

Approved September 13, 2023

**Advisory Committee
Zoom Video Conference
Wednesday, August 30, 2023, 6:30 p.m.**

Those present from Advisory Committee included Madison Riley, Chair; Susan Clapham, Secretary; Wendy Paul, Vice Chair; Gail Sullivan, Vice Chair; Al Ferrer; Pete Pedersen; Christina Dougherty; Rani Elwy; David Prock; Tamara Sielecki; Hanna Bonin; Phil Jameson; Jay Prosnitz; Lucienne Ronco; and Donna Stoddard.

Also in attendance were Meghan Jop, Executive Director; Sheryl Strother, Finance Director; Lise Olney, Chair, Select Board (SB); Colette Aufranc, SB; Tom Ulfelder, SB; Ann Mara Lanza, SB.

Madison Riley, Chair, called the meeting to order at 6:30 p.m. Vice Chair Wendy Paul took roll call of members of Advisory in attendance.

Meeting Video [August 30, 2023](#)

Citizen Speak

There was no one present for Citizen Speak.

FY23 Financial Results

Sheryl Strother, Finance Director, provided an update on the FY23 financial results. FY23 ended on June 30, 2023.

- FY23 results were favorable as expected.
- Revenues were higher than expected and there was significant turnback. The reasons for higher revenues and turnback were reviewed.
- The Townwide Financial Plan's (TWFP) "5 P's" were reviewed.
- Fiscal 2025 guidelines were reviewed.
- Options for reserves are being considered by the Select Board.
- The next steps in the budget process were identified.

Questions

- What is the arbitrage penalty and does this impact Free Cash?
 - It is a function of the interest rate spread. It is the difference between borrowing rates and investment rates. There is a timeline for the use of borrowed funds. The Town is required to borrow and use the funds raised for the needs of a project. Borrowed funds cannot be used for investment purposes.
- Is it a terrible problem if contracts are not settled and in place for STM and they come in higher?
 - As part of FY24 budget, \$1.2 million was appropriated for settling all town contracts. The funds have been set aside, and we work to fit all negotiations within those funds. If we don't settle the remaining three (3) contracts, then they will go to ATM. We make assumptions for contracts in the FY25 budget. If we go over \$1.2 million, then we will fund the difference from free cash. Our goal is to complete the contract negotiations by STM. The unions are working with us. We are close on one contract, and we recently started negotiating on the two (2) remaining contracts. We make assumptions about budget steps going forward with assumed increases for COLA, stipend increases and longevity. The money is appropriated, but Town Meeting needs to approve what is negotiated. Budgets need to be re-cast for FY24 and then rolled forward to FY25.
- Are interest earnings a factor of the market or investment strategy?

- They are a function of the rates set by the Federal Reserve; increases in interest rates are monitored and returns on investments are monitored by the Finance Director. Funds were borrowed early for the school projects because interest rates were trending upwards.
- A question was asked about permit fees.
 - The colleges had significant construction projects and there was commercial activity at Route 9 and 128. We knew that the work was planned, but we couldn't predict when the permit fees would come in. We don't include anticipated revenues in the budget in case they don't come in at the time they are budgeted.
- What portion of the turnback is related to the hiring challenges?
 - Most of it is related to hiring challenges.
- Will the spending of \$13 million of reserves on Town Hall bring reserves back within levels set by our town policy?
 - Town Meeting voted for the use of the reserves for Town Hall. Reserves were used for FY22. The FY23 results were good and replaced the funds which had been spent. All of this is related to coming out of the pandemic. Money was infused into all communities through various relief programs and grants. \$13 million is accounted for and is earning 5% interest. Reserves are expected to remain at this level.
- A question was asked about the number of open positions that are not being filled. What are the savings and how much is tied up in the vacant positions?
 - Turnback is \$4.6 million, and the largest portion is due to unfilled positions.
- Are the police positions filled?
 - Police are in a favorable position. Dispatch has been challenging for the past year and a half; this is a state-wide problem. We are interviewing weekly for these positions. The contract has been settled for dispatchers. Salary was one of the barriers to hiring people.
- Are the Fire Department positions filled?
 - There continue to be several vacancies. There is a new exam on September 9 which will provide more candidates. We continue to work with Boston Fire for other creative ways to train prospective firefighters by the Academy. There are still long wait lines to get into both police and fire academies. In addition, we anticipate several vacancies due to retirees.
- What is the status of the Human Resources Department hiring?
 - The hiring process for the director and assistant director is underway.
- A request was made to provide the preliminary thoughts on the use of the reserve balances that were discussed at the previous night's SB meeting.
 - Lise Olney, chair of the SB, responded that the SB is reviewing the financial policy and discussing a possible revision and whether board members are comfortable with increasing the reserve level to 15%. The SB is looking at best practices in other communities.
- What is leading the thought process of raising the reserve level?
 - Collette Aufranc responded that the SB takes a strategic approach to spend down the reserves. There is limited capacity for carrying out capital work. The reserve policy doesn't have strategic room to spend down the reserves.
 - The SB made a conscious choice during COVID to keep the reserves high due to uncertainty. A global event could happen again, and this is not accounted for in the reserve policy. It was felt that flexibility in the future is needed.
- A comment was made that the results for 2023 and the difficulty in hiring people are similar to the previous year. What is the risk management level of this and what are risks to the town with unfilled positions?
 - Public safety is operated through overtime. The same people are doing additional work. DPW was down 20% of work force at one time. This impacted negotiations and

