supplies	Demand for copies of police records, including those from insurance companies, the public, the courts and the media drive this expense.		1,499	1,126	1,721	2,000	2,000	-	0.00%
01210200 542090	General Supplies	General supplies & materials.		12,783	13,331	13,695	14,750	14,750	-	0.00%
01210200 542110	Uniforms	Provides for the requirements of various employment contracts and the hiring of officers & dispatchers.		42,446	76,413	57,927	57,500	60,000	2,500	4.35%
01210200 543040	Equipment	Desk top computers, printers, scanners, batteries for all portable electronic devices, video and audio tape, and other equipment used and replaced on a regular basis. To keep up with emergent technology trends and replace obsolete equipment.		21,192	11,357	27,847	24,500	25,250	750	3.06%
01210200 550010	Medical Supplies	Equipment and supplies used by police officers at medical emergencies. This includes the purchase of batteries for the AEDs, am-bu bags, bandages, sterile cloths for burn victims, ice packs and blankets.		39	951	310	3,500	3,500	-	0.00%
01210200 552020	Ammunition & Training Supplies	These funds are used to purchase ammunition, cartridges for the electronic control devices and other supplies for the training, certification and recertification of police officers. The department provides a training program to assure the safe handling and proficient use of issued and authorized firearms.		9,261	12,973	16,013	25,000	25,000	-	0.00%
01210200 552050	Photographic	The purchase of DVDs and USB flash drives for serious motor vehicle accidents, crime scenes and victims. Public records requests for photographs and video images drive this expense.		760	3,377	1,351	2,500	2,500	-	0.00%

Police Department FY26 Operating Budget Request

Police Department FY26 Operating Budget - Salaries

FY26 RATE REQUEST

Other  
Funding  
Source:

Org	Employee Name	Title	Starting Rate 06/30/2025	Emt Stipend	ED Stipend	Car seat stipend	Other Stipend	Weekly Base Pay as of 7/1/25	Step Adjustment Date	Adjusted Rate	Total GF Budget Request	Chg'd to Details/SETB Grant/T&P:	Night Shift
511010 Whittemore, Scott	Chief of Police	\$ 4,462						4,573.08			238,715		
511010 Renzella, Jeffrey	Deputy Chief of Police	\$ 3,688						3,856.28			201,298		
											Subtotal Admin	440,013	
511140 Cleary, Marie	Lieutenant	\$ 2,551	127.55	637.75				3,316.31			173,112		
511140 Gallagher, Robert	Lieutenant	\$ 2,551	127.55	637.75				3,316.31			173,112		
511140 Showstead, Scott	Lieutenant	\$ 2,551	127.55	637.75				3,316.31			173,112		
511140 Vacant	Lieutenant	\$ 2,551	127.55	637.75				3,316.31			173,112		
											(Traffic)	0	
												692,446	
511220 Atwood, Steven	Sergeant	\$ 1,821	91.06	455.28				127.48	2,494.95		130,236	5228.46	
511220 Carrasquillo, Mark	Sergeant	\$ 1,821	91.06	455.28				127.48	2,494.95		130,236	2091.39	
511220 Gerrans, Glen	Sergeant	\$ 1,821	91.06	455.28				127.48	2,494.95		130,236		
511220 Griffin, William	Sergeant	\$ 1,821	91.06	455.28				127.48	2,494.95		130,236		
511220 Lemenger, Mike	Sergeant	\$ 1,821	91.06	455.28				127.48	2,494.95		130,236	5228.46	
511220 Shore, Brian	Sergeant	\$ 1,821	91.06	455.28				127.48	2,494.95		130,236	5228.46	
											Subtotal Sergeants	781,418	17776.78
511230 Barros, Timothy	Prosecutor-EMT (8)	\$ 1,571	78.55	392.74				141.38	2,183.61			113,984	
511230 Bean, Joseph	Patrol Officer-EMT (Step 3/4)	\$ 1,258	62.92	251.69				12.58	1,585.63	7/31/2025	1,678.80	87,206	3368.14
511230 Carey, Patrick	Patrol Officer (2/3)	\$ 1,221		244.17				12.21	1,477.20	6/13/2026	1,522.71	77,220	
511230 Carr, Patrick	Patrol Officer-EMT (3/4)	\$ 1,258	62.92	314.61				12.58	1,648.56	6/4/2026	1,745.42	86,424	329120
511230 Collins, Brian	Patrol Officer-EMT (6)	\$ 1,481	74.04	296.15				14.81	1,865.76			97,393	3864.78
511230 Cunningham, Christopher	Patrol Officer-EMT	\$ 1,571	78.55					15.71	1,665.20			86,923	
511230 DiInnocenzo, Mark	Patrol Officer-EMT-Detective	\$ 1,525	76.26	381.30							137.27	2,120.00	110,664
511230 DiCenso, Tana	Patrol Officer-EMT	\$ 1,481	74.04	296.15							14.81	1,865.76	97,393
511230 Dixon, Travis	Patrol Officer-EMT-CS	\$ 1,525	76.26	381.30	30.50						15.25	2,028.49	105,887
511230 Drapkin, Jacob	Patrol Officer-EMT (Step 2/3)	\$ 1,258	62.92	251.69				12.58	1,585.63	7/31/2025	1,678.80	87,206	3368.14

