

**Advisory Committee Meeting
Zoom Video Conference
Wednesday, January 20, 2021, 6:30 p.m.**

Those present from Advisory Committee included Shawn Baker, Julie Bryan, Tom Cunningham, Lauren Duprey, Jake Erhard, Jennifer Fallon, Neal Goins, John Lanza, Jeff Levitan, Bill Maynard, Deed McCollum, Corrine Monahan, Patti Quigley, Mary Scanlon and Doug Smith.

Julie Bryan called the meeting to order at 6:30 pm.

6:30 p.m. Citizen Speak

There was no one present for Citizen Speak.

7:00 p.m. Select Board (SB) Budget

Meghan Jop, Executive Director; Amy Frigulietti, Assistant Executive Director; Tom Ulfelder, Vice Chair, SB; Marjorie Freiman, Chair, SB; and Sheryl Strother, Finance Director were present.

The FY22 budget guidelines; budgeting process; capital and debt service goals; and the department budgets that fall under the SB were reviewed. The operating budget guideline for both town school budgets is 2.5%. This year, health insurance will be bargained with all unions. Due to financial challenges from COVID, the FY22 budget reflects only the base and level service requirements (bottom half of the pyramid).

Overall, the general government budget does not meet the 2.5% guideline. Items that were out of guideline were presented and reviewed with Green Energy, SEC and IT highlighted. The Finance Department is in transition and there is an increase in expenses.

The SB's cash capital was reviewed, and departments with 0% budget increases were listed.

Questions and Discussion

- More information was requested about the housing task force, the status of the railroad lot, and the tax impact.
 - The housing task force is looking at what Wellesley already has. Efforts at Town Meeting to move forward with 40R districts and housing overlays has helped and Wellesley is now at 11.9%. There are different means and measures on how to move forward on affordable housing; for example CPC has funds, and there is exclusionary zoning. The timeline of the Tailby lot was reviewed. Trinity Financial was selected last year before COVID and things are moving slowly, along but they are still progressing.
- 17% seems high for IT increases. Do we have fixed costs that go up every year?
 - It is an anomaly for this year due to a project to migrate costs out of capital into an annual subscription model. This represents about \$27,000 of costs.
- What are the costs for Microsoft if we are switching from traditional licensing to subscription?
 - Migration will handle the overwhelming number of users. However, some people share machines and it is more cost effective to get one license per computer versus one subscription per user.
- In the pyramid of costs, how is the strategic plan differentiated from the unified plan?

- The unified plan looks at multi-department impacts from one initiative. The unified plan is the town's comprehensive master plan and it serves as the town's strategic plan. But it's also an umbrella as individual large departments have their own strategic plans.
- Last year, jobs that were reclassified came in at higher than the budgeted rate. How confident are we in the projected increase for positions this year?
 - Many times, vacancies persist for many months and there is a buffer when the position is filled.
- The Town has taken a position of not laying off employees, but why not have a town-wide hiring freeze to deal with the pandemic impacts?
 - There was a hiring freeze last year for a short period to bolster free cash and turnback. We could perhaps freeze new positions, but we would need to cut a lot of positions to close the gap. The SB has not made any decision yet as they are looking at operations. Budgets reflect what is needed to move forward.
- Which of the out-of-guideline areas is the biggest contributor to the overall out-of-guideline overrun?
 - Green energy is a \$25,000 increase, SEC is about \$8,800 and IT has a \$92,000 variance. Given the fundamental importance of IT, particularly during COVID, their increase is warranted and there may need for different guidelines for IT moving forward. COA's increase is due to the higher cost for the director as part of the reclassification and hiring process. Risk management is up about \$60,000 due to several claims. We are still working to reduce cash capital. Decisions at Town Meeting about funding projects inside the levy limit will also impact the budget. These are all conscious decisions that the community is making to move forward.
- A request was made for the working budget documents including the budget summary and the budget book.
 - These were sent out just after the meeting.
- The schools were required to establish the Remote Learning Academy (RLA) for all remote learning. 30 teachers were hired for the RLA. The RLA is not being budgeted for in FY22 as it is anticipated it will not be needed. Those teachers will be laid off and are entitled to unemployment. Unemployment compensation is carried by the town for the school department.
- Green energy is up 125%, \$25,000. Is this paid by FMD to MLP?
 - Yes.
- What is the FMD payment for a sewage bill?
 - The sewage bill is paid for all municipal buildings.
- What percentage of the \$1.2 million is for capital projects?
 - It is for cash capital as well as inside the levy borrowing.
- So where does this fall?
 - FMD has made necessary reductions to get to their share of reductions.
- Why has Group Insurance increased?
 - It varies significantly year over year. All benefits are paid for by the town. It is a one-time cost for all hires. We look at what we have, the trends, and make an assumption on actuals.
- Does the SB have a list of the items that puts the SB budget over the 2.5% guideline and what would go and what would stay?
 - The SB has not created a gap list. The SB budget is .15% over guideline. The SB will look to see if additional cuts can be taken. Many costs are contractual such as fire, police, and benefits.
- In looking at parking and traffic and the \$1 million gap, it is understood some of the expenses are salary but is it important to keep all the sidewalk and parking lot improvements in the budget?