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compensation was discussed and evaluated. Existing personnel are working longer and harder and being paid additional overtime. The risk is burn-out and injury. Departments are looking at different strategies to maintain services. Wellesley is not unique in hiring issues.

- A question was asked if climate is considered in reserve policy.
 - Climate action plan addresses these needs.

2023 Special Town Meeting Overview

Meghan Jop, Executive Director, gave an update on the anticipated Special Town Meeting (STM) warrant articles.

- A question was asked about whether all students are now eligible for free lunches and the impact of this on the food service management.
 - FDA has provided funds for the past few years and there are other contractual obligations outside of free lunch. This will be presented to Advisory on September 13, 2023.
- Is the project at 8 Cliff Road being pushed off to Annual Town Meeting?
 - For projects that need rezoning, the SB and Planning Board felt there was not enough time for the projects to be reviewed. This is being worked on for ATM

Administrative/Liaison Updates/Minutes

Liaison Updates

Planning/Madison Riley – The Sisters of Charity project was discussed at the last two Planning meetings; The Sisters would like to sell the property to a for-profit entity because they no longer want to operate the nursing home themselves. However, to sell to a for-profit entity, the zoning will have to change. The PB voted not to sponsor the STM warrant article for the zoning change, but they voted to place it on the warrant because they want to help the Sisters to get this on the warrant for Town Meeting.

Select Board/Wendy Paul – the recent SB meeting discussed FY23 results and the STM warrant; new assistant executive director has been hired: Corey Testa, former staff aide to State Representative Alice Peisch; Shake Shack and the restaurant Black and Blue were also approved at the recent meeting.

PBC/Wendy Paul – PBC is continuing with the major projects in town – Hunnewell School, Hardy School, and the Town Hall interior renovation.

Recreation/Wendy Paul – public hearing for the Morses Pond project was held.

DPW/Pete Pedersen – at the recent BPW meeting most of the conversation was about the flooding which took place over the summer; Wellesley is working with Weston, Needham, Natick and discussing MWRA connection; the work on Walnut Street will be done by the end of September.

Planning/Jay Prosnitz – provided additional information regarding the Sisters of Charity property and emphasized that the Planning Board is trying to be supportive of the Sisters of Charity.

CPC/Phil Jameson – at the recent meeting CPC discussed the possibility of funding a new housing plan but it needs to be sponsored by another board for the Warrant. CPC is also considering the funding of the creation of pickleball courts at Morses Pond.

Library/Christina Dougherty – provided an update of the recent WFL Trustees meeting where there was a discussion of the foundation representative and the recent First amendment audit.

Minutes Approval

Rani Elwy made, and Pete Pedersen seconded a motion to approve the June 28, 2023, minutes.

Roll Call Vote

Wendy Paul - yes

Al Ferrer - yes

Pete Pedersen - yes

Christina Dougherty - yes

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Rani Elwy - yes
David Prock – abstain
Tamara Sielecki - abstain
Gail Sullivan -yes
Hanna Bonin – abstain
Phil Jameson - abstain
Jay Prosnitz - yes
Lucienne Ronco - yes
Donna Stoddard - yes
Susan Clapham – abstain
Madison Riley – yes

June 28, 2023 minutes were approved, 10 – 0, with 5 abstentions.

Al Ferrer made, and Jay Prosnitz seconded a motion to approve the August 9, 2023, minutes.

Roll Call Vote

Wendy Paul - yes
Al Ferrer - yes
Pete Pedersen - abstain
Christina Dougherty - abstain
Rani Elwy - yes
David Prock – abstain
Tamara Sielecki - yes
Gail Sullivan -yes
Hanna Bonin - yes
Phil Jameson - abstain
Jay Prosnitz - yes
Lucienne Ronco - yes
Donna Stoddard - yes
Susan Clapham – yes

August 9, 2023, minutes were approved 10 to 0, with 4 abstentions.

Gail Sullivan made, and Christina Dougherty seconded a motion to adjourn.
A roll call vote was taken, and the meeting was unanimously adjourned at 8:15 p.m., 14 to 0.

Meeting Materials [August 30, 2023 meeting materials](#)

- 2023 Results
- 2023 Memo