Police Department FY26 Operating Budget - Salaries

FY26 RATE REQUEST

Other  
Funding  
Source:

Org	Employee Name	Title	Starting Rate 06/30/2025	Emt Stipend	ED Stipend	Car seat stipend	Other Stipend	Weekly Base Pay as of 7/1/25	Step Adjustment Date	Adjusted Rate	Total GF Budget Request	Chgd to Details/SETB Grant/T&P:	Night Shift
511230	Dunajski, Stanley	Patrol Officer-EMT-Detective (7/8)	\$ 1,525	76.26	381.30		137.27	2,120.00	10/2/2025	2,183.61	113,133		
511230	Ferrara, Eric	Patrol Officer-EMT (Step 3/4)	\$ 1,258	62.92	251.69		122.58	1,585.63	7/31/2025	1,678.80	87,206	3368.14	
511230	Fritts, Christopher	Patrol Officer-EMT	\$ 1,571	78.55	314.19		15.71	1,979.38			103,324	4100.15	
511230	Gaffney, Stephen	Patrol Officer (6)	\$ 1,481		296.15		14.81	1,791.72			93,528	3864.78	
511230	Garland, Thomas	Patrol Officer-EMT (Step 4/5)	\$ 1,332	66.82	333.10		13.32	1,745.42	5/15/2026	1,842.69	91,812	3504.24	
511230	Gover, Timothy	Patrol Officer-EMT	\$ 1,571	78.55	314.19		15.71	1,979.38			103,324		
511230	Harris, Derek	Patrol Officer (7)	\$ 1,525		381.30		15.25	1,921.73			100,314	3980.72	
511230	Kane, John	Patrol Officer	\$ 1,571		314.19		15.71	1,900.84			99,224		
511230	Knapp, Mark	Patrol Officer-EMT-CS	\$ 1,525	76.26	381.30	30.50	15.25	2,028.49			105,887	3980.72	
511230	Lopez, Alphonso	Patrol Officer (2/3)	\$ 1,221		305.21		12.21	1,538.25	6/13/2025	1,585.63	80,411	3186.37	
511230	Lucena, Allison	Patrol Officer (Step 6)	\$ 1,481		370.19	29.62	14.81	1,895.37			98,938	3864.78	
511230	Mankavech, Michael	Patrol Officer-EMT-Detective	\$ 1,481	74.04	370.19		133.27	2,058.26			107,441		
511230	McLaughlin, Peter	Patrol Officer-Det	\$ 1,571		314.19		141.38	2,026.51			105,784		
511230	Misho, Glen	Patrol Officer CS	\$ 1,481		370.19	29.62	14.81	1,895.37			98,938	3864.78	
511230	Pino, Michael	Patrol Officer-EMT	\$ 1,481	74.04	296.15		14.81	1,865.76			97,393	3864.78	
511230	Poirier, Kathleen	Patrol Officer-SRO	\$ 1,525		305.04		137.27	1,967.48			102,703		
511230	Poisson, Jonathan	Patrol Officer (2/3)	\$ 1,221		244.17		12.21	1,477.20	5/1/2026	1,522.71	77,393		
511230	Popovski, Derrick	Patrol Officer (8)	\$ 1,571		157.09		15.71	1,743.74			91,023	4100.15	
511230	Popovski, Janet	Patrol Officer-Detective	\$ 1,525		381.30		137.27	2,043.74			106,683		
511230	Rosenberg, Evan	Patrol Officer-EMT-CS	\$ 1,525	76.26	381.30	30.50	15.25	2,028.49			105,887	3980.72	
511230	Scopa, Domenic	Patrol Officer-EMT (6)	\$ 1,481	74.04	370.19	29.62	14.81	1,969.41			102,803	3864.78	
511230	Snippole, Isabella	Patrol Officer (2/3)	\$ 1,221		244.17		12.21	1,477.20	6/13/2026	1,522.71	77,220		
511230	Wagner, Scott	Patrol Officer-EMT	\$ 1,571	78.55	314.19		15.71	1,979.38			103,324	4100.15	
511230	Wall, Matt	Patrol Officer - SRO(6/7)	\$ 1,481		370.19		133.27	1,964.22	3/14/2026	2,043.74	104,553		