Approved Jan. 27, 2021

- This is a 1.99% budget and there are no new capital projects. Traffic and parking revenue go to deferred maintenance costs. Many parking lots are in residential areas, so it impacts abutters if these are not maintained. Small business owners feel the free parking is essential for business.
- Is there any evidence that consumers are more likely to park in Wellesley if it is free?
 - Merchants feel it is one more benefit that brings people into the stores, which has obviously been a challenge during COVID. Free parking is continued through February. January is typically the slowest month in the commercial districts. People are not taking the commuter rail which is a big impact to parking revenues

7:46 p.m. Community Preservation Committee (CPC) FY22 Budget

Barbara McMahon, Chair, CPC and Allan Port, CPC were present.

In FY21 CPC revenue was \$1,774,000 with \$1,300,000 from local real estate tax receipts (1% of local taxes). The fee at the Registry of Deeds increased which means state funds will be more stable. CPC has \$3.7 million in undesignated funds. CPA funds can be used in four areas -- historic, open space, recreation and housing. In the Annual Report and in the last Advisory Report there is a link to the state database to see all CPA projects across the state and the background on the statute itself.

CPC is recommending two projects for approval for appropriation at ATM.

The first is \$315,000 to the NRC for replacement of the weedharvester at Morses Pond. This is an open space and recreation allowable expense. CPC voted unanimously in favor.

The other is for the second phase of the Morses Pond bath house project. CPC helped fund the first phase of study. This second phase is estimated at \$217,000. \$500,000 is planned for this project. CPC anticipates funding the next phase (construction phase), and this is built into their financial plan.

CPC is not anticipating any other major requests. CPC's Financial Plan July 1, 2020 to June 30, 2026 was reviewed.

Questions and Discussion

- What is the administrative line? Is community housing something on the horizon that might come from the housing task force?
 - Administrative funds are used for expenses such as dues and administrative support. CPC is hopeful that the housing fund will be used; these monies are also used to study existing subsidized housing. CPC is moving forward with the required deed restriction for the North 40 property because CPC gave money for the purchase so a portion related to the CPC funds needs to be put under permanent deed restriction.
- Can the annual contribution to the reserve for housing be increased? What's the process for increasing that?
 - If not spent on housing projects, CPC is required to put 10% of each year's revenue into a housing reserve. However, that is not the only money CPC can spend on housing. \$250,000 was given to the Housing Development Corporation (WHDC) in previous years, but WHDC has been inactive and there is a fair amount of money that was originally CPA money that is sitting in a WHDC account. CPC stopped appropriating additional money to WHDC because it was not being used. CPC is happy to direct funds to the affordable housing trust if that is the new entity.