Police Department FY26 Operating Budget - Salaries

FY26 RATE REQUEST

Other  
Funding  
Source:



# Town of Wellesley

## FY2026 Budget Request

Department: 145

Department Head: Maura O'Connor, Treasurer /Collector

### Treasurer/Collector Department Operating Request

DEPARTMENT EXPENDITURES	FY22		FY23		FY24		FY25		FY26		\$ Variance	
	Actual	Actual	Actual	Actual	Budget	Request	Budget	Request	FY25-26	FY25-26	% Variance	
Personal Services												
Permanent Employees	\$ 287,130	\$ 288,488	\$ 344,715	\$ 372,350	\$ 422,690	\$ 50,340					13.52%	
Longevity/Temporary/Seasonal	9,056	-	-	19,000	19,000	\$	-	-			0.00%	
<b>Subtotal, Personal Services Without Traffic &amp; Parking Reallocation</b>	<b>296,187</b>	<b>288,488</b>	<b>344,715</b>	<b>391,350</b>	<b>404,263</b>	<b>\$ 12,914</b>	<b>3.30%</b>					
<b>Subtotal, Personal Services</b>	<b>296,187</b>	<b>288,488</b>	<b>344,715</b>	<b>391,350</b>	<b>441,690</b>	<b>50,340</b>	<b>12.86%</b>					
Expenses	106,883	104,989	111,657	133,100	140,700	7,600	5.71%					
Encumbered Expended	-	-	205	-	-	-	-	-			0.00%	
<b>Subtotal, Expenses</b>	<b>106,883</b>	<b>104,989</b>	<b>111,862</b>	<b>133,100</b>	<b>140,700</b>	<b>7,600</b>	<b>5.71%</b>					
Total Without Traffic & Parking Reallocation	<b>\$ 403,070</b>	<b>\$ 393,477</b>	<b>\$ 456,372</b>	<b>\$ 524,450</b>	<b>\$ 544,963</b>	<b>\$ 20,514</b>	<b>3.91%</b>					
<b>TOTAL TAX IMPACT</b>	<b>\$ 403,070</b>	<b>\$ 393,477</b>	<b>\$ 456,576</b>	<b>\$ 524,450</b>	<b>\$ 582,390</b>	<b>\$ 57,940</b>	<b>11.05%</b>					
PERMANENT STAFFING (FTEs)	FY22		FY23		FY24		FY25		FY26		\$ Variance	
	Actual	Actual	Actual	Actual	Budget	Request	Budget	Request	FY25-26	FY25-26	% Variance	
Position Titles:												
Treasurer/Collector	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0				
Asst. Treasurer/Collector	1.5	1.0	1.0	1.0	1.0	1.0	1.0	1.0				
Sr. Accounting Clerk Parking & Collections	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5				
Accounting Clerks	1.5	2.0	2.0	2.0	2.0	2.0	2.0	2.0				
Part-Time/Intern	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0				
<b>Total Number of Positions</b>	<b>4.5</b>	<b>4.5</b>	<b>4.5</b>	<b>4.5</b>	<b>4.5</b>	<b>4.5</b>	<b>4.5</b>	<b>4.5</b>	<b>5.0</b>	<b>5.0</b>	<b>11.05%</b>	

Treasurer/Collector Department Operating Request

Treasurer/Collector Department Operating Request									
Org	Obj	Account # 01-145	Account Title	Explanation	FY22 Actual	FY23 Actual	FY24 Actual	FY25 Budget	FY26 Request
PERSONAL SERVICES									
01145100	511010	Senior Administrator	Treasurer/Collector	Senior Accounting Clerk/Parking Clerk - Starting in F'20 (50% paid by parking)	\$ 113,257	\$ 125,022	\$ 130,908	\$ 137,728	\$ 140,482
01145100	511015	Senior Accounting Clerk	Assistant Treasurer/Collector		\$ 32,702	\$ 33,222	\$ 34,876	\$ 37,500	\$ 37,353
01145100	511220	Other Professional Staff	Full-Time Clerks	76,644	76,153	84,370	84,208	85,893	\$ 1,684
01145100	511370	Clerical	Part-Time Clerk/Intern	64,528	54,091	94,561	112,914	121,463	\$ 8,549
01145100	512290	Part-time Help		9,056	-	-	19,000	19,000	\$ -
01145100	515050	Longevity		-	-	-	-	-	0.00%
			PERSONAL SERVICES WITHOUT TRAFFIC AND PARKING REALLOCATION	\$ 296,187	\$ 288,488	\$ 344,715	\$ 391,350	\$ 404,283	\$ 12,914
			PERSONAL SERVICES SUBTOTAL	\$ 296,187	\$ 288,488	\$ 344,715	\$ 391,350	\$ 441,680	\$ 50,340
EXPENSES									
01145200	524030	Equipment Maintenance	This covers the cost of maintenance for the Department's copier, typewriter and postal equipment.	2,308	-	1,829	3,000	2,000	\$ (1,000)
01145200	527030	Equipment Rental/Lease	Cover cost of postage system that was installed in F'05.	2,315	3,087	3,087	3,500	3,100	\$ (400)
01145200	530900	Other Professional Services	Banking services include lockbox, depository, custodial and checking services.	38,364	43,621	39,564	53,000	40,000	\$ (13,000)
01145200	534010	Postage	The postage budget for the Treasurer's Office covers postage costs for mailing real estate, personal property and motor vehicle excise bills and payroll and expense checks. W-2 and 1099 forms, miscellaneous billings plus all departmental correspondence. The Treasurer's Office oversees the processing of outgoing mail from the Town Hall. Of the approx. 77,000 (exclusive of tax bills which are mailed by MLP but paid for out of this budget) pieces of mail processed annually, this budget covers the department's 31,000 pieces while the 46,000 other pieces are charged back to various departments.	43,375	23,054	27,452	48,000	26,000	\$ (22,000)
01145200	534011	Land Use Postage		-	15,000	10,787	-	-	\$ -
01145200	534030	Advertising - General	Notification to the public that tax bills have been mailed and legal advertisement for tax takings.	113	-	-	700	-	\$ (700)



Treasurer/Collector Department Operating Request							
Job Title Employee Name	FY25 Rate as of 6/30/25	Group - Step	Hrs/Week	FY26 RATE REQUEST		Step adjustment Rate	Total Budget Request
				FY26 Starting Rate 7/1/2025	Adjustment Date		
Treasurer/Collector Maura O'Connor	\$ 2,638.45	63	35	\$ 2,691.22			140,482
Assistant Treasurer/Collector Greg Copeland	\$ 1,613.19	56	35	\$ 1,645.45			85,893
Senior Accounting Clerk Parking & Collections (50%) Kathryn Rumsey	\$ 702.92	52	17.5	\$ 716.98			37,426
Senior Accounting Clerk Parking & Collections (50%) <b>Reinstated from Traffic and Parking FY26</b>	\$ 702.92	52	17.5	\$ 716.98			37,426
Accounting Clerk Barbara Jeannie Koushouris	\$ 36.29	49-6	30	\$ 37.38			58,535
Accounting Clerk Dorothy Beattie	\$ 33.44	47-6	35	\$ 1,205.51			62,928
Part-time/Intern - Vacant	\$ 25.00	DGEN					19,000
						\$ 441,690	

\*Note: FY26 Salary is based on a 52.2 week year.

Assumptions:

40 series increase  
50,60 series increase  
Pay weeks in FY26 =  
1.0300  
2.00%  
52.2

**9. 8:15 Discuss Town Hall Art Working Group Charge**

The Board previously discussed the charge of a working group to assess Town Hall for installation/re-installation of art. Documents for this agenda item will be sent Monday.



**10. 8:30 Administrative Matters**

- Discuss and Vote Minutes

Please see minutes of September 10<sup>th</sup> for your review.

**MOTION**

**MOVE to approve the minutes of September 10, 2024.**

**11. 8:40 Chairs Report**



1 Approved:

2

3 **Select Board Meeting: September 10, 2024**

4 **Present:** Colette Aufranc, Thomas Ulfelder, Lise Olney, Beth Sullivan Woods, Majorie Freiman