8:07 p.m. Recreation FY22 Budget

Approved Jan. 27, 2021

Matt Chin, Director, Recreation and Paul Cramer, Chair, Recreation were present.

Recreation's tax impact budget and operating budget for programs were reviewed. The tax impact portion of the budget is about a 0.5% increase. The program budget are expenses funded by Recreation program fees.

Questions and Discussion

- After working with the feasibility study on Morses' Pond, is there a sense of numbers?
 - There is a sense that the numbers will go up based on FMD requirements.

8:19 p.m. Natural Resources Commission (NRC) FY22 Budget

Raina McManus, Chair, NRC and Brandon Schmitt, Director, NRC were present.

The FY22 NRC budget was presented, including COVID-19 impacts. During COVID-19, there has been a greater use of parks and conservation land. NRC's FY22 capital budget was also presented, and the Morses Pond FY22 operating budget was reviewed.

Questions and Discussion

- The mechanical harvester doesn't solve the problem because the weeds need to be harvested regularly much like mowing the lawn. Has NRC considered sonar or chemical solutions to address the weeds?
 - Sonar is approved for use, but it is not certain that makes them safe. The town has not recently looked at herbicides, and it is unknown what happens to those chemicals when they enter the watershed so the town has taken the responsible step of not allowing herbicides to enter the water supply. We just don't know the long-term consequences of herbicides; many things we considered safe many years ago are now not safe.
- How had NRC used the tree fees, and what has been the impact?
 - The zoning bylaw dictates who can access those funds; Public Works uses them to plant trees. There is no discussion about changing fees, and since it is a Planning Board bylaw that would be in their purview.

Administrative Matters/Liaison Reports/Minutes

Minutes Approval

Mary Scanlon made and Doug Smith seconded a motion to approve the January 13, 2021 minutes.

Roll call vote:

Bill Maynard – yes
Patti Quigley – yes
John Lanza – yes
Mary Scanlon - yes
Deed McCollum - yes
Jennifer Fallon – yes
Jeff Levitan – yes
Corinne Monahan - yes
Shawn Baker – yes
Doug Smith – yes
Jake Erhard – yes

Approved Jan. 27, 2021

Tom Cunningham – yes
Lauren Duprey – yes
Neal Goins - yes

Minutes were approved 14 to 0.

Liaison Reports

PBC/Jeff Levitan – At the recent PBC meeting, there was a lengthy discussion between the architect and a PBC member about the Hunnewell plan. The PBC member provided a list of 25 potential cost reductions to the architect, and there is another meeting tomorrow evening. A question was asked as to how this affects what has already been approved. Although they do not get into programmatic aspects, PBC is charged with delivering fiscally responsible buildings and so can challenge decisions such as fixtures and finishes. This debate is in the design phase and this is the time to be having this conversation. Construction phase will be voted on in the fall 2022.

Schools/Jenn Fallon and Lauren Duprey – Budget workshops are on-going with the district administration and staff, school committee and Advisory liaisons; enrollment has been studied in detail using district as well as third party Future Think modeling - plan is to use trend numbers based upon enrollment from before the pandemic but constant work is being made to verify movement of students from outside the district to back into the district. The School Department is going to conduct outreach to home school and private school people to see if they are coming back. A request was made from Advisory to see different budget models for different assumptions for enrollment levels (low, medium and high) and to optimize on each scenario.

8:48 p.m. Adjourn

Jeff Levitan made and Corinne Monahan seconded a motion to adjourn.

Roll call vote

Bill Maynard - yes
Patti Quigley – yes
John Lanza – yes
Mary Scanlon - yes
Deed McCollum - yes
Jennifer Fallon – yes
Jeff Levitan - yes
Corinne Monahan - yes
Shawn Baker – yes
Doug Smith – yes
Jake Erhard – yes
Tom Cunningham – yes
Lauren Duprey – yes
Neal Goins – yes

Approved 14-0.