5 **Also Present:** Meghan Jop

6

7 **Meeting Documents:**

- 8 1. Agenda
- 9 2. Select Board Calendar
- 10 3. Agenda Background
- 11 4. Wellesley Police Department Memo : Appointment of Cross Guard 8/30/24
- 12 5. Wellesley Police Department Memo : Appointment of Cross Guard 9/04/24
- 13 6. Mass Alcohol and Beverage Control Commission 8/07/24
- 14 7. List of Officers and Directors of Wellesley Country Club
- 15 8. Application for Amendment of Officers 8/07/24
- 16 9. Common Victualler license application 7/12/24
- 17 10. Roche Bros interior plan
- 18 11. Takeout Food license application 8/16/24 Ace Sushi
- 19 12. Takeout Food license application 8/16/24 Olin Hall
- 20 13. Takeout Food license application 8/16/24 Dunkin
- 21 14. Takeout Food license application 8/16/24 Village Coffee House
- 22 15. Takeout Food license application 8/16/24 Trim Dining Hall
- 23 16. Wellesley Fire Memo : Promotional Candidate for Deputy Chief 9/10/24, James Claflin
- 24 17. Wellesley Fire Memo : Promotional Candidate for Lieutenant 9/10/24, John Ryder
- 25 18. Wellesley Fire Memo : Promotional Candidate for Lieutenant 9/10/24, Ben Hampton
- 26 19. Cost of Living Adjustments for FY26 presentation
- 27 20. Fifth Amendment to Development Agreement 9/4/24 draft
- 28 21. Appendix A - Comp time 40 hour buy out
- 29 22. FY24 Turn Back by Department
- 30 23. Wellesley Police Department Memo : Letter of Commendation 9/03/24
- 31 24. Wellesley Police Department Memo : Letter of Commendation 8/26/24
- 32 25. Wellesley Police Department : Animal Control July Monthly Report 8/16/24
- 33 26. Animal Control Monthly Report

34

35 **1. Call to Order**

36 Ms. Aufranc, Chair, called the Select Board to order for 6:00 pm.

37

38 **2. Executive Session M.G.L c. 30A §21A, exemption #4 to discuss the deployment**

39 **of security devices or strategies with respect thereto to cybersecurity**

40

41 **At 6:01 upon a motion by Mr. Ulfelder and seconded by Ms. Freiman, the Board was polled**

42 **all aye (5-0) to enter executive session under M.G.L c. 30A §21A, exemption #4 to discuss the**

43 **deployment of security devices or strategies with respect thereto to cybersecurity and to**

44 **invite Meghan Jop, IT Director Brian Dupont, and Advisory Liaison's Hanah Bonin and**

45 **Ken Largesse to join as the Chair has declared that having such discussions in open session**

46 **would have a detrimental effect on the Town's security. Following the adjournment of the**

47 **executive session the Board will return to open session to take up the remainder of the**  
48 **agenda.**

49 **Aufranc –Aye**

50 **Freiman – Aye**

51 **Olney – Aye**

52 **Sullivan Woods – Aye**

53 **Ulfelder – Aye**

54

55 **3. Return to Open Session**

56 Ms. Aufranc returned to open session at 6:38 PM.

57

58 Ms. Aufranc announced the meeting was aired live by Wellesley Media on Verizon Channel 40  
59 and Comcast Channel 8 and recorded for subsequent viewing on the cable channels or at  
60 [wellesleymedia.org](http://wellesleymedia.org).

61

62 **4. Citizens Speak**

63 None

64

65 **5. Executive Director's Update**

66

67 Ms. Jop shared the following updates:

- 68 • The Town's annual 9/11 memorial service to take place at 10:00 AM on September 11 at  
69 Fire Headquarters to honor those lost, including four Wellesley residents.
- 70 • The DEI Equity Audit Survey, aimed at gathering input from residents, students, and  
71 business owners, was set to close on September 12. Results will be shared with the  
72 Board.
- 73 • The Wellesley Catch Connect ride-share service has extended its operating hours to 6:45  
74 AM–8:45 PM, Monday through Friday, effective September 9. This curb-to-curb service,  
75 operated by Metro West RTA, is available via a free app.
- 76 • Two new employees were welcomed: Kathy Savage, Assistant Director at the Council on  
77 Aging, and Barbara Frang, Administrative Assistant at the Fire Department.

78

79 **6. Consent Agenda**

80 Ms. Aufranc took up the Consent Agenda. This allows routine on non-controversial items to be  
81 approved with a single vote.

82

- 83 •Appointment of Crossing Guards
- 84 •Vote Change in Officers and Directors Wellesley Country Club at 300 Wellesley Avenue
- 85 •Vote Common Victualler License for Roche Brothers Supermarket at 184 Linden Street
- 86 •Vote Common Victualler License for Ace Sushi at Babson College at 4 Babson College Drive

87

88 **Upon a motion by Mr. Ulfelder and seconded by Ms. Freiman, the Board voted (5-0) to**  
89 **approve the consent agenda.**

90

91 **Aufranc –Aye**

92 **Freiman – Aye**

93      **Olney – Aye**

94      **Sullivan Woods – Aye**

95      **Ulfelder – Aye**

96

97      **6. Chair's Report**

98      Ms. Aufranc gave an update on the upcoming All-Board meeting, emphasizing the meetings focus  
99      on understanding budget drivers and fostering collaboration among Town boards and committees.  
100     Ms. Aufranc noted that most boards and committees planned to attend and highlighted the meeting  
101     agenda's emphasis on cost driver presentations to facilitate a shared understanding of budgetary  
102     pressures. Ms. Aufranc detailed the need to set the tone across all departments and boards that we  
103     are all one Town, and the Town has one set of resources.

104

105     Ms. Aufranc noted the Board had a productive breakfast meeting with Babson College leadership,  
106     and she expressed gratitude for the Babson's partnership and support.

107

108

109      **7. Discuss and Vote Fire Promotional Appointments**

110     *Chief Mortarelli, Lieutenant James Claflin, Firefighter Ben Hampton, and Firefighter John  
111     Ryder joined the meeting.*

112

113     Ms. Aufranc welcomed Fire Chief Mortarelli and noted how fortunate the Town is to have such  
114     excellent internal candidates for promotion.

115

116     Chief Steve Mortarelli presented recommendations for three fire department promotions:

117

118     **Lieutenant James Claflin** was recommended to be promoted to Deputy Chief. Lieutenant  
119     Claflin was recognized for his 11 years of service, his leadership in fire prevention, and his  
120     experience as an instructor at the Massachusetts Fire Academy.

121

122     **Upon a motion by Mr. Ulfelder and seconded by Ms. Freiman, the Board voted (5-0) to  
123     appoint Lieutenant James Claflin to the position of Deputy Chief effective July 17, 2024.**

124

125     **Aufranc –Aye**

126     **Freiman – Aye**

127     **Olney – Aye**

128     **Sullivan Woods – Aye**

129     **Ulfelder – Aye**

130

131     **Firefighter John Ryder** was recommended to be promoted to Lieutenant. Firefighter Ryder has  
132     been with the department for 5 years. Chief Mortarelli recognized Firefighter Ryder's service in  
133     the Navy and detailed his expertise in hazardous materials and mentorship of younger  
134     firefighters as key assets to being an officer.

135

136     **Upon a motion by Mr. Ulfelder and seconded by Ms. Freiman, the Board voted (5-0) to  
137     appoint Firefighter John Ryder to the position of Lieutenant effective July 15, 2024.**

138

139      **Aufranc –Aye**  
140      **Freiman – Aye**  
141      **Olney – Aye**  
142      **Sullivan Woods – Aye**  
143      **Ulfelder – Aye**  
144  
145      **Firefighter Benjamin Hampton** was recommended to be promoted to Lieutenant. Firefighter Hampton has with the department for 13 years and is currently assigned as an acting Lieutenant. Chief Mortarelli recognized Firefighter Hampton's service in the Marine Corp and detailed his leadership on the Norfolk County Technical Rescue Team and his contributions to the Fire Department's Honor Guard.  
150  
151      **Upon a motion by Mr. Ulfelder and seconded by Ms. Freiman, the Board voted (5-0) to appoint Firefighter Benjamin Hampton to the position of Lieutenant effective July 16, 2024.**  
154  
155      **Aufranc –Aye**  
156      **Freiman – Aye**  
157      **Olney – Aye**  
158      **Sullivan Woods – Aye**  
159      **Ulfelder – Aye**  
160  
161      The Board discussed each of the promotional candidates and emphasized the value of internal leadership development and the role of family support in the success of firefighters. Family of each of the candidates were introduced.  
164  
165      **8. Discuss 40/50/60 Series Cost of Living Adjustments and Merit Pay Plan for FY26**  
166      *Human Resources Board Chair Anthony Bent and Human Resources Director Dolores Hamilton joined the meeting remotely.*  
168  
169      Ms. Aufranc detailed the Board's four step structured discussion of budget drivers as the Town enters budget guideline discussions. Ms. Aufranc noted the biggest budget driver is personal service costs, and that all union contracts are settled through FY26. Ms. Aufranc expressed the importance of the Human Resources Department and HR Board as critical partners in understanding the non-union personnel cost drivers.  
174  
175      Ms. Hamilton gave a presentation detailing the proposed fiscal year 2026 salary adjustments for non-union employees. Recommendations included a 3% COLA for 40-series employees and a 2% COLA for 50/60-series employees, along with a 2.5% adjustment to the midpoint of those salary ranges. The Board discussed concerns about current entry-level salaries being below market rates and noted that these disparities are expected to be addressed in the ongoing classification and compensation study, slated for completion by October 2024. The study's findings may require phased implementation due to budget constraints. The Board expressed general support for Ms. Hamilton's recommendations, emphasizing the importance of remaining competitive while managing fiscal responsibility.  
184

185      **9. Special Town Meeting Preparation**

186

187      ***Article 13 - Linden Square Development Agreement***

188      Ms. Aufranc recused herself from this discussion, as she is an abutter to the VW dealership. Vice  
189      Chair Marjorie Freiman led the discussion.

190

191      *Sarah Ford Rogers of Federal Realty and counsel Peter Tamm of Goulstonn and Storrs joined  
192      the meeting.*

193

194      Ms. Freiman welcomed Mr. Tamm and Ms. Rogers to the meeting. It was noted at a previous  
195      meeting it was recommended that a public meeting be held to allow for transparency with the  
196      neighborhood and to seek public comment. The Town notified abutters of the meeting.

197

198      Ms. Rogers detailed the request of the Board and Town Meeting which is an amendment to the  
199      Linden Square Development Agreement to allow the Volkswagen dealership to continue  
200      operations on the site through 2033. The current Development Agreement allows for the  
201      Volkswagen dealership to operate through 2028. An amendment to the Development Agreement  
202      requires both Select Board and Town Meeting action.

203

204      Neighborhood liaison Hank Newman affirmed he has coordinated with the neighbors, and he  
205      expressed support for maintaining the dealership.

206

207      The Board discussed the proposed payment for the extension. After discussing potential  
208      adjustments to the annual payment associated with the agreement, the majority of the Board  
209      determined that the economic benefit to maintaining the use and the excellent partnership with  
210      Volkswagen was sufficient and that they would agree to the continuation of the \$20,000  
211      payment.

212

213      **Upon a motion by Mr. Ulfelder and seconded by Ms. Freiman, the Board voted (5-0) to  
214      approve the fifth amendment to the development agreement.**

215

216      **Aufranc –Aye**

217      **Freiman – Aye**

218      **Olney – Aye**

219      **Sullivan Woods – Aye**

220      **Ulfelder – Aye**

221

222      ***Article 5 – Amend Appendix A in FLSA Agreement.***

223      *Fire Chief Stephen Mortarelli joined the meeting.*

224      The Board reviewed updates to Appendix A of the FLSA agreement with the Firefighters' Union  
225      to address a data error discovered during a review of the proposed payout to the Firefighters. The  
226      revised agreement confirmed the accurate allocation of compensatory time and payments for  
227      affected personnel. The revised Appendix modifies the request to \$92,971.14 at Special Town  
228      Meeting to address the FLSA violation.

229

230 **Upon a motion by Mr. Ulfelder and seconded by Ms. Freiman, the Board voted (5-0) to**  
231 **approve the amended Appendix A, to the FLSA agreement in the amount of \$92,971.14.**

232  
233 **Aufranc –Aye**

234 **Freiman – Aye**

235 **Olney – Aye**

236 **Sullivan Woods – Aye**

237 **Ulfelder – Aye**

238

239 The Board discussed whether to prepare an interim budget update for the Special Town Meeting.  
240 Ms. Aufranc detailed the Board's recent practice of providing such an update during COVID, but  
241 recommended transitioning back to the pre-COVID practice of an annual Town-Wide Financial  
242 Plan presented at Annual Town Meeting. The Board discussed highlighting the importance of  
243 communicating the budget process and broader fiscal impacts to Town Meeting Members while  
244 acknowledging the diminished need for a mid-year financial update. It was determined that a letter  
245 could address Special Town Meeting details, the budget cycle, and other key updates.

246 Ms. Jop gave a brief update on the proposed Cultural Council article noting after further review  
247 and discussion with Town Meeting it was no longer needed. The Board agreed to withdraw the  
248 Cultural Council article from the Special Town Meeting. The Board was supportive of proposing  
249 a new article at Annual Town Meeting to establish a bylaw defining the Cultural Council's mission,  
250 structure, and appointing authority.

251

252 This meeting was adjourned at 7:57 pm.

253 The next regular meeting is scheduled for:

254

255 **September 17, 2024 – All Board Meeting, Tolles Parsons Center, Schuler Room**

256 **September 24, 2024 – Remote Meeting**

257



**TOWN OF WELLESLEY**  
WELLESLEY, MA 02482  
Telephone 781-235-0062

**POLICE DEPARTMENT**  
Scott Whittemore  
Chief of Police

**TO:** DISPATCHER AMANDA CUMMINGS  
DISPATCHER DEBORAH TELLINI  
OFFICER MIKE PINO  
OFFICER TIM GOVER

**FROM:** CHIEF SCOTT WHITTEMORE

**SUBJECT:** LETTER OF COMMENDATION

**DATE:** NOVEMBER 29, 2024

---

On November 27, 2024 at approximately 10:00 AM, a 9-1-1 call was received at the Wellesley Police Department Emergency Communication Center by Dispatchers Amanda Cummings and Deb Tellini. The caller reported that a co-worker had been electrocuted by an unknown means, and was having a seizure on Falmouth Circle.

Dispatchers Cummings and Tellini immediately dispatched Officer Mike Pino to the scene, as well as the Wellesley Fire Department. Officer Tim Gover was on the street at the time, conducting a final test and shakedown of the Wellesley Police Department's brand new, fully electric Chevy Blazer police cruiser. Officer Gover monitored the call, and opted to immediately respond the scene, following Officer Pino. It should be noted that this was a very busy time in dispatch, as Wellesley officers were also engaged in a warrant arrest at the same time.

The dispatch staff realized that the Coastal paramedic ambulance assigned to Wellesley was already committed to a mutual aid call in Natick, and thus the Natick ambulances were not available. Dispatchers knew that this call was life threatening in nature, and immediately opted to call the Needham Fire Department, which did have a paramedic ambulance available. Needham Fire immediately dispatched one of their paramedic ambulances to the scene. Simultaneously, the dispatch staff continued to talk the 9-1-1 caller through steps to monitor and check on the patient's condition.

Following the instructions of the Emergency Communication Center Dispatchers, the 9-1-1 caller reported that the victim had stopped breathing and did not have a pulse. Dispatchers

Tellini and Cummings then talked the caller through the steps of CPR, which the caller was able to initiate.

Officer Mike Pino and Tim Gover were the first to arrive on the scene, where they observed the caller performing CPR on the victim in the middle of a driveway. The officers noted that the caller was providing effective CPR compressions, and could hear Dispatcher Tellini on speakerphone continuing to provide guidance to the caller.

Officers Pino and Gover immediately took over care of the patient and provided professional, high quality CPR. Both officers were very concerned about the scene, as they were unsure of how the victim had received the life threatening electrical shock. It should be noted that they were in close proximity to a utility pole, and observed secondary electrical service lines running from the base of the pole underground. The ground and everything around them was wet from a significant rain storm that had occurred in the early morning hours. The officers continued to treat the victim, while trying to interview other workers about how the electrical shock had been received. The only information they could obtain in those hectic few minutes was that the worker had possibly been shocked through his feet.

The officers were both aware that significant electrical shocks can cause spinal injuries, and opted to stay where they were despite the unknown hazard to themselves.

The Wellesley Fire Department arrived approximately two minutes later and began rendering care to the victim. Officers and firefighters attached an AED to the patient, which immediately advised to defibrillate the victim. The first of three shocks was delivered. Additional officers and firefighters arrived on the scene, securing and investigating the area for safety until the Wellesley Municipal Light Plant (WMLP) could arrive to determine if the scene was safe.

Officers Pino and Gover, along with Wellesley firefighters, continued to perform CPR and defibrillate the victim until the paramedic ambulance from Needham arrived. As the ambulance was arriving, the third defibrillation shock was delivered, successfully restarting the victim's heart. The victim also started breathing on his own. The victim was then transported by Needham Fire to the hospital with a heartbeat. The victim was later flown from Newton Wellesley to Mass General Hospital for the best possible care in Metropolitan Boston.

This incident is the very definition of team work. The four of you all made significant contributions, that when coupled together, ultimately saved the 22-year old victim's life. The steps that the dispatch staff took, including a command decision to contact Needham Fire immediately, resulted in the timely arrival of an advanced life support (ALS) ambulance. The follow up instructions for bystander CPR were critical in raising the survival chances of the victim until professional CPR could be administered.

Officers Pino and Gover, heedless of their own safety on arrival, provided aggressive pre-hospital care to the victim, and then seamlessly integrated with the Fire Department once they arrived.

The end result was that the victim had his heart and breathing restarted on the scene due to your actions. All of you were nothing short of professional and calm, successfully applying every facet of your training and experience to the incident.

Make no mistake—your actions saved the victim's life.

On behalf of the Town of Wellesley, and the Wellesley Police Department, I want to commend and thank you. You have made our community proud, and your actions are well known throughout Wellesley and beyond. You will all receive an additional day off to be used at your discretion.

AUTHORIZED:



SCOTT WHITTEMORE  
CHIEF OF POLICE

